DEVELOPING MARKETING STRATEGIES FOR TOURISM DESTINATIONS IN PERIPHERAL AREAS OF EUROPE: THE CASE OF BORNHOLM

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A thesis submitted in partial fulfilment of the requirements of Bournemouth University for the degree of Doctor of Philosophy

December 2002

Bournemouth University

in collaboration with

Centre for Regional and Tourism

Research, Bornholm, Denmark

Abstract

This thesis concentrates on the subject of destination marketing with a specific focus on the process of developing strategies through a Destination Marketing Organisation (DMO) for a peripheral area, illustrated by a case study from the Danish island of Bornholm. It investigates the theoretical foundations for destination marketing, concluding that there should be a shift in focus from general marketing theory to a broader application of organisational theories and associated fields, enabling the DMO to improve performance. The specific conditions for and structures of peripheral areas indicated that the process in these areas should be adapted to the circumstances generally experienced there. Specifically the predominant occurrence of life-style businesses in peripheral areas, either as micro-businesses or SMEs, which are planning on a short-term basis, need to be included in the strategic planning process by viewing them as 'cooperative customers'. Thus, applying the principles of marketing to the development of the strategy itself and viewing the strategic plan as a 'product' of the DMO. The theoretical analysis showed that DMOs cannot control all of the components of the marketing mix, but they can cooperate with the providers of the destination mix and incite 'coopetition' for the benefit of the visitors. The case study portrayed the DMO at a mature cold-water resort in a European peripheral area; it also illustrated the general development of tourism to the island and the impact of this development on the organisational structure of the tourism industry. It is assumed that the findings are transferable to other destinations that operate under similar conditions.

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Grey are all theories
And green alone Life's golden tree.

Johann Wolfgang von Goethe, Faust I, iv.

Preface

In spring 1995, I was appointed to the Research Centre of Bornholm (RCB), in order to take care of the administration of a five-year tourism research programme entitled 'Tourism in the peripheral areas of Europe'. Inspired by the work of my colleagues and encouraged by Professor Stephen Wanhill, I set off on my own research project. When I first embarked on this study, very little could be found specifically on the marketing of destinations. Having worked as a practitioner in the field of destination marketing for some years, I was curious to investigate the matter further. This thesis is the result of work carried out over a period of almost seven years, commencing with part-time registration in early 1996 and transfer from MPhil to PhD in June 1999, followed by full-time engagement in the research until May 2000. Subsequently, there was a period of three months in the summer of 2002 where I could fully concentrate on the research and finally completing the thesis in my spare time in the latter part of 2002.

Acknowledgments

Holding this thesis in my hands, ready for submission is one of my greatest personal victories. There was a time, when I feared that I would never overcome the obstacles that came in my way during the past six years. Therefore, I would like to express my gratitude to all those persons, who have contributed to the process of writing the thesis. First and foremost, it would not have been possible to undertake this study without the encouragement and support of my supervisor Professor Stephen Wanhill and the former Chief of Research at the RCB, Svend Lundtorp, agreeing to finance travel related expenses in the first place and subsequently supporting my application for a scholarship funded through the Danish Social Science Foundation (SSF) that provided a grant portion for a period of 15 months for me to undertake full-time research. Additionally, I would like to thank the various later managers of the RCB (now Centre for

Regional and Tourism Research (CRT)) for their continued financial support. I also would like to thank Stephen Wanhill specifically for his friendship throughout the last seven years never ceasing to believe that I was able to accomplish this investigation.

During the course of the study, I spent two months with the British Tourist Authority (BTA) on placement in the research department, which I am most grateful for, in particular the then head of research, Martin Sandbach, for enabling this stay and providing insight in the functions of a national tourism authority.

Since this thesis has been underway for a long time, the list of other people, who have been involved and whom I am indebted to is equally long. I would like to thank, Henrik Christoffersen, AKF and Nils Finn Munch-Petersen for their involvement with the visitor survey design. I am appreciative to Wolfgang Framke for sharing his interview transcripts with me. I show appreciation to both Szilvia Gyimóthy and Jørn Kristiansen for their friendship and great effort in reading and extensively commenting the first drafts. I am also grateful to Niels Feerup for kind assistance on matters regarding Destination Bornholm and reading and commenting upon the case study. Further, I thank all my colleagues (former as well as current) at the RCB/CRT for their inspiration and support. A specific thank you goes to Adrienne Sweeney for her good spirits and for pestering me to carry on, when things appeared rather hopeless. Last but not least, a great thanks to my family for letting me set off on this major project. In particular my dear father, who would support me with his good humour (entitling my work: 'how to lure people into travelling to the back of beyond') and also his financial support. Finally, I am grateful to my daughter Elisabeth for enduring the immense workload and for giving me every reason to carry on, when I most doubted I could. She has – unknowingly – been the greatest inspiration of all.

Author's declaration

Throughout the course of this research, preliminary results have been presented at various conferences. Where it was relevant, references to the conference papers (some published in proceedings, some unpublished) have been made accordingly and can be found in the list of references. The results from the Bornholm Visitor Survey have been published in the annual reports, however, the figures and tables presented in this thesis have been specifically produced for the thesis. Please note that references for both Hartl and Hartl-Nielsen relate to the author of this thesis.

List of abbreviations

Note: Where an established Danish acronym existed this was used throughout the thesis. For those abbreviations, the Danish long version of the acronym alongside with an English translation is given below.

ASTE	Allinge-Gudhjem Kommunes Sammenslutning af Turist- og Erhvervsvirksomheder (the association that runs NBT)
BER	Bornholms Erhvervsråd (Bornholm Industry and Business Development Council, a partly publicly funded, but otherwise an independent body)
BTB	Bornholm Tourism Board (Bornholms Turistråd)
BToC	Bornholm Tourism Committee (Bornholms Turistudvalg)
BVS	Bornholm Visitor Survey
BWC	Bornholm Welcome Centre (Bornholms Velkomstcentre)
CRT	Centre for Regional and Tourism Research
DB	Destination Bornholm
DS	Danish Statistics Office (Danmarks Statistik)
DT	Danish Tourist Board (Danmarks Turistråd)
DMO(s)	Destination Marketing/Management Organization(s)
EU	European Union
HORESTA	Hotel, Restaurant og Turismeerhvervets Arbejdsgiver-organsation (Danish Association of Hotel, Restaurant and Tourism Employers)
NALAD	National Association of Local Authorities, Denmark (Kommunernes Landsforening)
NBT	Nordbornholms Turistbureau (North Bornholm TIC)
NTO	National Tourism Organisation
RCB	Research Centre of Bornholm
RTB	Regional Tourist Board (of the UK)
RTDC	Regional Tourism Development Company
RTO	Regional Tourism Organisation

SMEs	Small and Medium-sized Enterprises
SMTEs	Small and Medium-sized Tourism Enterprises
SRT	Sammenslutning af Regionale Turismeudviklingsselskaber (Association of RTDCs in Denmark)
SYTE	Sydbornholms Turist- og Erhvervssammenslutning (Tourist and Business Association in Åkirkeby kommune)
TA	Tourism Association
TDC	Tourism Development Company, mainly referred to as RTDC
TF	Turismens Fællesråd (Joint Council of Danish Tourist Trade)
TIC	Tourism Information Centre, in Denmark these are either termed 'Turistbureau' or 'Turistinformation', the English abbreviation is used for both types in the text
TUC	Turismens UdviklingsCenter (Tourism Development Centre, a Danish institution financed by the Danish Government)
TØBBE	Turismens Økonomiske og Beskæftigelsesmæssige Betydning, a large-scale analysis of tourism's economic and employment impact in Denmark administered by the DT
USP	Unique Selling Proposition
WoCo	Wonderful Copenhagen, the DMO of Copenhagen

1 Introduction

This thesis is part of a large research programme initiated by the Danish Research Council for the Social Sciences in 1995 entitled 'Tourism in the peripheral areas of Europe'. The programme aimed at enhancing academic research into tourism in Denmark. This study in particular took its point of departure in 1996 in order to investigate the role of tourism destinations and their efforts into marketing destinations as such: later it was narrowed down into investigating the development process for marketing strategies at destination level. Since the research programme focused on peripheral areas, this aspect's influence on the development process had to be explored. It had also a connotation of improving performance of small and medium sized tourism enterprises (SMTEs). At an early stage of this investigation, it was realised that the small and micro businesses at a destination rely on the expertise of the DMO. Therefore, it is the mission of this study to investigate the role of the DMO and its relation to the small and medium sized enterprises (SMEs) at the destination. It also aims at contributing to a better understanding and, possibly a revision of theory application in practice.

The structure of the thesis is:

- First to identify the problem and research questions,
- Secondly to choose the relevant methodology,
- Thirdly to present the current theoretical basis for destination marketing,
- Then through the presentation of a case study to introduce destination marketing in practice, and
- To finally demonstrate a possible gap between theory and practice, with suggestions of how to bridge any discrepancies.

Each of these areas will be presented in its own chapter, with an additional concluding chapter at the end. This introductory chapter, apart from presenting the problem and research questions, will also give a short introduction to the thesis as such.

1.1 Aim and objectives of the investigation

As described in the short introduction above, it is the overall aim to analyse the role of a DMO in relation to the tourism industry at a given destination in a given context of a peripheral area. It is evident that marketing of tourism destinations is a difficult task. Although tourism is in its nature closely related to its customers, modern marketing approaches are less developed in tourism marketing than within the field of fast moving consumer goods. Additionally, tourism destinations experience problems as conflicts arise between the DMO and the individual service providers. Some of these may be explained by general changes in demand trends and also by the stage of maturity the destination has reached (cf. the framework provided by Butler (1980) of the Tourist Area Life Cycle), i.e. that a mature destination may have experienced growth over a period of time, without any distinctive marketing effort, but now experiences a decline. Single businesses - typically SMEs or even micro businesses (with less than 10 employees) - may feel that it is the responsibility of the DMO, whereas it typically is the SMEs that lack expertise and knowledge of how to rejuvenate their product. Others are problems that arise when applying general marketing theories, which do not necessarily pertain in destination marketing. Therefore, the investigation aims at illuminating these problems and also to add to the body of knowledge by developing destination marketing theory further.

Apart from focusing on tourism destinations, this investigation will also look, as indicated above, at peripheral areas, both in relation to the influence on the strategic planning process, but also in relation to peripheral destinations increased vulnerability to the impacts of tourism and the resulting need for focusing on a sustainable tourism development through detailed plans and management.

Thus, it is the overall aim of this investigation to analyse the problems encountered by DMOs in their planning for marketing strategies in the light of the more specific problems of peripherality. By integrating the aspects of peripherality into strategic marketing, it is further the intention to contribute to the knowledge base on dealing with the special tourism problems of these areas, such as the base of a large number of life-style businesses with little interest in strategic planning alongside the challenges of seasonality and accessibility, just to name a few (this will be further elaborated in Chapter 3). As also mentioned above, the study focuses on destination marketing, an emerging discipline (e.g. Goodall and Ashworth, 1988), which has to distinct itself from marketing of services, such as tourism, and product marketing. Altogether, the original theoretical basis was rooted in the following theoretical approaches:

I. Marketing:
   a. Place marketing (e.g. Kotler et al., 1993; Ashworth and Goodall, 1990)
   b. Strategy development (Porter, 1983; Keegan, 1989) at destination level (e.g. Weiermair, 2001; Poon, 1993)

II. Development
   a. Destination development (e.g. Pearce, 1989; Inskeep, 1991)
   b. Peripheral area tourism (e.g. Wanhill, 1996)

III. Network
   a. Organisational patterns (e.g. Handy, 1980, Nygaard, 2001)
   b. Coopetition (Hamel et al., 1989; Brandenburger and Nalebuff, 1996)

These three areas need then be linked to peripheral areas. The investigation also focuses on destination marketing viz. destination development, which need to be linked to each other in terms of their differences.

1.2 Presentation of the problem

Tourism marketing textbooks typically contain one chapter on destination marketing. Most of these state that a destination is a product and thus should be marketed as any other product (Middleton, 2000; Jefferson and Lickorish, 1991; Teare et al., 1994). But is this really true? At a macro level, this view is applicable, as any marketing approach will be helpful to the promotion of a specific region. However, it is not as simple as that. A destination is much more complicated to manage than any other operation, because destination marketers are not only confronted with tourism's well-know particularities of intangibility, inseparability, etc., but they have also to deal with a number of different actors that are independent operators in their own right.

Tourism destinations are unique entities from a marketing point of view. Normally, when dealing with a strategy formulation process, this takes place for a single service, event etc. or at least within a single company, a separate legal entity. Although many tourism destinations are in possession of a destination marketing and/or management organisation these cannot operate as if they were an independent corporation detached from other businesses. Both Chapter 3 and 4 will elaborate on these points from a theoretical approach and subsequently through the case study report.

Despite the fact that destinations are a conglomerate of many different businesses offering different services and experiences to the customers, DMOs typically attempt to market the destination on the basis of the classic marketing mix theory, which assumes ownership of, or a certain control over a product or service. Other concepts as offered by Relationship Marketing (RM) are also based on the assumption that the organisation controls a business unit of some kind (Gummesson, 1996). The nature of strategy can be described as the *considered response of an organisation to the realities of organisation stakeholders and the realities of the business environment* (Keegan, 1989). This should not represent an impossible task for a DMO, but there is an important difference in the fact that the DMO has a two-fold audience, so that the strategy targeted towards the customer could becomes the *product* offered to the trade.

Also, it is important to realise that what is termed the *tourism industry* does not equal an industry in the pure sense of the word; i.e. one homogenous group of businesses working in the same line of production (Smith, 2003), but rather a more or less organized field of activity regarded in its commercial aspects. Therefore one could argue that tourism does not consist of just one industry, but is a collection of several (Smith, 2003). Despite clear indications of tourism not being a single industry, it has been chosen throughout this thesis to refer to the tourism industry, indicating the numerous stakeholders that are involved in supplying the tourism experience for the visitor to a destination.

Peripheral areas are somewhat disadvantaged as they have a certain dependence on the centre region they are linked to. Often peripheral areas represent great natural beauty and other values that attract visitors (Hall and Brown, 1999). This indicates that peripheral tourism destinations work under different presuppositions than tourism destinations in central areas, e.g. city destinations. It is therefore of interest, whether the strategy development process at a peripheral region differs from the process in a centre region, and if this is so, whether a change in the process could enhance the marketing effort of a peripheral destination. There is an element of cooperation with others in general, and cooperation within the destination in particular, which needs to be investigated.

Summing up, one can say, that today, principles of marketing are applied in the field of promoting destinations, despite the fact that a number of basic presuppositions in marketing theory do not apply to tourism destinations. Although this is realised by practitioners, who know their limitations in relation to the actual marketing effort they carry out, it is claimed by the author that possibly a shift in paradigm could ease communication and thus enhance performance in terms of increased cost-benefit. In this, the strategy formulation process is likely to be central.

The thesis aims at demonstrating the current theoretical limitations, as the following points of departure formed the base for this thesis:

- Destination marketing is different from marketing of services or products and needs, therefore, a wider approach than offered by general marketing theory.

- Marketing of peripheral destinations is different from marketing of an urban destination, because of varying conditions, and this influences on the strategy development process.

It is proposed that destination marketing also needs to take the following aspects into consideration, when developing strategies:

- Networking and
- Relationships,

it is also mainly

- Promotion focused and thus offers a
- Facilitation strategy to stakeholders.

These theoretical propositions will be explored in relation to destination marketing through a critical review of relevant theories and the presentation of the case study. Once the theoretical gaps have been demonstrated, it should be evident how to improve DMO performance by moving focus on different tools in strategy development, as it is envisaged that the overall vision needs to be rooted within the stakeholders of the destination. The strong focus on marketing terminology hampers communication and thus the stakeholders' full support for the destination's strategy. Therefore, this thesis does not aim to come up with concrete strategy suggestions, but to show how the process of developing strategies can be improved from a theoretical point of view.

Nevertheless, it is considered necessary to go through the work of a DMO both on a theoretical basis, as well as the practical side. After status quo has been established from both the theoretical and practical side, the thesis will then present views on in which way the focus should be shifted.

It is claimed that a broader understanding of the destination and its development mechanisms by destination marketers is imperative, especially in peripheral locations. For example, the understanding and application of regional development theories can support an increased understanding on the development amongst stakeholders.

1.3 Research questions

The study was conducted in the attempt to answer the following research questions:

How does the strategy formulation and implementation process function and how could it be improved?

How has tourism developed over time, and what way has this influenced on the way the tourism industry functions today?

How does the application of marketing terminology affect the communication between DMO and industry?

How does the presence of many life-style businesses affect the interest and willingness in participating in the strategy development process?

1.4 Thesis structure and limitations

At this stage, it should be made clear that this study has its limits. The research focuses upon a mature destination in a cold-water area, with no mass tourism. Therefore, the level of generalisation is limited, amongst other reasons, because of the chosen single case study approach. However, Chapter 5 Theoretical impacts on destination marketing planning, will argue for the applicability of the findings to other areas. This thesis takes the point of view of the DMO, i.e. it analyses the problems that occur when developing and implementing the destination marketing strategy, making the DMO the focal point of the study. Therefore, Chapter 3 focuses on the DMO, relating it to both visitors and tourism industry, whilst Chapter 4 takes its starting point at the wider views of the tourism industry and the visitors of the case study area and subsequently narrowing the subject to the actions of the DMO in the case study area.

2 Methodology

This chapter will describe the background for this thesis from the methodological point of view. First, the choice of the case study approach will be explained, and then the choice of the empirical area of research will be accounted for, finally the research design for the study will be introduced, by describing how the case study approach will be applied in this study.

2.1 Methodological approaches

When conducting research in the area of the social sciences there are many different systematic approaches to the study to be carried out. Dealing with tourism and taking, as described in the research questions, the point of departure in the institution of the DMO and at the same time to combine visitors views and the industry's views on the destination calls for an institutional approach, thus analysing the development and the decision-making processes as well as the organisations based on both formal and informal sets of rules. The research attempts to grasp the social dimensions that are related to traditions and routines, which are based on experiences and irrational behaviour and rules, which relate to that kind of behaviour.

Prior to choice of research method, various questions have to be answered in relation to which research strategy to choose. Focus needs to be given to the type of research question, the degree of the researcher's control over actual events as well as the degree of focus on current events as opposed to previous events (Yin, 1994). Research questions that focus upon 'what' is taking place, can either be exploratory or focus on frequency. The first can use any research strategy or method, whereas the latter is mainly suitable for the application of surveys or the analysis of archival data, when the focus is on historic development. Is the focus, on the other hand on, the 'how and why', case study approaches or the application of experiments would be suitable. It is thus possible, to identify situations, where any research strategy could be relevant, and other situations, where only two strategies are equally attractive. In other words, often more than one strategy can be applied to a given study to give a greater depth to the study carried out. Yin (1994) suggests that one for example could use a survey within a case study or a case study within a survey. However, he concludes that research questions focusing upon the 'how' or 'why' have a distinct advantage in being combined with a case study approach, when they focus upon a '*contemporary set of events over which the investigator has little or no control*'.

Some methodological approaches can be found in systems theory and the research based thereupon. Johns and Lee-Ross (1998, p. 29) state that one of the main points for systems theory in general is, that a system must be identifiable, i.e. it needs to have:

- Subcomponents that interact with one another;
- An identifiable boundary;
- An environment, from which it is distinct;
- Input and outputs;
- A purpose (for most systems in management research).

At the same time, a system must also demonstrate evolving properties, which are established by all the components working together, but not by individual components that work in isolation. There is usually a distinction between hard systems methodology, which relates to systems engineering and the solving of problems, on the one hand, and soft systems, relating to strategic thinking, the definition or redefinition of the problem and the inclusion of as many aspects of the problem as possible. Soft systems methodology is related to seven stages in the research, each with their defined output (Patching, 1990). This methodology is related to action research, as it requires a certain level of participation in the organisation investigated and aims at establishing a basis for debate with the client, who has commissioned the investigation. Although it was reckoned that the soft systems approach as such was not the best suitable for this thesis, elements of the methodology were used in the work carried out.

Another, commonly used method in conducting social sciences research is the case study, as it sheds light on contextual factors of the phenomena that are the drivers for human actions and decisions (Flyvbjerg, 1991). In other words, research problems that refer to subjects of complex or contextual nature, would normally point towards case studies (Launsø and Rieper, 2000). And as Hartley (1994) put it:

> Case study research consists of a detailed investigation, often with data collected over a period of time, ..., with a view to providing an analysis of the context and processes involved in the phenomenon under study. The phenomenon is not isolated from its context (as, say, in laboratory research) but it is of interest precisely because it is in relation to its context.

Some authors (e.g. Launsø and Rieper, 2000) consider case studies as a research design, and therefore differ between case studies, surveys, field study experiments and action research. This thesis takes a wider approach to the case study, and chooses to follow Yin (1994), using a survey, amongst other things, as part of the case study evidence. In the following sections, the case study approach in this investigation will be examined more closely.

2.2 A case study

According to Yin (1994), a case study is an empirical inquiry that investigates contemporary phenomena in a real-life context, especially when boundaries between phenomenon and context are unclear. Thus, giving an interpretation of the world rather than giving proof of what the objective world looks like. The use of the case study for the investigation appeared the best approach as the research questions are mainly exploratory trying to answer how and why questions. Yin (1994) also points out that theory development prior to the collection of any case study data is an essential step in doing such studies. This theory development can be done through literature review, descriptive theory or in the case of poor existing knowledge through a clear definition of purpose and judgement criteria (Eisenhardt, 1989).

No doubt, the epitome of case studies goes in line and beyond other forms of research, like ethnographics, participant-observation and other qualitative methods, and you may experience an overlap with these methods (Yin, 1994). Yin further states that case studies are about a thorough and 'fair', that is, as objective as possible, presentation of empirical data of different phenomena, like organisational, social or political developments. Through this, case studies can contribute to the understanding of complex situations. A case study is an empirical inquiry that investigates contemporary phenomena vis-à-vis a real-life context, especially in cases when boundaries between phenomenon and context are unclear. Case studies are hence studies of events in their particular perspective. It is important to notice, that a case study should rely on multiple sources of evidence and that it would benefit from the development of theoretical propositions prior to the actual case study being carried out in order to be able to guide the collection of data and the following data analysis. A distinction between teaching and research application of a case study should be made. Table 2-1 below, exemplifies the conditions that have to be fulfilled when conducting a case study for research purposes.

Table 2-1 Application of a case study for research purposes

→ accurate and fair report of all evidence
→ reference to primary documents, evidence, and data essential
→ conclusion necessary

Source: Yin (1994)

Amongst the different types of case studies one has to be selective, depending on the research purposes. The case study types for research purposes are:

- *Explanatory* or *causal* case studies, i.e. elaborating upon how x is related to and causes y.
- *Descriptive* case studies, i.e. describing how x functions.
- *Exploratory* case studies, i.e. giving evidence of how x has developed over time.

2.2.1 Designing the case study

These types can also be sub-divided again into different forms of case studies, depending on the number of units of analysis. Thus, a holistic approach (comprising a single unit of analysis) or an embedded approach (including multiple units of analysis) can be selected. Amongst the case study designs displayed in Table 2-2, Type 2 was chosen as the most appropriate for this research. The island of Bornholm was chosen as the case study area. Data was collected regarding the visitors to the island and the DMO and its interaction with the trade, as well as the visitor's conception of the destination as such.

Table 2-2 Choice of types of case studies

	Single	**Multiple**
Holistic	TYPE 1 Holistic, single case	TYPE 3 Holistic, multiple case
Embedded	TYPE 2 Embedded, single case	TYPE 4 Embedded multiple case

Source: Yin (1994)

In order to maximise quality control, the following aspects were given careful examination:

- Construct validity, which relates to the method of data collection and the composition of the study;
- Internal validity, as far as data analysis is concerned;
- External validity, focusing on the research design;
- Reliability within the data collection.

Construct validity can be obtained through observing the following measures as illustrated and commented upon in Table 2-3.

Table 2-3 Construct validity requirements and in the thesis

Requirements	***Thesis application***
Use of multiple source of evidence.	22 interviews carried out. Various other data sources used.
Construction of a chain of evidence	Grouping of information from respondents.
Key informants review the draft case study.	Draft case study for review with the CEO of DB.

Source: Yin (1994) and thesis application

For internal validity, which only relates to causal or explanatory case studies, the following aspects were considered versatile:

- Use of pattern-matching, which was attempted through the establishment of visitor and destination profile (cf. chapter 4)
- Building of explanations, which was attempted through data triangulation in relation to the different viewpoints upon the destination, and finally
- The inclusion of time-series analysis, in terms of tourism development to Bornholm.

External validity is probably the most difficult to ensure in relation to the current research, as it refers to the possibility of:

- replication logic in multiple-case studies.

Thus, making sure that a later investigator would arrive at the same findings and conclusions, if the same procedures were followed exactly under the same circumstances, however, these circumstances are difficult to replicate as the study was conducted over a longer period of time and the development studied would in itself have changed the circumstances.

Finally, reliability is being achieved through the use of

- Case study protocols, i.e. records of all interviews, notes of informal contacts and other material have been logged;
- And have been stored in a case study database.

Thus, ensured the best possible outcome for the applicability of the case study (Yin, 1994). In other words, it was to see that this empirical research would not just have an implicit, but explicit research design, which in the most basic sense related to the formulation of the study's initial research question, and consequently its conclusions. Therefore, the case study design should ensure that the results obtained through the investigation were both valid and reliable. The research design consequently made up the action plan; the questions posed lead to the conclusions. Borum (1980) and Philiber et al. (1980) suggest that research design includes a least four stages:

Stage 1: deciding about the problems to study,
Stage 2: deciding upon what data would be relevant and suitable,
Stage 3: concurrently to decide what data to collect and
Stage 4: how to analyse the results from the data collection.

Decisions had to be taken about the research question, the relevant propositions, the unit(s) of analysis, the linking of the collected data to the relevant propositions or the research question through logic and the definition of criteria for the interpretation of the findings. Therefore, the suggested final research design did not only focus upon the type of data or the concrete data to be collected, but it also gave a clear indication of what should be done with the data, once it had been collected. As already mentioned, therefore theory development prior to the collection of any case study data is an essential step in doing case studies (Yin, 1994). Theory development can take place

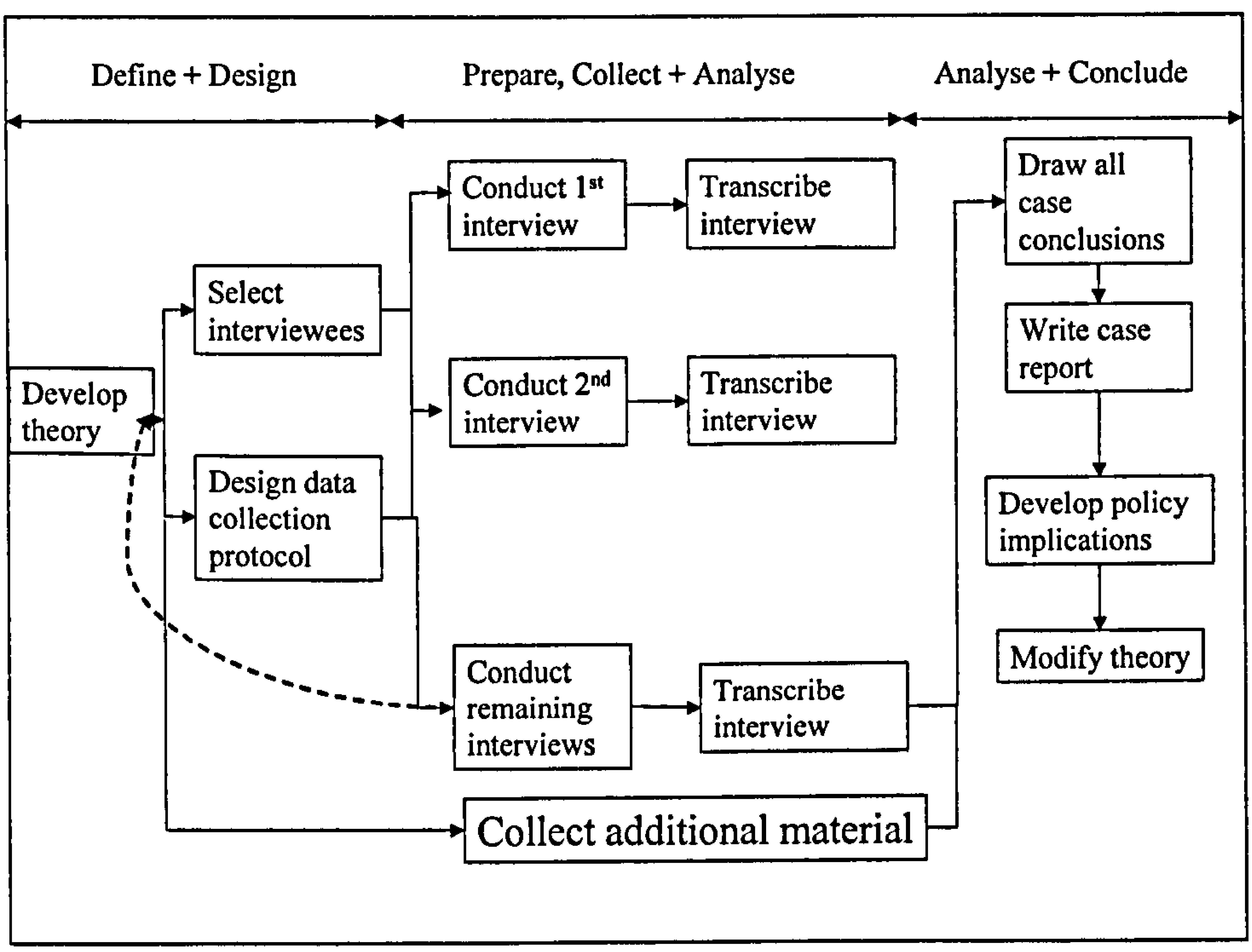
- Either through the use of existing works or through descriptive theory, encompassing the purpose of the descriptive effort,
- A realistic range of topics that add to a comprehensive description of the topic, and finally
- The possible topic(s) that will form the basis of the description.

Alternatively, poor existing knowledge would call for the application of an exploratory case study, where the purpose, as well as the judgment criteria, for the study has to be defined 'up-front'. No matter what type of case study is chosen, there was a need for encompassing the complete range of theories, which may be of relevance to the intended study and this is reflected in the literature review in Chapter 3.

In relation to the design of single-case studies, these are particularly applicable, when presenting a critical case that is to test a well-formulated theory (Yin, 1994), but also when the case in question is considered extreme or in other ways unique. A third reason for conducting a single case study is that the case in question is a revelatory case and in that way being unique. In other instances, it is usually envisaged that a single-case may be conducted as a prelude to further study, but should not stand on its own. Related to the study undertaken, the case study presented aims at testing the fact that the development of destination marketing strategies should solely relate to marketing theories, thus, testing a theory that if not well-formulated then at least widely accepted.

Figure 2-1 presents the sequence for carrying out a case study from start to end, this will be further elaborated upon in section 2.2.3 giving the actual research design for the investigation.

Figure 2-1 Detailed case study sequence



Source: based on Yin (1994)

2.2.2 Data collection for the case study

When preparing for data collection for a case study, there is no standardised procedure, as this depends on what sources are available and selected (Yin, 1994; Feagin, et al., 1991). Once the research questions had been determined, a protocol was established taking its point of departure from the project overview, to include case study questions and other possible sources of information. Also an outline for the case study report was drawn up. Over the time of the investigation, data collection plans were refined and redefined, which contributed to the further development of relevant questions as well as conceptual clarification. It was decided to use different sources of data for the study, as illustrated in Table 2-4.

Table 2-4 Data collection for different aspects of the thesis

Aspect	*Data collection method*
DMO	• Semi-structured interviews with CEO • Semi-structured interviews with trade • Participation in annual shareholder meeting • Documentation (printed material: newsletters, annual accounts, website information on shareholders and contributors, press cuttings etc., other media information (TV and radio))
Visitors	• Visitor survey
Trade	• Other semi-structured trade interviews • Documentation from media (press, TV and radio)

The data collection methods related to the trade interviews and the interviews with the CEO are presented below in the section regarding *trade survey*, whereas the section on the visitor survey presents just that and finally the section on other sources of evidence gives an account of the other material that has been used during the course of this investigation.

2.2.2.1 Trade survey

When investigating the strategy formulation process at a destination, a natural requirement is for information and input from the tourism industry about how the process functions. For a destination, the marketing environment contains relationships with the tourism industry at the destination. These relations are of great importance. There are several ways to look at the trade; one can either choose quantifiable data describing the businesses' activities in economic terms, or, what is more relevant in relation to strategy formulation, attitudes towards cooperation between the companies, cooperation with Destination Bornholm (DB), the DMO of Bornholm, and mapping of who the trade reckons their customers are. Defining the tourism trade is a difficult task, as many companies have indirect income from tourism and therefore would not consider themselves as being part of the tourism industry. Others may have a certain direct income from visitors to the island, but their main source of income may be from others rather than tourists. It was therefore imperative for the case study to get views from the businesses concerning these matters.

2.2.2.1.1 Introduction to the interviews

When conducting interviews, it is necessary to ensure that certain qualifications are at present; (Maaløe, 1996) such as

- the ability to ask good questions;
- being a good listener;
- being adaptive and flexible;
- having a firm grasp of the issues studied, as well as
- being unbiased by preconceived notions.

These are undoubtedly challenging qualifications to fulfil, in particular the question of being unbiased after having worked with the theoretical aspects of the case prior to the interviews. Two rounds of interviews were carried out; the first took place in autumn 1999, the second in spring 2002.

Originally, only one sequence of interviews was planned, that as time went on the need to make a second round emerged, in order to include a number of significant changes that had their bearing on tourism in Bornholm during the research period. The first interviews were conducted as semi-structured consultations. Thus, for the first round an interview guide was prepared, in order to ensure that the same main areas would be discussed with each interviewee. These areas would be widened and adapted according to the interviewee's role and/or position. For the second round of interviews, the same areas were discussed and special attention was given to the changes that had taken place, i.e. improved infrastructure for access to the island and a change in administrative structure of the island's public authorities as of 1 January 2003 (cf. the case study for further details).

2.2.2.1.2 Purpose of the interviews

It was the purpose of the interviews to discover linkages in terms of cooperation amongst the tourism industry of the island and public authorities, the DMO (Destination Bornholm) and between the individual businesses. The interviews attempted to shed light on the construction of 'trusting relationships' in order to be able to formulate and design a joint goal and strategy in order to reach that goal. It was also the purpose to illustrate through the interviews, how the individual businesses take part in the planning process and thus enabling the presentation of a concept of how the planning process on the island takes place. At the same time, the interview were to gain insight in the respondents view on whether the planning process and the cooperative relations were different in Bornholm, being a peripheral area, than in other – centrally located – destinations.

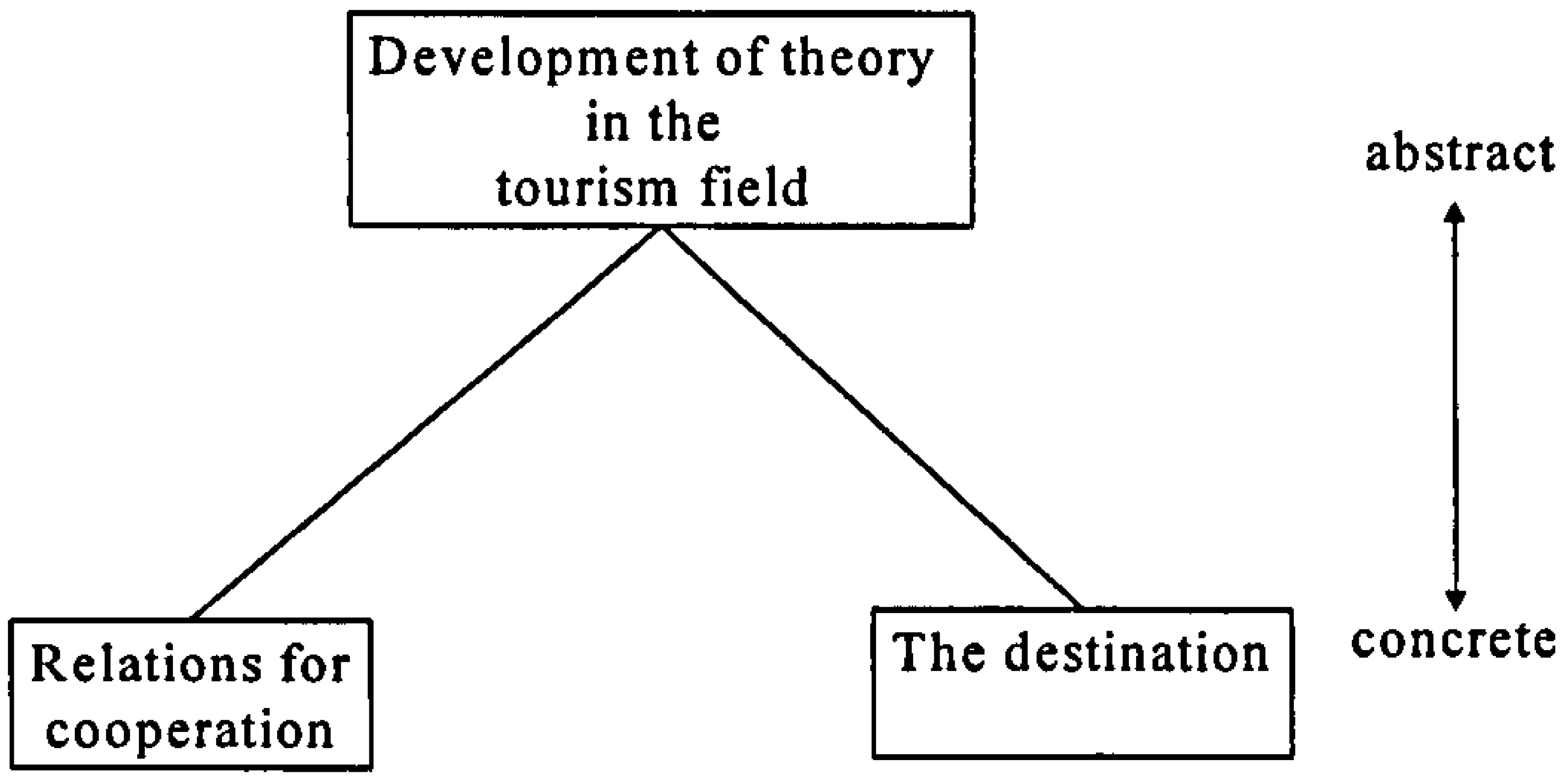
2.2.2.1.3 Other trade interviews

As mentioned above, Framke (1998) kindly agreed to make the transcripts of his interviews available for evaluation in relation to this case study. The framework for Framke's study is illustrated in Figure 2-2 below. His main hypothesis was that a decrease that had been experienced in overnight stays – particularly in hotels in Bornholm – was caused by a lack of focus on *new tourism* (as coined by Poon, 1993) by the components of the tourism industry on the island. Therefore, he investigated the following two research questions through his interviews:

- What is the strategic role of IT?
- Is there a tourism policy, and if yes, what is it?

Specifically the latter question is of relevance for this study.

Figure 2-2 Framework for the other trade interviews



2.2.2.2 Visitor survey

Visitor surveys are habitually conducted by a national or regional tourist boards, some are conducted by University departments and their students for educational purposes, and the results may find their application in the students theses, and some are being produced for or in cooperation with a tourist board or a tourism association. Visitor surveys are costly and involve a larger number of researchers. Depending on the number of researchers or investigators working on the case, all researchers must have a clear idea of the study that is being undertaken and it is therefore a good practice to involve everybody in the initial phase of the study and provide the necessary training for interviewers.

2.2.2.2.1 The Bornholm visitor survey

In 1995, it was decided to start a visitor survey for Bornholm, as part of the large tourism research programme at the RCB/CRT, and of which this PhD research is a part. It was the intention to run this survey for a period of at least four years in order to be able to create a long-term database on tourism on Bornholm. At this time, actual facts on tourism on Bornholm were scarce. Surveys had been carried out previously, but these were rather sporadic, i.e. one in 1969 and the next in 1976. Data from Danish Statistics (DS) were available for every year, but would only cover a small part of accommodation figures. Thus, these figures would for example cover hotel stays for companies with more than 40 beds. However, a lot of small guesthouses and hotels, which are predominant on Bornholm, have less than 40 beds and therefore, they are not recorded in the statistics. Also, official statistics from DS do not include information on the section of the tourism market that is comprised of people who visit and stay with friends and relatives, or people, who rent their accommodation privately. The Danish Tourist Board (DT) had previously carried out several exit surveys of foreign visitors to Denmark with some interval between the years. These surveys only covered a very small sample in Bornholm. As no reliable data covering Bornholm was available, it was therefore decided to have a large sample as well as a comprehensive questionnaire. In the beginning, the questionnaire contained some 50 questions; this has, however, changed throughout the years. Although the visitor survey was not conducted exclusively for the use of this investigation, the information provided and the possibility of creating a time-series of visitor behaviour and assessment of Bornholm as a destination made it a most advantageous tool to be included.

2.2.2.3 Other sources of evidence

Other important sources of evidence for understanding the processes of strategy development in the case study area have been the local media, containing press cuttings, radio transmissions and TV presentations, some of which have been transcribed or recorded on tape for evaluation.

2.2.3 Conducting the case study

Further to the above sections, it is generally considered that there are six sources of evidence that can be consulted during the conduction of a case study, though some are more for particular case studies than others. All these sources have their strengths and weaknesses, and therefore a combination of the various approaches is applied. In other words, no source can be said to have an overall advantage over all the others, but can be complementary to each other, and thus a researcher would want to use as many reference points as possible (Yin, 1994). It is imperative to maximising benefits from the sources of evidence and three principles of data collection should be observed:

- Use multiple sources of evidence;
- Create a case study database;
- Maintain a chain of evidence.

The use of numerous different sources of evidence, which enables the researcher to apply triangulation, is considered one of the major strengths of the data collection process within case studies (Yin, 1994). The creation of a separate database, including notes, tabular materials, narratives etc. can be used as evidence for the case study report (Yin, 1994).

When a chain of evidence is maintained, it is subsequently possible for an external observer, or a reader of the report, to follow, how the evidence presented was derived. The ultimate chain of evidence is thus created through the possibility of moving from one position of the case study to another, with clear cross-referencing, and a clear methodological procedure for the presented evidence (Yin, 1994). Table 2-5 gives an overview of data sources and how these have been applied in the thesis.

2.2.3.1 Conducting the trade interviews

Prior to the interviews carried out for this thesis, as noted above Framke (1998) undertook extensive interviews with the trade in late 1997/early 1998. This survey comprised the following lines of business:

- Transportation to/from the island (ferry company and airline),
- Hotels and guesthouses,
- Tourist offices and
- Tour operators operating on the island,

As transcripts of these interviews were available for this research, it was decided to base the specific interviews on similar branches, namely transport, accommodation establishments and intermediaries (holiday home booking agencies), TICs and incoming tour operators.

Table 2-5 Application of data sources

Source of Evidence	How	Applied in this thesis
Documentation	Documentation covers any accessible printed material, i.e. letters, memos, minutes of meetings, internal documents, other studies, newspaper clippings, etc. It is considered as helpful background material, and conclusions drawn from the information obtained through documentation should be treated only as clues, which should be the basis for further investigation.	Newspaper clippings, other media documentation, annual reports, other studies, brochures.
Archival Records	Archival records also refers to printed material, and can be things like parish registers and other records, where it would not be possible to investigate the matter further through interviews of contemporaries, but can also be more general service or organisational records, maps and charts, lists of names, survey data, personal records (diaries, calendars, telephone listings)	Visitor survey data, shareholder data, contributor data.
Interviews	Interviews can be semi-structured (focused and open-ended), structured (survey) or unstructured confrontations with informants relevant to the case; these could be users, providers or in other ways involved persons.	Trade interviews with key-informants, informal contacts with trade representatives
Direct Observations	Direct observation denotes the observations made by a researcher, who is purely observing a process, e.g. through a field visit or participation in a meeting.	Cf. below, as author is DB shareholder.
Participant Observation	Participant observation, where an observer is not recognised as such, but considered part of the group under observation.	Participation in the annual shareholder meeting.
Physical Artefacts	Final physical artefacts can illustrate, explain or proof evidence found through the above-mentioned sources.	Not relevant.

Source: based on Yin (1994)

All the trade interviews were likewise semi-structured in-depth interviews. Apart from respondents in Bornholm, key informants in Copenhagen were chosen for this investigation, as to obtain viewpoints from centre region as opposed to a peripheral area. For both sequences within this PhD study, the interviews were recorded on tapes and subsequently transcribed in full length by the author. All interviews were conducted in Danish and consequently transcripts are in Danish too. The author purposefully translated those excerpts used for the thesis. When updating the interviews, attempts were made to speak to the same person in the same position for a second time. However, some of the interviews in the second sequence were conducted with another person, now being employed in the position. All interviews were conducted by the researcher; followed by the primary analysis through transcribing the interviews, discourse analysis of the transcripts, grouping of the statements and further analysis through writing interview résumés. Below, examples of the interview guides are given; the full interview-guides can be seen in Appendix A. All interviews opened with an introduction to the project and a brief orientation about the interview structure, or lack of structure. However, respondents were told which were the main areas of interest, network/cooperation, marketing, strategy and Destination Bornholm. The focus area for the trade interviews were included in the following lead questions:

- What is the informant's definition of strategy?
- Which parameters / tools are used in relation to the marketing?
- Who are the customers? a. markets, b. target groups
- Who are the partners?
- Who are the competitors?
- Which are important areas of activity? And why?
- Is the current structure of cooperation satisfactory? Is there a need for improvement? If yes, what needs to be improved?
- How is success measured?

2.2.3.2 Conducting the visitor survey

A team of researchers from the CRT designed the visitor survey. Great effort was put into the design of the questionnaire and the preparations for conducting the survey, including interviewing arrangements and the training of interviewers. The researcher, who also initially managed the survey administration for the first two years, and took part in the data analysis for the general reports for 1995/96 and 1996, also instructed the interviewers.

The survey was carried out so as to guarantee that, at a minimum, every day of the week and each week in any one month for every quarter of the year were surveyed, and thus, unbiased quarterly data could be supplied. Contacts would only be adults, using as the definition 15 years of age and upwards. For the first year, both passengers departing from and arriving to the island by air and sea were interviewed. This was done as to ensure the validity of the data and the robustness of the sample for the departure data. From the second year onwards only departing sea passengers were interviewed (Hartl-Nielsen et al., 1996).

Undoubtedly, it is easier to conduct a departure survey on an island than at any other type of destination. The exit-points from Bornholm are limited to a number of ferry connections to Sweden, Germany, Poland and the Danish capital Copenhagen. There is also an all-year airline route between Bornholm and Copenhagen, and varying summer-routes between Bornholm and Germany. The length of the questionnaire and terminal arrangements made it necessary for the interviewers to conduct the survey on board the ferries (and the aircraft). Respondents would be introduced to the questionnaire and be taken through a screening process by the interviewer and thereafter the appropriate respondents, i.e. visitors to Bornholm or non-Bornholm residents, would complete the questionnaire by themselves.

A target of 3 000 visitor contacts (departures) per year was set and kept throughout the whole period. It was anticipated that the chosen method of interviewing would lead to some wastage in the form of unusable returns, but this could be accommodated within the target. Additionally, Bornholm residents, who otherwise were filtered through the screening process, were asked nine questions about their demographic characteristics, destination and purpose of their trip. This data has been monitored in the annual reports and is invaluable in relation to, for example, estimates of the number of visitors to the island. A limited number of source markets indicated that the working sample size needed not be large. (This will be further elaborated in Chapter 4.) But the paucity of information about visitors to the island commended a strategy of over-sampling so as to ensure the results were robust. A pilot questionnaire was run amongst tourists visiting the island by ferry in early June 1995 with a sample of 50 respondents.

Interviewing on the ferries was easiest and most important. Interviewing at the airport or during the flights proved very difficult and was later abandoned, as this form of travel was of minor importance (only approximately 200 000 air passengers in comparison to almost 1 700 000 sea passengers). The focus was on departures, thus enabling the researchers to ask questions about what the visitors had experienced during the visit alongside with questions about awareness, information search and booking patterns. The interviews were carried out at random on board the ferries to Sweden and Germany and before departure to Copenhagen and Poland.

Today, these data are the most comprehensive about any destination in Denmark, giving valuable information about the current customers to the island, and in particular their views upon their experiences on the island. In order to be able to keep up with the development of how the customers react and feel, but also in order to find out how much money they spend at a destination, and thus enabling researchers to calculate all kinds of derived effects of tourism, it is surprising that more tourism destinations in Denmark do not use visitor surveys in their collection of marketing intelligence.

2.2.3.3 The questionnaire

The 50 questions in the beginning, covered all aspects of the profile and characteristic of the visitors, awareness and influences on their decision to visit Bornholm, the organisation of the visit, usage of accommodation and its evaluation, visits to attractions and activities undertaken, means of transport on the island, expenditure and the overall evaluation of Bornholm as a destination to visit. Kotler (1988) regards especially open-ended questions as useful in the exploratory stage of research where the researcher is looking for insight into how people think rather than in measuring how many people think in a certain way. However, conducting the visitor survey on Bornholm, the choice between the necessity of insight and the (to some extent cost-dictated) need for quantifiable data called for open-ended questions to be kept to a minimum.

Later the number of questions was reduced to around 40, and in 2001 infrastructural changes commanded an even greater revision and tightening of the questionnaire. However, the change still ensured that major subjects could still be analysed as time-series. Shorter questionnaires had to be issued for air passengers. Whereas ferry passengers were happy to complete a full questionnaire (which takes about 20-25 minutes to fill in), air passengers had much less time to complete the questionnaire, which in the beginning resulted in many incomplete returns. Also, an abbreviated questionnaire was made for cruise ship passengers and during the first year there was a separate questionnaire for yachts visiting Bornholm harbours. All shorter versions covered the main areas mentioned above in a less detailed way. The most recent questionnaire can be found in Appendix B.

2.2.4 Analytical approach to case study evidence

In the analytical work within the case study, one should rely on the theoretical propositions, as previously introduced, alongside with the development of a case description. The reference to the theoretical propositions enables the researcher to focus upon the essential data and exclude other data. It also contributes to the organisation of the entire case study and the depiction of alternative hypotheses to be examined, for example, by using theoretical assumptions about causal relations, in order to be able to answer question of 'how' and 'why'. On the other hand, the case description is a tool, a descriptive framework, for the organisation of the study. It can contribute to the identification of the necessary causal links, which should be part of the analysis, and hence, help to identify either quantifiable events or overall patterns of complexity.

Yin (1994) suggests two modes of analysis:

1. Dominant
2. Lesser

Dominant mode is concerned with matching of patterns, constructing explanations, time-series analysis as well as programme logic models. Pattern matching means that an experienced pattern (i.e. empirically based) is compared with a predicted pattern (Eisenhardt, 1991). When coinciding patterns can be established, this contributes to the case's validity. Explanation building is a special type of pattern matching, which is normally relevant to explanatory case studies. It is the goal of explanation building to stipulate causal links and to examine the evidence, revise theoretical assumptions or re-examine the evidence, which has been obtained, from a new perspective. Thirdly, analysis of time-series enables the researcher to trace changes over time: these can be in the form of simple or complex time-series, as well as chronologies. Finally, there are programme logic models that denote the combination of pattern matching and time-series analysis; i.e. the establishment of a complex pattern over time. Therefore, a key ingredient is the suggested existence of repeated cause-and-effect sequences of events, all linked together.

The lesser mode is connected with the examination of embedded units of analysis, repeated observations and a case survey approach. The analysis of embedded units of analysis relates to any research method within the social sciences that may be implied through the propositions under examination. Repeated observations, is a particular type of time-series, and finally the case survey approach denotes a secondary analysis carried out across cases. Clearly, this study uses an approach based on a dominant mode of analysis.

When assuring quality in the case study analysis, Yin (1994) recommends that: the researcher demonstrates reliance on all relevant and available evidence major rival interpretations are included in the analysis, that the analysis addresses the most significant aspects of the case study, alongside the application of the researchers own prior, expert knowledge. This has been attempted throughout the conduct of the case study and the application of the data collected.

2.2.5 Composing the case study report

The final step in the research as such is the composition of the case study report. Typically, it can be assumed that there are several potential audiences for the report and this should therefore be taken into consideration, when writing the case study report, that each audience has different needs, which need to be addressed in the report, and it may therefore be necessary to present different reports for individual audiences (Yin, 1994). This case study report is an integrated part of the thesis for the fulfilment of the requirements for a PhD and therefore primarily serves the purpose of theory development rather than tourism destination development in Bornholm.

Further Yin (1994) advocates that the review of the draft case study by informants and/or participants should be included as a validating procedure. This is not intended for the interpretations and conclusions of the researcher, but to ensure that there is no disagreement about the actual facts presented in the case. If there is disagreement, this needs to be settled before the final presentation of the case. For this investigation the draft case study has been presented to the CEO of DB, who was asked to comment upon and correct any factual mistakes and to give input for further discussion to take place later.

2.2.6 Further use of the case study report

Based on Yin (1994), the following theoretical approaches can be deemed relevant to this investigation of how destination marketing strategies are developed: organisational theories and societal theories. In this respect, organisational theories are related to:

- Theories of bureaucracies

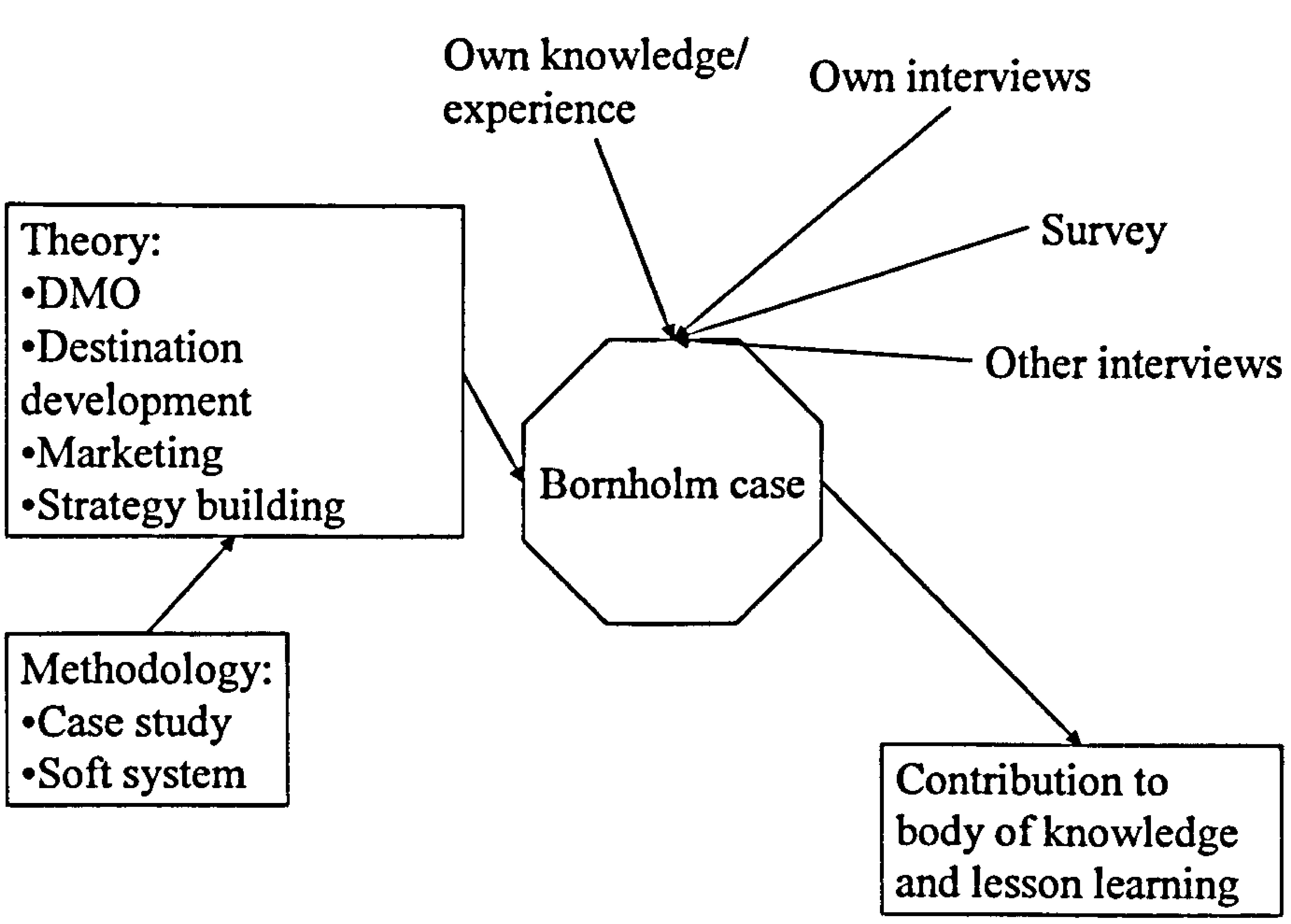
- Organisational structure and functions
- Excellence in organisational performance
- Interorganisational partnerships,

whereas societal theories relate to:

- Urban development
- International behaviour
- Cultural institutions
- Technological development
- Marketplace functions

The use of a visitor survey with qualitative data as well as quantitative data should not only allow the researcher to test some of those interpretations, but is also to be seen as an integral part of the case study. In order not to rely solely on secondary data regarding the strategy formulation process, the researcher put emphasis on in-depth interviews with key actors in the tourism industry in the case study area.

Figure 2-3 Case study structure



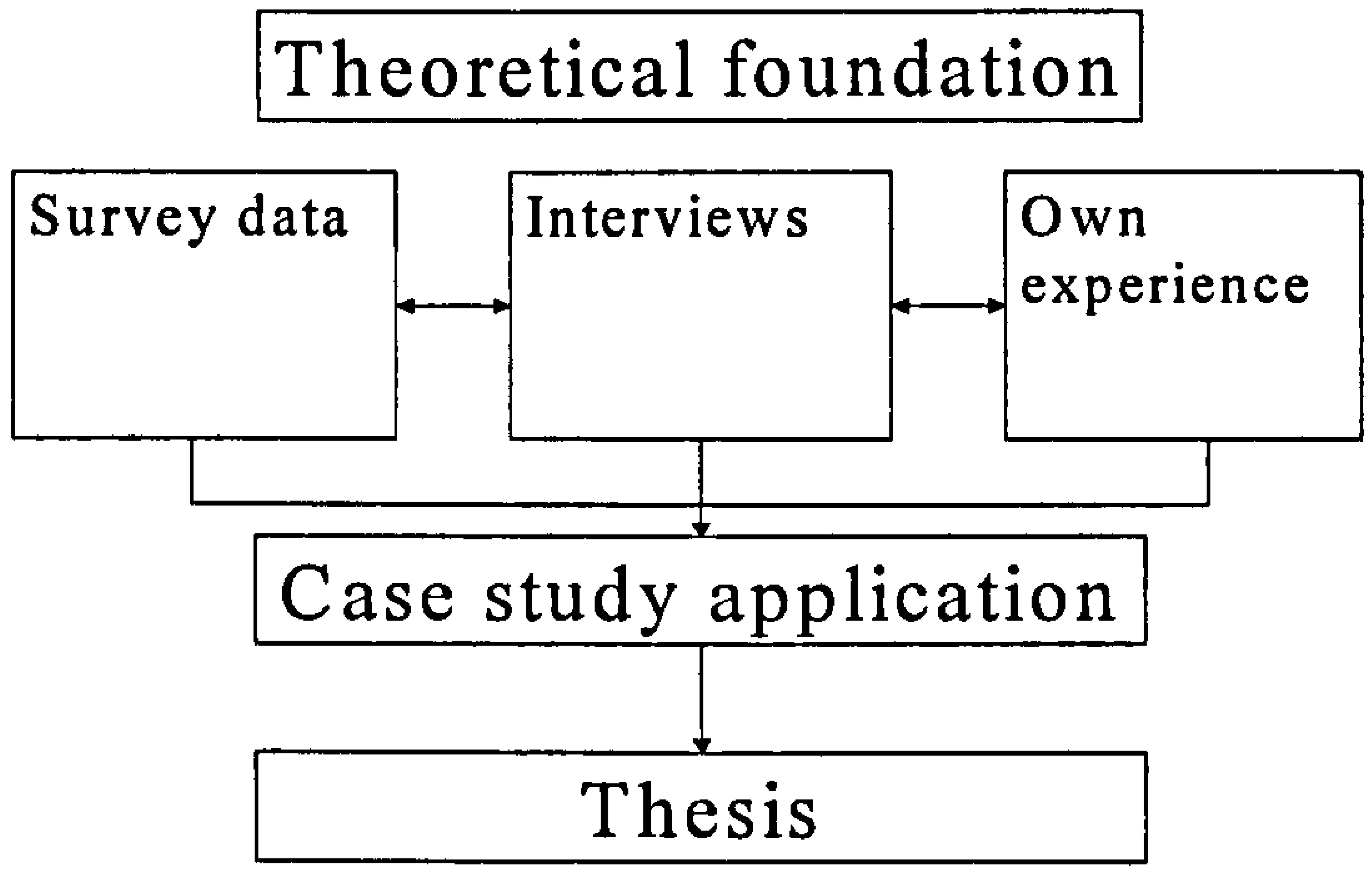
The Bornholm case continued throughout the course of the whole project, and its components were re-visited and elaborated further while the investigation emerged, offering different perspectives to the case study. In Figure 2-3 the structure for the case study is illustrated. The island of Bornholm was chosen as a single case study in order to generate a holistic approach to the marketing process and to develop a general framework of analysis to deal with the problems of peripherality.

It is, no doubt, problematic that data designed and collected for one purpose are used for other purposes then they may originally have been intended for, as this may result in an unintended bias, especially when this leads to validity of the data being reduced. However, if the information from the surveys is regarded as more general data and this is then combined with information at hand for the individual supplier of tourism products through personal contact with the tourists, it may form the basis for a sound marketing decision.

2.3 Summing up thesis methodology

As mentioned, the island of Bornholm was chosen as a single case study in order to generate a holistic approach to the marketing process and to develop a general framework of analysis to deal with the problems of peripherality. There are other studies available and information on the DMO of the island is to hand. Also, there was a variety of other research at the CRT, from which base material or reports could be included in the case evidence for this study. Therefore, the thesis will rest upon a combination of quantitative and qualitative studies.

Figure 2-4 Case study foundation and application



The thesis is built around a number of theoretical approaches, which influence upon the DMO's activities. Further, the starting point for the thesis lies in strategy formulation and the process for developing strategies at the destination level. The thesis attempts to link methodologies and techniques together, combining different sources of information and focusing upon the underlying influences on these information sources. A large number of subtleties and complexities have to be taken into consideration, for example a question of the degree of detail in the thesis alongside with the attempt to present a so-called *rich picture*, a term taken from soft systems methodology, presenting a structure, processes and issues that give an overall indication of the prevailing climate in an organisational structure (Patching, 1990) illustrating the richness of a situation, and further to building the ability to focus upon the capability of established links.

3 Marketing a tourism destination – definitions, differences from marketing in general, challenges

This chapter will give the theoretical foundations for the thesis in terms of the main areas that are:

- The role of DMOs in relation to marketing and branding efforts,
- The part played by DMOs in regional development as well as tourism development in particular,
- Tourism strategies for peripheral area destinations and in particular,
- The strategy development process through the DMO.

It is assumed that destination marketing and destination development are two sides of the same coin and therefore clearly interrelated. In other words, one does not make sense without the other. Also, this chapter aims at presenting the stages in understanding the processes at the destination and how strategies are not only developed, but also on how they can be implemented and thus give an indication of the problems that can be experienced within the destination. For that reason, general marketing activities are examined at a rather detailed level and their applicability at DMO level is analysed. This will then be further illustrated through the case study in Chapter 4.

3.1 The role of the DMO

The term of a DMO relates to the marketing and/or management organisation for a destination. Some DMOs have a national focus, others operate on a regional level and others again promote a smaller area. This thesis concentrates on DMOs operating at the regional level, however, within the body of theory related to destination marketing, there is often no distinction between the different levels in terms of general traits (Middleton, 2001). Nevertheless, various elements of the strategic approach may vary depending on the level on which the organisation operates. Management of a business and of a destination differ, it is often difficult to assess who is in charge of the management of a destination (Bieger, 1996). The organisational structure of the tourism industry at a destination should also define the organisational responsibilities, but in a fragmented destination, this is seldom the case.

It is not only difficult to identify organisational responsibilities; it also appears that there is duality in relation to the tasks of the DMO. This duality is reflected in different aspects. For one, the DMO is not only responsible for the management of the destination; it is also responsible for the management of its own business (Bieger, 1996). It is therefore preferable that the DMO is not involved in specific activities at the destination that could be considered competitive with the activities of other businesses at the destination; though, according to Middleton (2001) the majority of NTOs and DMOs are not producers or operators and seldom sell directly to visitors.

Then, DMOs are often run as non-profit organisations as they are expected to invest any surplus into promotional efforts for the destination, but it is the other enterprises that profit from these endeavours; therefore, it can be difficult to define measurable aims in order to measure performance (Bieger, 1996). An early definition suggests a two-fold marketing function for NTOs, i.e. to develop the tourism product or services of the destination and promote them in the apt markets (Burkart and Medlik, 1981). Apart from being simplistic, this does not take into consideration that these two functions are only a minor part of the marketing system as presented by Kotler (1988), and described more detailed in section 3.2.4 below. Further, the purpose of the DMO is to initiate a partnership process (Middleton, 2001) in order to influence the development of tourism, thus evoking a two-way process.

3.1.1 Defining a tourism destination

Before discussing the tasks of a DMO further, it is fitting to define a tourism destination. However, this is a difficult task. Traditionally, spatial criteria were used by geographers, but also others speak of places with actual or perceived boundaries (Kotler et al., 1999). A geographical definition is probably the most uncomplicated starting point, as the given boundaries then can be used to define the tourism businesses, which offer various core and supplementary parts of the tourism product within a particular region (Ahmed, 1991; Blank, 1989; Framke and Sørensen, 2002; Freyer, 1993). Another view is that '*destinations are amalgams of tourism products offering an integrated experience to consumers*' (Buhalis, 2000, p.97), i.e. a conglomerate of several elements that make up a place visited by non-residents for holiday, leisure or business purposes. This definition, on the other hand, can be regarded from two different points of view. One is supply-driven; the other is determined by the demand for a tourism destination (Javalgi et al., 1992; Pearce, 1989; Stabler, 1990). As the region's view from what is part of the destination may differ greatly from the visitor's view of the area s/he visits, a gap of perception often can be identified. For example, the tourist may perceive an island as a single destination, whereas there may be several administrative units on the island that each has an interest in attracting tourists to their particular area, thus breaking the destination as perceived by the visitors into smaller destinations, defined by the supply side. Often depending on the distance travelled to the destination, visitors consider continents (e.g. when Americans travel to Europe), whole countries, regions, landscapes, cities, national parks etc. as the destination for their journey. This indicates that there is a necessity for sub-division of destinations, in order to manage the tourism destination. At different levels we therefore find NTOs, like for example, the DT, Deutsche Zentrale für Tourismus (DZT) and the British Tourist Authority (BTA); Regional Tourism Organisations (RTOs), like the Regional Tourist Boards (RTBs) in the UK or the Regional Tourism Development Companies (RTDCs) in Denmark; Destination Tourism

Organisations, like Nordtour in the North of Sealand, Denmark, or Tourism Associations (TAs) in Denmark, running Tourism Information Centres (TICs). These organisations can all be attributed the term Destination Management or Marketing Organisation. Other organisations, e.g. those that manage a resort for a tour operator can also be attributed this term, as is the case for resorts associated with the tour operators, e.g. the Danish operator Spies.

3.1.1.1 Places

Disregard the fact that there are different views on defining a tourism destination; all of them are related to an element of place. Place perception has three components: '*the real, the expected and the perceived*' (Emanuel, 1990 in Owen et al. p.25). According to Ashworth and Goodall (1990), geographical marketing relates to '*the idea of selling places*'. Therefore, they claim that marketing planning for destinations or places equals '*public sector place management*'. Further, it is stated that '*tourism destinations can undoubtedly be treated as products*', as they are understandably the aim of consumption of the multifaceted number of activities and events that comprise the tourism experience, the combination of these is what is presented by place promotion agencies to the tourism market. Therefore, Ashworth and Goodall (1990) make the point that it makes no difference to their definition that '*only a selected portion of the town, a particular set of facilities and services, is being purchased*'. Also, Kotler et al. (1993) refer to the place as the main focus, as the place is the framework for citizens, leaders and institutions, which are in the position to make a place attractive for visitors as well as new investors and businesses to join the community. Whilst it can be accepted that the destination's framework is defined through the typology of place, as presented by Kotler et al. (1993), it is doubtful whether a destination can be defined simply as one product as destinations are an amalgam of businesses as argued above in section 3.1.1.

Another view is expressed by The Association of County Councils (1993), in terms of the geographical dimensions of a tourism destination, stating in relation to marketing and promotion that counties have natural advantages, because of their size and geographical area. It is further suggested that counties are considered natural tourism destinations, as they have created a name over a very long time. At the same time, most other districts are perceived as modern and artificial creations. Furthermore, it is stated in the report that since districts are small in size (on average 12.5 miles square), tourist will typically move across the boundaries of several during a day's travel. Based hereon it should therefore be obvious that a county is a '*more realistic area for co-ordinated marketing of tourist attractions to a highly mobile target audience, and for the provision of information about accommodation and related services to potential visitors*' (Association of County Councils, 1993, p.7). Finally, it is argued that counties can more effortlessly work in partnership with the RTBs and as part of that cooperation, they can '*create marketing consortia for the major tourist attractions across the county*'.

These viewpoints relate to the ideas expressed by Danish authorities, in terms of larger geographical areas cooperating on tourism marketing issues as these areas better comply with the tourist perception of a tourism destination (cf. Chapter 4). However, in Denmark today this has been taken even further, thus initiating cooperation across county boundaries. This could on the one hand be disputed of not being comparable to British conditions as Danish counties are much smaller; on the other hand, it is argued in Denmark that the customers' perception of tourism destinations is not related to administrative boundaries in any way (Bak-Jensen, 1989). In other words, the tourist's perception of tourism destinations is presumably more related to, say, a centre–periphery view. As a visitor centres him/herself at the place of chosen accommodation and considers anything that is within the reach of a one-day trip belonging to the destination. That is to say, the tourism destination consists of the area that can be reached within the scope of a day-trip by foot, car or bicycle. Such a definition incorporates that a tourism destination is defined by the demand side and thus relates individually to every customer, but it also enables the supply side to define itself within the various scopes defined by customers. This definition of a tourism destination has also a time dimension in the sense that the longer the stay the larger the destination scope. The destination can contain many more offers than the visitor eventually makes use of during the actual holiday. Some may only require one place of accommodation others might move between different places of stay. Some may be satisfied with spending all their time relaxing on the beach, whilst others prefer new and different activities each day; and so on. The conditions illustrated above indicate the complexity of destinations and reflect the view taken in this thesis. In order to narrow this complexity for analysis purposes this will be reduced to the '*destination mix*' formed by the five As (Accessibility, Attractions, Accommodation, Amenities and Ancillary services) and elaborated upon later in section 3.2.6.

3.1.2 Tasks associated with DMOs in general

There are many demands to DMOs in general that consequently result in tasks associated with the organisations. Poetschke (1995) states, that

> A message from any one destination will only be heard among the 'noise' created by the promotional efforts of all the other destinations if it is:
>
> - Consistent (i.e. different organizations from the same destination do not present conflicting messages) and innovative;
> - Repeated frequently; and
> - Seen by many people ('reach').
>
> Consistency requires cooperation among the numerous tourism organizations, which operate within any given destination, while high frequency and reach require spending money, a resource that many destinations are finding increasingly scarce.

As is evident, there is an aspect of pooling resources in the work of a DMO in order to achieve just that. Although tourism is widely recognised as a major factor on both the national and international level, many governments have found it difficult to define their role and policy in relation to tourism development (Jefferson and Lickorish, 1991). Based upon this view, Jefferson and Lickorish (1991) suggest five key roles for national tourism organisations:

- Guardian of the image.

- Scene setter.
- Trail blazer.
- Marketing coordinator.
- Monitor of visitor satisfaction.

To guard the image means that the National Tourism Organisation (NTO) determines the destination images, creates awareness and positions the destination in the market place. It also means that DMOs take care of the update and repositioning of the image.

When setting the scene, it is envisaged that the NTO devises research programme objectives, interprets the findings and subsequently implements them, using market analysis as a vehicle for communicating trends to the industry, helping the industry develop the right product for the right segment in the appropriate market. Often, RTOs use the results published by the NTO rather than undertaking their own research

The role of '*trail blazer*' refers to the task of developing new markets, segments and techniques, securing return on investment for the trade. In other words, the NTO is seen to do the pioneer work before it leaves the scene to the general trade, which then is expected to either take over on its own or with financial support from the NTO. Nevertheless, it is often seen at the regional level that DMOs have to continue the work for or in close cooperation with the industry to be carried out at all.

Marketing coordination is seen to be the most important role of a NTO. This involves the provision of the basis or focal point for all interests supplying services and attraction, linking public government and private interest, i.e. advising the government on policy issues; on this basis preparing and implementing a marketing strategy in consultation with the industry and operate marketing programmes on a cooperative basis.

Finally, there is a need for monitoring visitor satisfaction, in order to ensure that expectations created through image creation are kept by the trade. In order to ensure coherence, also this requires close cooperation with the tourism suppliers at the destination.

Jeffries (2001) states that the marketing function of NTOs has narrowed because of a reduction in public spending on NTO activities. He clearly suggests that NTOs main objective is and always has been marketing. This is contested, as it is only part of marketing, namely promotion, which includes advertising, media relations and information that most DMOs undertake. Conversely, Inskeep (1991), presents a much longer list of possible NTO functions, with marketing some way down the record (though the listing is not explicitly prioritised), however, policy and planning have a prominent place on the list.

Table 3-1 Rating of four partnership models

Lobby group	↓	Increasing industry involvement
Advisory group		
General commission		
Tourism authority		

Source: Poetschke, 1995, p. 55

It is generally accepted, that cooperation is difficult, as public and private sector have very different operating philosophies and objectives. In Table 3-1, various types of partnership models are rated in terms of industry involvement, with the tourism authority being the partnership model requiring the largest industry involvement. If tourist authorities subsequently succeed in creating positive cooperation with the industry, the following benefits can be derived:

- Reduced antagonism (resentment or rivalry) between public and private sector,
- Avoiding duplication of work,
- Combined funding potential and thus,
- Increased funding potential,
- Creation of a win/win situation,
- Combined areas of experience,
    - Private-sector input,
    - Public-sector input,
- Additional resources (Poetschke, 1995).

It can be concluded that the '*most powerful influence of the NTO or its local counterparts lies in the marketing resources providing a network of contacts with the trade, the public authorities involved and the visitors*' (Jefferson and Lickorish, 1991), making the DMO the most powerful motivator for the destination, as it alone has this particular destination to market. This definition is very much in line with Middleton's view of the DMO as a facilitator of promotion, which is the main difference of the marketing process for a DMO. The aim of the DMO is to determine how to appeal to the customer in order to sell experiences based on a network of values and organisations. Therefore, in the following focus will be put upon:

- The DMO as a marketing body,
- The DMO as agent for destination branding,
- The DMO in the context of regional development and
- The DMO as the facilitator of an overall strategy.

3.2 DMO as a marketing body

This section relates the marketing of tourism destinations to marketing in general. Particular attention is given to the task generally recognised in marketing related to the tasks of a DMO. Marketing of tourism destinations is considered a branch of marketing in general and tourism marketing in particular (Middleton, 2000; Mazanec, 1995). This section also aims at giving consideration and thought to other aspects that may be important for improvement of the development of marketing strategies for tourism destinations. Later in Chapter 5 parallels will be drawn between case study and this section in particular.

As stated in Chapter 1, it is an underlying hypothesis of this thesis that the theoretical foundations of marketing cannot be applied directly to the marketing of tourism destinations. This section, therefore, also examines the basics of general marketing theory and their application to destination marketing, as it is believed that a lack of transferability is rooted in the foundations of marketing theory.

Generally, it has been accepted that there are different approaches to management reflected in the company's reference to the marketplace. Thus distinguishing between various production and selling approaches, moving from product orientation to a marketing focus (Kotler, 1997). Here four different concepts are presented:

- The production concept, focusing on mass production and low cost;
- The product concept, focusing on product features as quality, performance etc., believing that customers will buy, because the product is exceptional;
- The selling concept, based on aggressive sales and promotional effort; and
- The marketing concept, based upon the satisfaction of the needs and wants of a chosen target market in a more effective and efficient way than ones competitors.

Comparing with the marketing of destinations, these are seldom marketed on the basis of the marketing concept, partly because the destination mix is fixed to a certain extent. Destination marketers therefore often apply a combination of the product and selling concept; attempting to improve the product over time adding extras, for which they believe customers are willing to pay more.

3.2.1 Customer focus for destination marketing

Teare et al. (1990), focus in their book on services in general rather than on tourism in particular. Nevertheless, the book gives a broad overview on the role of marketing within an organisation (Piercy and Morgan, 1990), which appears useful as an initial framework for definition. Differentiation is made between three major elements: the marketing strategy, marketing programmes and finally, marketing information.

- *Marketing strategy*, being concerned with issues of defining the market and market positioning for the commodity in particular or the business as a whole, market segmentation, competitive differentiation and the mission or strategic position;

- *Marketing programmes* are concerned with the integration of market targets' decisions relating to product policy, pricing, communications (advertising, personal selling, sales promotion, public relations), with a focus upon achievement of consistency towards the customers; and finally
- *Marketing information*, which is concerned with evaluation of the marketing programme for planning and control purposes.

Although a formal organisational structure for the purpose of marketing management might not be necessary, it is considered useful to organise the marketing through three structural dimensions (Piercy, N., 1985), which might be useful for DMOs as these elements provide:

- Reflection of adopted strategies; as structures ultimately reflect the strategies adopted by an organisation, and signify to participants the strategic values, which are given high priority by the corporation (Corey and Star, 1971) and the identity of the powerful forces in the establishment (Pfeffer, 1981);
- The strategy, in other words, structure may actually *be* strategy, in the sense that the way a company organises its customer-related activities can be a powerful source of competitive differentiation (Levitt, 1980);
- Reflection of information flows: the organisation structures adopted reflect a company's enactment or understanding of its markets, and hence the structure of its information processing system and flows of intelligence (Piercy, 1985; Piercy and Evans, 1983).

This list is based on Piercy and Morgan (1990).

The dimensions of organisation presented above, suggest that the way a company systematises its marketing is symptomatic of far more than straightforward administrative arrangements and activities. In other words, defining the role of marketing in an organisation, should lead to the development of the company's marketing concept, making the consumer the driving force for all business activities (Cooper et al., 1998).

There is no doubt that most companies operate in a ferociously competitive environment that inflicts upon the ability of management to act flexible and take company action. Marketing always starts with the consumer and the market, reflecting the power of the consumer in the process. Any other approach would deny the fact, that it is the '*consumer who ultimately supports, through personal expenditure, tomorrows tourism market-place*' (Cooper et al., 1998, p. 349). In keeping herewith, the business-to-customer interface is presented in Table 3-2. In the table, the tasks for the business are interpreted into the marketing function that enables communication with the market place.

Table 3-2 The business-to-customer interface

Task	*Marketing function*
1. Identifying [..] needs for [..] product	Marketing research
2. Analysing opportunities	Analysis and selection of target markets
3. Translating needs into products	Product planning and formulation
4. Determining the products value to the customer at different seasonal periods	Pricing policy
5. Making the product available	Distribution
6. Informing and motivating the customer	Promotion (communicating, selling and advertising).

Source: based on Cooper et al., 1998, p. 366, fig. 17.2

Undoubtedly, these viewpoints can be related to DMOs, but it is still difficult, as they cannot adapt the supplied product in the same way as e.g. tour operators can, as they do not control the product. This is controlled individually by the business owners, which often are SMEs. Also, DMOs are seldom close to the customer as they do not sell directly (cf. section 3.1). The following sections will roughly follow the marketing functions sketched in Table 3-2.

3.2.2 Marketing and SMTEs

It is generally realised that SMTEs have a limited capacity when it comes to marketing, and they find it therefore difficult to live up to requirements for quality, development of pricing policy together with cost control, as well as being able to act quickly to changes in tourism demand (Wanhill, 1996). Often, marketing for SMTEs equals advertising; and this refers often to advertising on impulse, and without neither clear knowledge of the effect that may be expected, nor a follow-up upon the actual effect it has had. The choice of advertising medium is generally impeded by a large number of various publications, which are produced locally, and without any real impact, as they also are distributed locally, and therefore create local competition, but no broad attraction of customers from source markets.

Many SMTEs suffer poor financial performance (Sundgaard, 1996). A situation that is attributed to external factors, however, without having specific knowledge of these external factors and how to handle changes in demand for the services they provide. In other words, SMTEs have only little knowledge of market trends, as the cost of obtaining this knowledge is considered a major barrier. This prevents them from acting accordingly in a market-orientated environment, and instead acting cost-orientated (Kotas and Wanhill, 1981). This induces a behaviour pattern, which can be described as closely approximating to survival or designating a life-style for the owner that keeps going year after year. Only few are prepared to admit that their own suspect, if any, development strategies lack of business acumen and faulty appraisals might have been the cause for difficulties in performing well as a business. Profit-maximisation or economic growth is not the overall aim for SMEs or micro-businesses, but to have a sensible living of one's business to make a living for the family (Ateljevic and Doome, 2000). Further in this chapter, the elements typically associated as part of a marketing strategy, i.e. marketing research, product mix, pricing policy, distribution policy, sales policy and promotion policy will be looked upon from a tourism point of view and they will be related to the marketing of a tourism destination. In other words, those elements of the marketing system that are or would be useful for DMOs in relation to the marketing of the destination's collection of services and products are examined. This is also done so as to illustrate the complexity of DMOs' tasks. Later in the thesis, this will be applied in the analysis of the case study and in order to measure DMO performance.

3.2.3 Marketing parameters

As already indicated, it is generally assumed in any type of marketing theory that the marketer has a selection of parameters to choose from and to influence in order to achieve an optimal marketing effect. Originally, these parameters were coined in the 1960s as the 4 P s (product, price, place and promotion) and later redefined by amongst others Kotler (1997) (as referred to in Middleton, 2001). Others (e.g. Cooper et al., 1998) have added additional Ps (people, processes and physical evidence). Marketing parameters were also presented in Table 3-2.

Particularly, service and tourism marketers have welcomed the introduction of the term people in the marketing mix; however, Kotler (1997) already focuses on people in terms of the employee as part of the internal marketing, which he defines as:

> ... internal marketing is the task of successfully hiring, training, and motivating able employees, who want to serve the customers well. (Kotler, 1997, p. 24)

Additionally, one may argue that it should be part of the marketing department's responsibilities that every employee is part of the marketing process, and therefore should take part in it. In other words, employees should be motivated to talk positively of the work place and thus take part in image creation (Kotler, 1997). Others again have changed the focus from the factors described by the various Ps, which make up the marketing mix, to factors relating to the relations that incur between service provider or producer on the one side and its customers on the other side. Gummesson (1996a) thus coined the term of 30 Rs. The 30 Rs will not be listed here, but the fundamental composition will be specified. The approach distincts between four types of relationships, on the one hand classic and special market relationships and on the other non-market relationships that only indirectly influence upon the market relationships, expressed by mega relationships above the market proper, and nano relationships that exist below the market relationships, thus concerning the internal operations (Gummesson, 1996b). Gummesson (1996b) puts collaboration at the focal point of the market economy's driving forces, stating that a balance between competition, collaboration and regulations/institutions has to be struck. The application of Relationship Marketing focuses on the provision of a framework for complicated structures for interaction, and thus integrating features, which normally are beyond the control of the service provider.

Gummesson's theory of relationship marketing relates also very much to the employee being a very important part in building relations with the customer, and in that way embracing internal marketing or '*the people factor*' in the theory. For instance, he refers to the various '*moments of truth*' as marketing opportunities and uses the term of '*points-of-marketing*' offering occasions to influence the customer's present and future purchases. In line with this, he refers critically to one-way top-down communication, thus not providing feedback on customer's views from the employee and up (Gummesson, 1990; Normann, 2000). However, here again the underlying assumption in all theoretical approaches that the business can manage all of these aspects, becomes obvious; it is this underlying assumption that creates the problem when dealing with tourism destinations as there seldom is one single 'player' managing the complete offer of the destination. But if the destination marketer is able to take a concrete start, based on fundamental values and attempts to build relations between products and services supplied between suppliers who normally consider each other competitors, this could form a starting point for value-based marketing and the attempt to cooperate at some level while competing on another, termed '*coopetition*' (Hamel et al., 1989; Brandenburger and Nalebuff, 1996). Anyhow, the formulation of any *marketing strategy* involves the setting of the marketing mix, which can be defined as those instruments which may be used to influence demand to achieve maximum results with the minimum of means, and if the DMO is to conduct *marketing*, it has to find a way of how to influence the various tools.

3.2.4 Marketing research and marketing intelligence

Marketing research, including the undertaking or commissioning of studies, the gathering of marketing intelligence, and the interpretation of results is an important task within marketing planning and control (Middleton, 1994). Tourism market research has a long tradition. Most of the research in Denmark is carried out by or for the DT, which makes the results available for the trade and uses the results for its own marketing planning. According to Aderholt (1996), these analyses were only the beginning of a market development process, and thus part of a long-term strategy. Other NTOs, e.g. the BTA operate similar strategies.

Seitz and Meyer (1995) state that, although market research institutes have collected demographics and economic aspects of tourism since the 1950s, this gathering of information did not play a role in tourism marketing until much later. This was, however, the case after the 1970s when the structure of the market changed and the seller-dominated market turned into a buyer-dominated market. It is also their opinion that market research only makes sense when the results are correctly interpreted and actively used in the marketing process. Their approach is obviously influenced by and based upon applied science and it appears that this is the case in general in Germany, since the investigations in tourism marketing undertaken in Germany since 1958 have been of a more commercialised character, undertaken by private institutions. The terms market research and marketing research are seen used synonymously and defined as

> .. acquisition, interpretation and analyses of marketing-information including the preparation of possible solutions (Seitz and Meyer, 1996, p.11; translated from German).

Kotler (1988) presents a model of the marketing information system, which is illustrated in Figure 3-1. The figure shows that the marketing research system is only a small part of the whole system. In this connection, Kotler mentions several different types of research, including survey research. Marketing research is considered a specific tool in the strategic marketing planning process. Hence, visitor surveys are of importance in destination marketing. However, large-scale visitor surveys are rather costly to carry out. Therefore, cost is one of the main reasons why many destination marketers rely on data collected from other sources instead of conducting their own survey (Hartl-Nielsen, 1999).

Figure 3-1 The Marketing System

Marketing information ⇨ ⇧	Marketing Information System	⇨ Marketing information ⇩
Marketing Environment	Internal reports system ⇆ *Marketing research system*	Marketing managers
Target markets		Analysis
Marketing channels		Planning
Competitors		Implementation
Publics		Control
Macro environment forces	Marketing intelligence system ⇆ Analytical marketing system	
⇧	⇦⇦⇦ Marketing Decisions and Communication ⇦⇦⇦	⇩

Source: Kotler (1988), p. 103

The scope of marketing research, in this case is a fact-finding process in order to identify the appropriate segment(s) of the potential tourism market at which to 'target' the destination. The objective is to determine the size of the potential tourism market, its characteristics, and how it is geographically distributed. The key variables that are needed for identifying the appropriate market segments are illustrated below. It is the intention to eventually match the supplied services or products with the customer through the selection of different market segments.

3.2.5 Market Segment

The classic key variables for identifying market segments were based on the following:

- Country and region of origin;

- Socio-economic grouping (social class, education occupational life style) broken down by stage of life-cycle (youth, family group, retired);
- Disposable income / per capita tourist expenditure;
- Leisure time / holidays with pay;
- Tourist product preferences / holiday taking habits.

These key variables are then combined into target groups, as it is assumed that target groups can be used in order to predict certain buyer behaviour. Target groups are often termed young adults, empty nesters, family group with young children, family group with grown-up children etc. (Kotler, 1988). The tourism marketer has to ensure that the target group with a profile matching the destination is chosen for the marketing effort (this is further illustrated on p.65).

In recent years however, research has indicated that certain attributes not necessarily lead to specific behaviour. It has been claimed (TUC, 2000) that often an individual tourist will act as a '*chameleon*', changing behaviour on a day-to-day basis throughout a holiday. A realisation that has led to the development of style groups rather than target groups, but also a general redefinition of how to view a visitor. Thus, a cycling tourist may not be cycling all the time, s/he may be visiting a museum one day and spend the day on the beach the next, looking for cultural inspiration and relaxation in addition to the challenge of the cycling.

Other effects on the applicability of target groups are changed family structures and consequently life stages, for example the empty nesters stage is being delayed, because of divorces, re-marriages and subsequently, a number of children being born to relatively old fathers (Ryan, 1995). There is a distinct differentiation between target groups and style groups, the latter being based on cultural and individual relationships. Lifestyle marketing is based on a concept of freedom and values, incorporated in the expectations and myths that marketers are being able to create upon the basis of personal experiences, thus moving away from the mass market focus of marketing in general (Witt, 1998). An example for style groups the following from the leisure industry are given in Table 3-3. Hitherto, destination marketing has seldom gone beyond demographic segmentation.

Table 3-3 Style groups in the leisure market

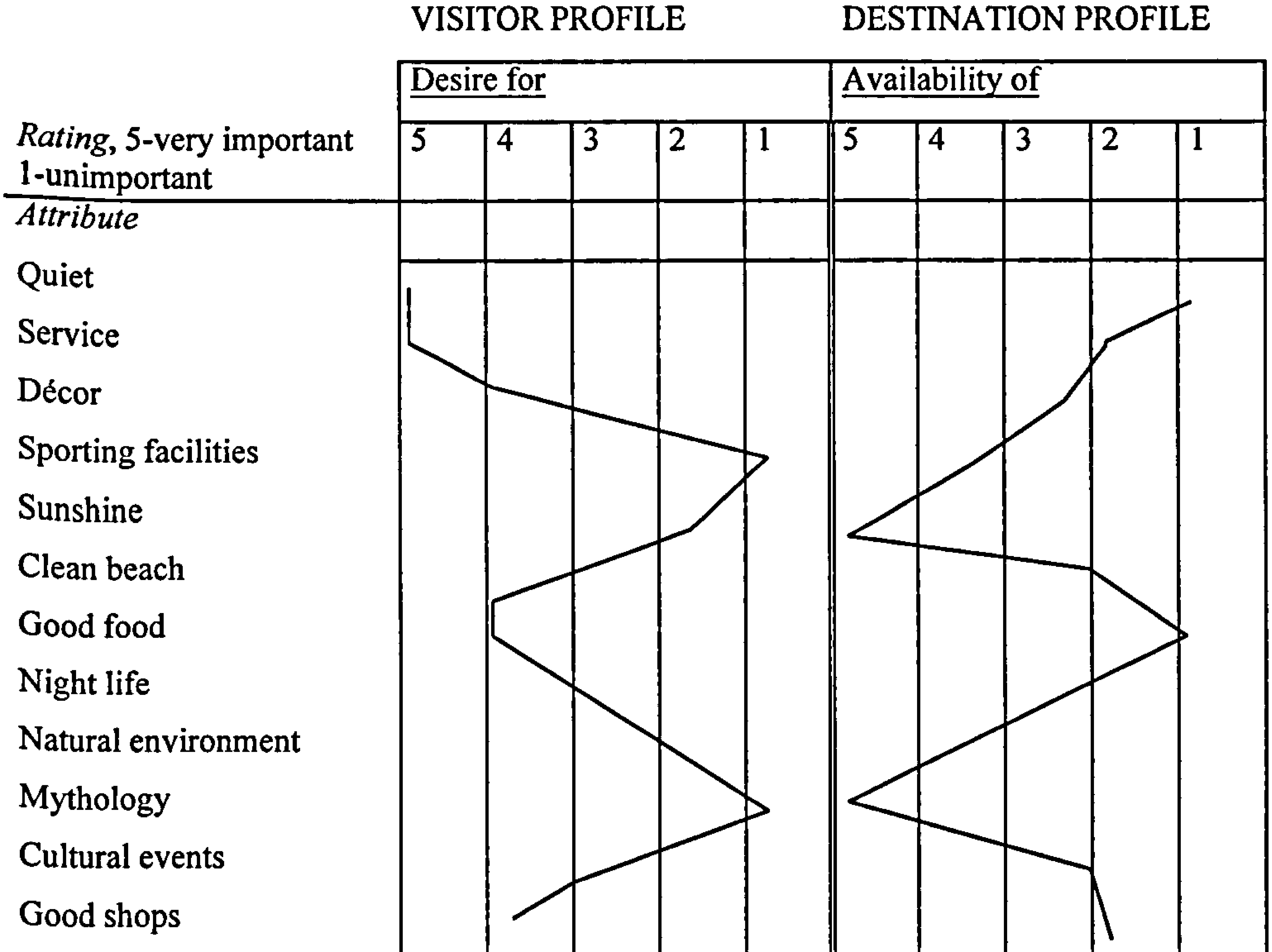
- The passive homebody
- The active sports enthusiast
- The inner-directed self-sufficient
- The culture patron
- The active homebody
- The socially active

Source: Andreasen and Belk (1980) as cited in Kotler (1988), p. 284

Figure 3-2 illustrates through a simple diagrammatic technique, how a DMO can attempt to find matching profiles: in this example, irrespective of the buying power, the product is poorly matched and therefore unlikely to sell to the segment in question, should a visitor of that group, come to the destination anyhow, it is anticipated that s/he is unlikely to return, because of dissatisfaction. It is not unusual that different levels of destination or place product providers have different market segments that they target, this is not problematic, as long as the diverging profiles do not interfere with each other.

Attempting to be all things to all prospective visitors has shown to be a most unsuitable, and wastefully expensive, guideline for marketing and promotion planning. Thus, since one destination cannot attract everybody, market segmentation enables choice by means of subdividing the total market into relevant and homogenous groups of potential buyers. Communication has to take place accordingly, in other words it needs to be formed in a way so that it makes sense to the customer based on the associations created in the customers' minds.

Figure 3-2 Destination/visitor profile fit table



Source: based on Product/Market fit table (Jefferson and Lickorish, 1991)

3.2.6 Product Mix

The formulation of the product mix involves examining the components of the tourism product. These can be described with the help of the five As: Accessibility; Attractions; Accommodation; Amenities; Ancillary services; a concept adapted from Cooper et al. (1993), speaking of four As. The packaging of these components in the various styles desired by the identified market segments in a variety and capacity that is most profitable to the destination or supplier of the product is considered the individualised tourism offer. Service providers, in particular incoming agents or tour operators, generally take care of product mix formulation. This is seldom within the scope of a DMO, as the DMO does not control the individual parts of the mix. The five As, also described as the *Destination Mix*, cover the areas presented in Table 3-4.

Table 3-4 The five As

Factor	*Description*
Accessibility	Denotes both physical access to the destination in terms of infrastructure, e.g. roads, ferry or flight connections and the possibility for the customer to able to book a trip to the destination.
Attractions	Designates both natural and man-made (purpose built) attractions; e.g. waterfalls, museums, amusement parks.
Accommodation	Refers to any supply of overnight facilities, camp sites, guesthouses, hotels, holiday centres, private B&B, holiday homes etc.
Amenities	Describes the physical infrastructure supporting the destination and various facilities provided at the destination.
Ancillary services	Relates to the provision of catering, entertainment, information and transportation at the destination etc.

Source: adapted from 4 As, Cooper et al. (1993), p. 81

Sometimes a tour operator will provide all these aspects in an all-inclusive tour, but most often, amenities and some of the attractions are supplied as free public goods, whereas it is necessary for the supply of the other elements to enter agreements with the various suppliers of the service in question in order to provide a package. Nonetheless, the amalgam of a destination is an advantage, as it enables the combination of different parts of the destination mix in order to fit different customer segments. Although DMOs seldom play a role in the packaging or bundling of services as such, they can influence product development, for example by suggesting new ways of combining the product or initiate additions to the destination mix. However, often a lack of linkage between product development and marketing efforts can be noticed (Smith, 1994).

3.2.7 Pricing Policy

A general viewpoint on pricing is that it attempts to balance supply and demand at the optimum price, thus maximising total contribution or profit. In practice, however, it may be necessary to modify this viewpoint by several considerations and constraints (based on Kotler, 1988 and Kotler et al., 1999):

- A high priced policy be selected in order to aim for 'skimming' the market of a unique product, or restricting numbers to give an '*elite*' image. Long haul destinations are considered to '*skim*' automatically, because no matter how cheap the destination, they are unlikely to compete with short-haul because of fare prices.
- It is a well-established practice to introduce a new destination or product at an initial low price in order to gain market penetration, with gradual increase once brand-loyalty has been achieved.
- Differential pricing is used in order to diminish the effects of seasonality by attracting a different segment of the market.
- Finally, there is the possibility of competitive pricing in relation or with reference to other destinations.

Pricing policy is an area, where the DMO will find it very difficult to intervene. For example, a DMO can monitor other destinations and the price level there, but they cannot necessarily change the price of the shelf products, as others than the DMO package these. On the other hand, a tour operator offering different destinations may be able to influence service providers, such as accommodation establishments, in a way that they can offer one destination at a more competitive price than another. Nevertheless, it is difficult, if not impossible to do marketing without carrying out the exercise of pricing (Ashworth and Goodall, 1990), and therefore the marketing approach to the efforts of DMOs should be extended with other theoretical approaches, e.g. on how to establish cooperative networks.

3.2.8 Distribution policy

Distribution in tourism denotes the option to buy, as consumption takes place at the same time as the parts of the product are being produced. The structure of the distribution channels, which equals the travel trade, requires an understanding of how tourists are influenced by the trade in their purchase decision, this is vital for a destination or individual businesses, if the substantial budgets of the key intermediaries in the markets are to be exploited in their favour. In recent years, these intermediaries have lost terrain to electronic distribution directly to the consumer via the Internet (Marcussen, 1997). Especially, in continental Europe, *direct sell* has been fairly common, and here in many cases the travel retailer has been taken over by the Internet as the key outlet (DB, 2001). On the other hand, the increased importance of the Internet as distribution channel enables the DMO to facilitate distribution, without becoming actual '*product owner*'.

Tour operators have been an important factor in destination marketing, and thus cooperation with the travel trade is considered essential for launching new products. Especially those tour operators that are well established and thus have built up an element of trust with their customers, who therefore will be willing to travel to new destinations with that tour operator. Large tour operators are a powerful factor when negotiating with DMOs or service providers at the destination, for example in popular tourist resorts in Spain, where tour operators had great influence on the provision of capacity, investment in attractions and entertainment for their customers (Lloret de mar, 2001). Where the market is fragmented into a large number of travel agents, like it is the case in the USA, an easily accessed reservation system is vital, this could be through the establishment of a web-based system or an agreement with one of the large Global Reservation Systems. In achieving this, the DMO could play a role, in particular, in order to help smaller businesses to become a part of these systems (Marcussen, 1997 and 1999).

3.2.9 Sales Policy

The contents of a sales policy basically relate to the volume of sales representation, which might be deemed necessary in order to ensure that retail outlets, continue to give prominent shelf space to the place product in question, that they are aware of the range and new innovations, know the benefits of the product, and can communicate its qualities to the customer.

Any larger individual business will have sales representation, e.g. carriers, hotels etc., but also DMOs have sales representatives, and NTOs will also be selling to the trade (Hansen, P.J., 2001), but is rather uncommon for smaller RTOs.

3.2.10 Promotion Policy

Promotion is the way by which the merits of the tourism place product are communicated to the chosen market segments. The promotion plan is a sub-set of the general marketing plan and it is at the same time an action programme to achieve through communicating the objectives of the marketing plan. The majority of work carried out by DMOs can be related to promotional efforts (Middleton, 2001; Jeffries, 2001).

Table 3-5 Breakdown of marketing budgets by main areas of activity for selected NTOs in percentages, 1995

Area of activity / Country	*Advertising*	*PR + Press*	*Promotional activities*	*Public information*	*Research*	*Other*
UK (1994)	28.47	0.71	57.06	7.28	2.01	4.48
Spain	45.88	-	54.12	-	-	-
Switzerland	36.04	16.25	29.45	0.50	4.56	13.20

Source: WTO, 1996, p.32

It is therefore surprising that Table 3-5, together with other figures from the WTO, shows that promotional budgets only account for 50-55% of total NTO-budgets. However, this ratio may be higher, than shown, as the breakdown of the total budget for some NTOs not necessarily includes all sources of funding. Table 3-5 shows likewise some variations within the breakdown of the chosen NTO budgets on different areas of the marketing effort for the chosen countries. Clearly, Spain operates with fewer categories as the other two. Switzerland's relative spend on 'PR + Press' are much greater than the UK's, so is research. Also, the percentage of funds allocated for advertising is higher in Switzerland; on the other, 'Promotional Activity' and 'Public Information' are lower. This is to give an impression of NTOs' self-assessment of their promotional spending.

One of the changing characteristics of the tourism industry has been the increasing involvement of NTOs in the marketing planning and strategy development. Some 40 years ago, NTO offices overseas fulfilled a rather limited scope of tasks, primarily the distribution of brochures and the processing of enquiries. Today they are strongly interested in coordinating promotional activities and joint promotional campaigns (mainly advertising) with other NTOs or DMOs on other levels, carriers and/or the industry. In many ways, this is a consequence of low budgets: full advertising campaigns are seldom undertaken due to cost (Jeffries, 2001). According to Middleton (2001) it is not only interesting to look at the distribution of means between the various promotional activities, but of course also the amount spent relative to the full costs counted or in relation to turnover for tourism businesses and percentage of tourism expenditure for DMOs. This lies on a marginal rate for most NTOs, whereas the spending in the private sector is much higher; Middleton (2001) suggests that this may be up to 60 times higher.

The following five subsections briefly review specific elements related to the promotional policies applied by DMOs.

3.2.10.1 Advertising

Advertising activities in the tourism industry are diverse. The precise mass media mix depends on a number of factors. Generally, newspapers and magazines are considered the most productive means of reaching potential visitors through advertising. Major newspapers bring travel sections, which combine advertising space with informative travel articles. TV has no doubt a very large coverage and is an excellent medium; however high cost often excludes strained DMOs from making use of it.

For NTOs, inclusion in travel brochures is important and trade press advertising is a main vehicle for creating awareness amongst travel intermediaries and is usually launched to run parallel to any general advertising campaign. This raises also the issue of balancing the DMOs or NTOs image advertising with what the industry has to offer and is prepared to live up to, in other words there is an imperative need to coordinate and thus secure agreement of advertising messages

3.2.10.2 Sales Support

Sales support includes the production and distribution of printed information material (guides, brochures and maps etc.) either directly to the potential visitor or to the trade as the material intended to provide the necessary knowledge of the place product. Also, sales representatives are an important part of the sales support given to the travel agents and tour operators, who at the same time can provide valuable feedback about the market place. Although, as already stated, most DMOs do not have an actual product for sale, their sales representatives can act as mediators for smaller businesses, which do not have the personnel to carry out the task themselves. (Compare also section 3.2.10.4 on brokerage activities of DMOs.)

3.2.10.3 Public Relations (PR)

PR plays an important role in tourism marketing, amongst other things, because the tourism industry is highly dependent upon personal contacts and the creation of a positive image. Yet, it is one of the most indefinable of all marketing activities, because in advertising and sales support, one can state exactly what one wants provided, if one has enough funds to spend; this is not the case in PR. Anyhow, the advantage of PR is that the various activities offer the prospect of great publicity returns at a low cost. Hence, PR is a major tool for NTOs working on low budgets.

3.2.10.4 Brokerage activities

Many NTOs, and to a certain extent RTOs, act as brokers in bringing buyers and sellers together. This can take place through the arrangement of workshops or trade activities at exhibitions and fairs. This requires that the DMO has knowledge of the trade and is able to match those sectors of the trade at the destination with buyers from tour operators or travel agents in the marketplace. Careful selection is also important; as to ensure that concrete trade agreements may be made on the spot with technical and financial backing as necessary from the NTO so as to guarantee the conditions for the practice of tourism at the destination.

In the Glossary of Terms (Appendix D) an overview of promotional activities and the corresponding communications channels, relevant for the cooperative marketing through DMOs are given.

3.2.10.5 Promotional effectiveness

As already mentioned, control is an essential part of planning, but it is more than simply assessing whether a campaign has been executed according to plan and budgets spent. An important aspect is control of the results through the measurement of effectiveness of the promotion mix. This is particularly difficult to determine, when examining cooperative marketing efforts, as each section of the campaign needs to be assessed separately. Interdependence between the elements of the promotion mix and between promotion and other elements of the marketing effort, make it difficult to determine specific contributions to the purchase decision, which itself is seldom straightforward. Also, image marketing is typically more difficult to assess than a sales effort for a particular product, where sales figures could be the criteria for judging success.

3.2.10.5.1 Evaluating promotional effectiveness

There are many different ways of measuring promotional effectiveness, which will not be examined in detail here. Nonetheless, it can be stated that none of the methods available provide an ultimate answer, and thus provide fully valid information on the effect of a marketing campaign.

Obviously, the most expensive are organised survey research by marketing research agencies. The most popular of the low budget techniques is coupon response. This generally relates to printed media but may also be used in radio and TV spots where inquiries are invited with the offer of a brochure or a website link is given. Another popular measure of success is, thus, website hits, which can be monitored on a regular basis and related to special campaigns, thus establishing information request via the Internet (DB, newsletter/website www.destinationen.dk, 2001). However, through this only created awareness is measured, as sales are settled elsewhere. Other important indicators are therefore bednights, numbers of visitors and visitor expenditure.

3.3 Destination branding

In recent years, branding of destinations has increasingly become a focus area for DMOs, especially at the national level, e.g. the introduction of the Britain marquee by the BTA or the branding Denmark campaign by the DT. The latter project initiated by the DT will be presented in section 4.4.2.1 on Branding Denmark.

3.3.1 What is branding?

Brands are related to a brand name that is often linked to a certain product or range of products. The effect of branding is broader than image, thus giving identity or reputation to the product or service in question (Blumenthal, 1995). The strongest brand names can be found outside tourism, thus, some brand names have become the synonym of the device they designated in the beginning, e.g. a Hoover being *the* vacuum cleaner or a Xerox being *the* photocopier. Branding is by far a new concept (de Chernatony and McDonald, 1998; Lury, 1998). For other brands, a lot of story telling is associated with the brand name. In other words, product branding is an essential concept in traditional marketing, which through the help of a distinctive name or symbol (i.e. a logo, the design of the package or a trademark) adds to easy identification of the commodity offered by one provider and at the same time differentiates this commodity from a competing product that appears to be substitutable or even identical otherwise (Goeldner et al., 2000, Rompf, 1999). Branding is hence the communication of image (Middleton, 2001).

In tourism, brands have been associated with hotels, airlines, car rental, tour operators and attractions. Hotel chains market themselves through their brand name; airlines are typically strong brands with associated logos; car rental companies are well known for their brand names and slogans; tour operators use different brand names within their own corporation to focus on different segments, like Thomson did when taking over the Scandinavian Leisure Group, which still operates under the same brand names in the Scandinavian countries, although the formerly independent operators now are all subsidies to Thomson; strong global attraction brands are for example Disneyland and Legoland (Ritchie and Ritchie, 2000).

Brands are considered, to a certain extent, to be able to substitute a quality guarantee or can be considered as a standard of good quality (Nickerson and Moisey, 1999). In other words, brand names can convert a simple service into a commodity that is considered valuable by the customer. A good example for this are the values associated with a hotel chain name, which can give the customer quality assurance of the service to be expected. Something that is particularly important to the customer when purchasing a service, as it otherwise cannot be examined prior to purchase. Hence, brands (or brand names) create a feeling of trust with the consumer, easing and guiding the purchase decision, but they also aid knowledge, or perceived knowledge of a product, i.e. the potential customer has an expectation of the commodity to be purchased, which is guided by the brand (Margreiter, 2001). Brands can also be described as a prejudice, a 'pre-judgment' prior to a judgment based on experience, and thus denoting a positive prejudice, which is recognised by a larger group of people and at the same time resists experiences made and possible objections presented by individuals (Margreiter, 2001).

Various factors influence on the management of a brand. *Brand valuation* includes those factors that influence on the worth of a brand; *brand equity* denotes the total accumulated brand value and worth. The brand identity are benefits of the commodity in terms of positioning and personality; the commodity's performance, the brand name and logo and graphic attire, as well as the used marketing communications. These measures can help measuring brand effectiveness, i.e. they help monitoring the promotional effectiveness of the introduction of brand features to a commodity.

Table 3-6 Brand apprehension in tourism

Type of tourism venture	*Percentage of brand apprehension among the population*
Tour operators	51%
Airlines	36%
Hotels	5%
Travel equipment	4%
Destinations	2%
Car rentals	2%

Source: Steinecke, 2001

Until recently, the concept of branding has only been applied in the above-mentioned areas related to travel and tourism. Thus, the population has hitherto mainly related branding to single businesses, in particular to tour operators and airlines, as can be seen from Table 3-6, which is based on research carried out in Germany (Steinecke, 2001). From Table 3-6, it is further evident that the apprehension of brands for tourism destinations is very low. The same research indicated that in Germany areas are often considered brands, when these are related to a geographic area, e.g. the Baltic Sea coast or the Alps, which supports the geographical approach to definitions of destinations. However, the research did not give evidence whether the geographical identification actually was a result of marketing efforts or could merely be attributed to the success of geography lessons in secondary school.

3.3.2 Destination branding

Destination branding has, as indicated above, emerged in more recent years within the work carried out by NTOs. Branding of tourism destinations has potential, but is not without difficulties (Goeldner et al., 2000; Hall, 1999). Development of brands for destinations has to balance the restrictions that a destination faces, with the challenges of the market place (as illustrated in Table 3-7), by applying a technique that creates awareness through focus on the area's own origin, and history, and thus bringing out the destinations uniqueness, in this manner activating positive prejudices in the mind of the customer through focusing on regional strengths and bringing out the force of the destination (Margreiter, 2001, Middleton, 2000). These prejudices need to be confirmed during the stay and hence aid the strengthening of the visitors belief in the brand and that the right decision had been taken by visiting the destination.

Table 3-7 Regional restrictions and market challenges for tourism destination branding

Regional restrictions	*Market*
Parochial mentality	Increasing competition
Lack of professionalism	Craving for superlatives (USP's)
Large number of stakeholders	Product security
Politics	Standardisation
Administrative boundaries	Value added
No control (use of resources, creation of wealth)	Emotional / status – no name products

Source: Steinecke, 2001

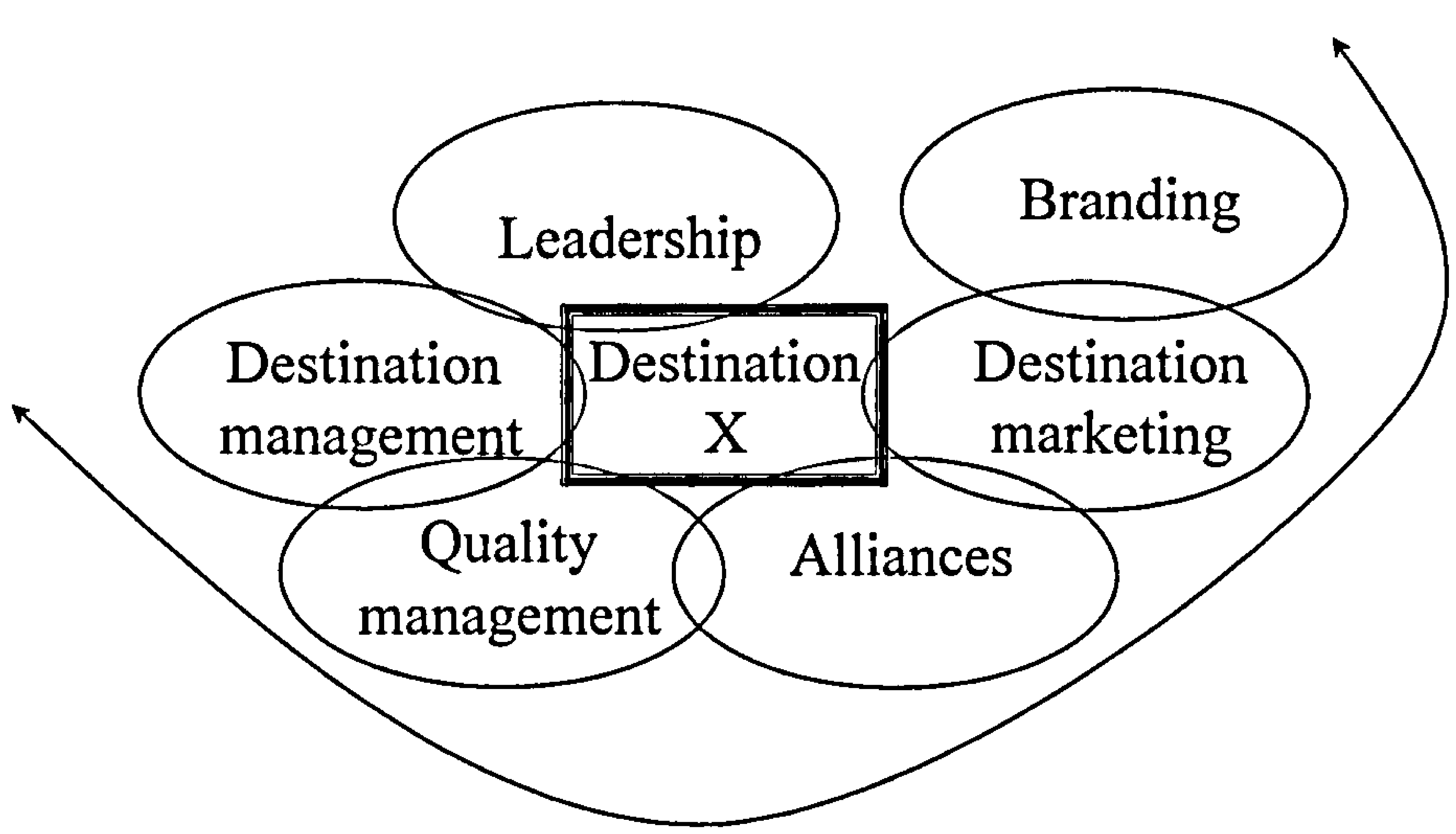
The development of a brand for destinations is more than a communications strategy, it is also broader then image development, as mentioned above, it can accordingly be defined as the reputation or identity that influences on the destination's ability to attract visitors (Goeldner et al., 2000, Williams and Palmer, 1999). In other words, a destination brand denotes symbols, logos, word marks or other graphics, that both identify and differentiate the destination. Additional to that, the destination brand communicates the promise of a impressive travel experience that will be associated with that particular destination alone; thus, consolidating and reinforcing the recollection of enjoyable memories of the visit to the destination (Goeldner et al., 2000).

Destinations are said to more and more introduce brand values and use of brands in the promotional activities, they can also be identified as emerging competitive units. These units can be defined as:

- Producers, which make up the destinations as brands/competitive unit.
- Flexible consumers, which use the destinations as space for action.
- Frequent visitors, who view the destinations as space for cultural experiences and daily life.

This list (based on Steinecke, 2001) expresses a change in destination marketing based on an increase focus on consumers, probably invoked by the increased focus on branding of destinations. This calls for interaction and use of various management tools in destination marketing and branding, as illustrated in Figure 3-3, where branding becomes increasingly important. There are various reasons for this increased importance, this could be, that the market is becoming increasingly competitive and fashions in travel and tourism change quickly, consumers have increased buying power and thus negotiating power (Porter, 1980), and destinations can be easily out-crowded from the market, if they are not visible to the consumer through vast advertising (Margreiter, 2001).

Figure 3-3 Illustration of various destination management elements



Source: Illustration of argument.

On the other hand, there are often experienced difficulties with developing and implementing a branding strategy for a destination, because of the aspects listed below (based on Steinecke, 2001).

- Absence of an overall tourism development and/or marketing strategy; many destinations have poor strategic orientation, which makes the branding process more difficult.
- Long service chain and amalgam of destination mix often coincide with problems of points of intersection, which therefore impede consistent marketing messages.
- If the organisational structure at the destination is too weak, this might hinder a professional development of a strategy for market positioning.
- In terms of marketing, the chosen communication strategy initiates product promises that are unrealistic and cannot be kept within the service chain.
- Fragmented budgets allow short-lived campaigns, but do not permit implementation of medium-term let alone long-term marketing strategies.

However, branding should be targeted, as it helps with differentiation, streamlining as well as activation of destination processes. Also, destination branding calls for cooperation and coordination between organisations working at the national level and tourism industry promotion efforts at the regional or local level (Hall, 1999).

3.3.2.1 Reminder

Both reminders and prestige (section 3.3.2.2) are related to branding. Holidays are a repeat purchase item, with a varying level of brand loyalty. In other words, holidaymakers are open to brand switching. Consequently, it is necessary for destinations to maintain '*top-of-the-mind*' awareness to prevent a weakening of interest. This is usually done by introducing and repeatedly using a short selling theme (around 5 words), some examples are given in Table 3-8.

Table 3-8 Examples of selling themes for destinations

'Wonderful Copenhagen'
'Norway – for body and soul'
'It's better in the Bahamas'
'South Carolina – smiling faces, wonderful places'

Sources: www.woco.dk, www.norge.dk, and various promotional materials.

3.3.2.2 Prestige

Focusing on prestige relates to the intension to establish goodwill rather than make immediate sales. Prestige can be of two kinds:

- Pride in the destination using unique attractions and resources or the central theme - especially on special occasions such as anniversaries.
- Pride in the organisation of the destination.

Thus, helping the DMO to maintain or establish a strong brand, but only obtained through tight-knit cooperation with the industry.

3.4 The DMO in a context of regional development

It has been demonstrated so far that DMOs take part in the management of destinations, often with a strong focus on marketing, and specifically promotional efforts. Their role is focused on facilitation strategies for the tourism industry. However, DMOs themselves function in the wider environment of the regional and national networks and development agencies. Focusing on the DMO in a context of regional development therefore raises issues for peripheral areas in general, as this is one of the focal points of this thesis.

For that reason, definitions of peripheral areas will be given, and at the centre of attention will be the implications on marketing decisions in a destination context. The relevant subjects that will be commented, described and analysed in the chapter are related to issues of:

- Globalisation;
- Product life cycle over ever decreasing time-span;
- Access to information and knowledge in order to be able to compete;

- Tacit knowledge including:
    - Knowledge exchange;
    - Trust;
    - Proximity;
- Islands and peripherality and their drawing power as well as image generation.

3.4.1 Peripheral areas - definitions

The concept of peripherality comprises a clear element of spatial remoteness, but also a connotation of unimportance, of being of no interest to the majority and with no significance to world events whatsoever. Thus leading to the fact the area's inhabitants and their representatives lack power and influence in general, and on decisions being taken regarding their future in particular: this lack of influence leads further to social, political and economic implications with a normally fairly strong negative connotation (Brown and Hall, 1999a).

Whereas centre regions or core locations often are seen as places that enjoy a high level of economic vitality, having a metropolitan character and providing a high standard of living as well as a vibrant lifestyle, peripheral areas on the other hand are often seen as being backwards in economic development. The fact that population is sparse in rural areas reflects the areas reliance on agriculture or other basic production and their allied industries. These areas have normally a history of out-migration to centre regions. Their social service level and general infrastructure is conceived as being of a lower standard than in the centre area (Brown and Hall, 1999a, and Owen et al., 1999). In other words, attributes for core regions are: strong economic record, large market base, good transport links, adaptive labour force; easy access, vibrant city life, whilst the following are associated with periphery: peace, quiet, fine scenery and traditional rural values; activity holidays, away from it all (Owen et al., 1999). Table 3-9 lists various aspects by which peripheral areas distinct themselves for the centre regions.

In general, four categories are typically used for classification of an area's peripherality, these are: geographic, economic, demographic and political criteria. Hence using specific, factual criteria to define a region's degree of peripherality or central position. This can be based on a gravity model, categorising municipalities into five different types of areas: inner centre, outer centre, intermediate, inner periphery and outer periphery (Jensen, 1996). The model is based on total gross income in municipalities and distance in kilometres, which is compared to the many diverse definitions of peripheral areas used by public authorities and scholars. Classifications show certain coherence with some variations, as there is a far more varied picture of peripheral areas than generally is perceived.

Table 3-9 Aspects of core and periphery

	Core		Periphery
✓	High levels of economic vitality and a diverse economic base.	×	Low levels of economic vitality and dependent on traditional industries.
✓	Metropolitan in character. Rising population through in-migration with a relatively young age structure.	×	More rural and remote - often with high scenic values. Population falling through out-migration, with an ageing structure.
✓	Innovative, pioneering and enjoys good information flows.	×	Reliant on imported technologies and ideas, and suffers from poor information flows.
✓	Focus of major political, economic and social decisions.	×	Remote from decision making - leading to a sense of alienation and lack of power.
✓	Modern, fulfilling lifestyle High public spending on culture.	×	Traditions, deprived lifestyle.

Source: Owen et al., 1999

Recent theories about regional and technological development put great emphasis on the one hand on qualities of local and regional framework conditions, i.e. the specific industrial structures, physical and institutional infrastructure, networks, competencies, political, social and cultural characteristics that in total characterise a region. On the other hand, to what extent businesses in the region have access to and participate in regional, national and international networks and innovative milieus, which are engaged in knowledge development and development of new technologies, and which set market and competitive conditions within various industry branches and product ranges (Manniche and Marcussen, 1996). In general, manufacturers located in peripheral areas face higher transportation costs in order to distribute the goods produced, this is even more predominant in an island location, where there is not much choice for transportation of goods and it is also not only costly but fairly time-consuming, having to ship by ferry or coaster. Thus, firms located in areas away from the (mass) markets are faced with a comparative disadvantage in the highly competitive business environment of today.

3.4.2 Peripheral areas in a tourism context

Clearly, periphery is defined by geographical aspects, not only referring to distance but also in relation to their beautiful land- and seascapes, which can have most dramatic expressions (Owen et al., 1999). This physical manifestation can be either actual or perceptual, but it is often presented with the aid of stereotypes as '*wilderness, remote, off the beaten track, the back of beyond and unspoilt*' (op cit.). Stereotypes that often can be found in the promotional material of peripheral tourism destinations (Hartl-Nielsen, 1997).

Jørgensen and Sørensen (1996) give a good account of aspects of peripherality that influence on tourism and the challenge of maintaining an air of peripherality in relation to tourism development. Firstly, they demonstrate that peripherality is linked to the qualities associated with qualities of the destination mix; however, peripherality does not necessarily include attributes like idyllic, romantic and quaint. However, there is no doubt that there is a specific touristic drawing power in peripheral areas in general and islands in particular and that customers specifically seek some of the attributes normally associated with this type of places. In terms of tourism development, Jørgensen and Sørensen (1996) therefore remark, that these attributes are being made part of the implementation and the maintenance of these qualities are related to periphery, although they are not considered criteria for peripherality.

They then state further,

> in terms of attracting peripherality seeking tourism, peripherality in the objective sense of the term is not enough; rather it is the *symptoms* of peripherality that forms the tourism potentials, as they serve as confirming *symbols* of the demanded peripherality (p.145).

Thirdly, they argue that development of tourism in peripheral areas can lead to the destruction of tourism based on peripherality, as too many visitors would destroy the image of – amongst other things – remoteness. In the same way the economic development derived from tourism could lead to a change in demand, as the area would become less '*backward*', while growing more prosperous in some areas this might lead to destruction of the authentic through modernisation. However, this may not be true. For example might house owners in a peripheral area use recently acquired prosperity in order to restore their houses according to preservation standards, disregarded whether these standards are voluntary or statutory to follow. Often these standards impose greater costs when restoring than restoration carried out only in respect to the latest (modern) development. Also, this may be a question of local pride, i.e. the pride that local people take in their (cultural) heritage and the preservation of this. These viewpoints are closely related to concepts of sustainability, attempting to evoke development balancing environmental implications together with economic and socio-cultural aspects of tourism development (Hartl and Herslund, 2001). This leads to a question of what is desirable development and to what stage is preservation correct and at which stage should preservation set in? If focus were upon historic ways, which period would be the correct to choose? Development should not stop for the benefit of preservation. Visitors seldom wish to see a living museum, but come in order to experience a culture as an expression of pride from the people, who live in the place they visit (Hartl, 2000). Jørgensen and Sørensen (1996) equal 'overtly staged' with museumised and 'covertly staged' with falsified, but do not state whether it is the visitors perception or the local residents self-perception that should determine if there is any suitable application of these in tourism development.

Sustainable tourism has as its basic idea the intention of preserving the tourism resources of today for the use by future generations, and thus, is based on the idea of balancing the three areas of development that affect the tourism receiving area (in all three aspects: socio-cultural, economic and physical) (WCED, 1987). In this case, development is necessary in order to achieve the three-fold balance, the idea is that all sectors should benefit equally and thus lead to a positive development. For example, increased industry income should lead to job creation and increased tax income, which in return can be spent upon environmental improvements. Short-term benefits should give ground for long-term planning and improvements. The way of balancing is achieved by creating a triple win situation.

It is argued that tourism development is used as in instrument in regional politics in order to support economic development in peripheral areas. At the same time, it is stated that peripheral areas are attractive to tourism and visitors; because of their supply of unspoilt landscapes and coastlines (Lundtorp, 1996). Therefore, it is assumed that tourism ought to be able to secure basic living conditions in a given area. However, in some of the northern European periphery, seasonality is often a great hindrance to a substantial economic effect of tourism development. Lundtorp (1996) also notes that one of the main objectives for tourism policy is to assess each development tool's aptitude in relation to both tourism and other parts of the society and make these two parts work jointly. This task is hampered by the fact that most tools have a different objective than tourism development, and that they therefore have an unintended, however apparently inescapably negative impact on tourism when brought into play. It is thus more than a question of tools. It is a question of bringing coherence into the use of different development tools and therefore it is first and foremost a question of getting all the 'players' to act together. However, this is not only a task for tourism planners and policy makers in peripheral areas, but also anywhere else. Further, public investment must be regarded as a fundamental tool for tourism policy. In order to develop a destination, roads, airports and other infrastructure needs to be built. Also, the health sector, police, shopping facilities along with attractions and other amenities need to be present to a certain extent; many of these are run by the public sector. Without these factors available, a new destination can hardly be successful. Thus, the public sector can exempt crucial influence on tourism development, both concerning time and geography (space); this is particularly the case in areas where these facilities are not present, are lacking or outdated, which is typically the case in peripheral areas (Lundtorp, 1996).

Research has shown that the economic linkages between enterprises in peripheral areas are often weaker than at the core (Owen et al., 1999). This relates to the vulnerability of regional multiplier effects in significant aspects. In other words, the establishment of new activities in the core will often lead to the introduction of other activities, whereas this effect seldom is observed in the periphery, thus having rather limited effects in the area. Here, more often flows will be observed from core to periphery than within the peripheral area itself.

Table 3-10 Issues for peripheral areas

1	The alternative is usually an extractive (primary resource) economy with a small manufacturing base.
2	There are limited market opportunities or markets have declined.
3	Delivery of the product is usually through SMEs, with their attendant difficulties.
4	There is a lack of tourism infrastructure or obsolete product.
5	There are weather restrictions on the length of the season, as in Northern Europe.
6	Remoteness and strong natural environments are a product plus, for some target groups.
7	Environmental threats to undisturbed wilderness are likely.
8	The social impact on small, close-knit communities can be great and destructive at times.
9	The community lacks education, training, capital (public and private) and entrepreneurship, which mitigates against business formation.
10	There are limited organisational structures, lack of planning, direction and little statistical information.

Source: Wanhill, 1997

The approaches presented so far, can be summed up with the issues presented in Table 3-10. These issues also lead to the role of the DMO in regional development; a theme often neglected in the literature. The main focus that thus exists is on the DMOs role in acting as a networking agent for the SMEs within the destination (von Friedrichs Grängsjö, 2001); thus impacting upon issue three in Table 3-10 and partly issue 10. In some areas, DMOs take charge of or involve themselves in education and training (Petersen, 2001). Where destinations focus on sustainable tourism development, DMOs also involve themselves in issue seven and eight. Other aspects are related to what is partly applied in the promotional effort (e.g. issue six).

Although this section aims at giving a definition of peripheral areas, this might not be a necessity to strive for a definite answer, as Jørgensen and Sørensen (1996) put it:

> ... taking the domain character of tourism research into account, it is very much doubtful whether it is at all possible or even desirable to reach any final agreement within the social sciences on the concept of periphery.

Different approaches and viewpoints may actually both be helpful and interesting.

3.4.2.1 Island tourism

Since the chosen case study area is not only characterised as a peripheral destination, but also an island, special attention is given to the specific issues relating to islands. Island destinations are often confronted with similar strengths and weaknesses, opportunities and threats as peripheral destinations, but not all islands are peripheral destinations (e.g. Singapore). Islands are, as opposed to peripheral destinations, clearly defined geographical entities. An island's boundaries are defined by the coastline and hence the surrounding water. Islands can be connected to the main land by bridges, but most often have to rely on means of transport like ferries/ships and airplanes. Islands can be states in their own right (like Singapore, Malta, Madagascar), and they can be part of a national state; sometimes we refer to island states as being a collection of islands that together form a state (e.g. the Seychelles, Fiji, and other groups of islands in the South Pacific).

Because of islands' geographical limitations this leads to limitations on the development side, as population cannot grow indefinitely, at least not without compromising the natural environment, an environment that is considered more vulnerable to changes imposed on it by human beings or natural forces (particularly wind and sea).

In general, there are various issues that island tourism destinations have to address differently than other tourism destinations (Conlin and Baum, 1995). These are the following:

- Tourism planning and policy development;
- Sustainability issues;
- Marketing issues.

3.4.2.1.1 Tourism planning and policy development for islands

The development of island destinations requires a more careful approach, at the same time development without the necessary accessibility is impossible, especially in islands depending on sea and air transport, but also bridges create a bottleneck problem (Hartl and Herslund, 2001). If not planned carefully, islands can be seriously damaged by unplanned and uncontrolled tourism (Conlin and Baum, 1995). However, for some islands it can be the *only* development strategy. The development of viable links can also relate to viability in a much more exclusive sense, regulating access and thus attracting high-profile and high-spend visitors like has been done in Mauritius (Wing, 1995).

3.4.2.1.2 Sustainability issues for islands

A quaint environment may be the island's particular attraction; development for tourism may destroy this on an irreparable basis, no matter whether this concerns the natural, economic or socio-cultural environment. Depending on the proximity or the lack of proximity to the mainland, it may for example impose an impossible problem for the local population to commute to work elsewhere, if jobs are being lost. Islands have traditionally depended upon an appeal of sun, sea and sand, but that they have been noted to lose their attraction to increasingly experienced and sophisticated tourists

(Forbes and Forbes, 1992, 1993 as cited in Ryan, 1995). Hence, an island's cultural heritage can help define the tourism product by offering greater insight into the different characteristics of each island (Prohaska, 1995).
Islands that have become known as mass-tourism package tour destinations, will find it hard to revert to an up-market image; at the same time small islands, with low negotiating power, are in the danger of loosing control over the type of tourism product, which is being promoted and/or marketed for them, if they do not have a strong organisation that takes care of the preservation of their 'exclusive *paradise* and *exotic* image' (Wing, 1995, p. 100).

3.4.2.1.3 Marketing for islands

Marketing an island destination needs to be comprehensive and more so than in other tourism destinations, because of the industry's pervasiveness (Conlin, 1995), but also because there needs to be a focus on sustainability, which is reflected in the islands' marketing strategies. Another focus is upon cooperative marketing not just of one island destination, but also upon the cooperation between different islands in the vicinity of each other, e.g. advertising 'island-hopping' involving two or more islands (Wing, 1995). He further recommends, that the natural degree of competition between these islands should be overcome through differentiation of the product in the marketing process and thus, demonstrating the uniqueness of each island as well as the complementarity to each other. He argues further, that this enables some of the islands to have tourism, as they otherwise would not be able to offer a satisfactory destination mix, as they have a limited capacity for tourism because of their size. However, such an approach requires on the one hand effective transport links between the participating islands and on the other an organisation that is capable of administering this multiple-destination product, otherwise such a project is prone to fail (Hartl and Herslund, 2001). Wing (1995) also acknowledges that is important to focus upon 'value for money' as 'island tourism is expensive tourism'.

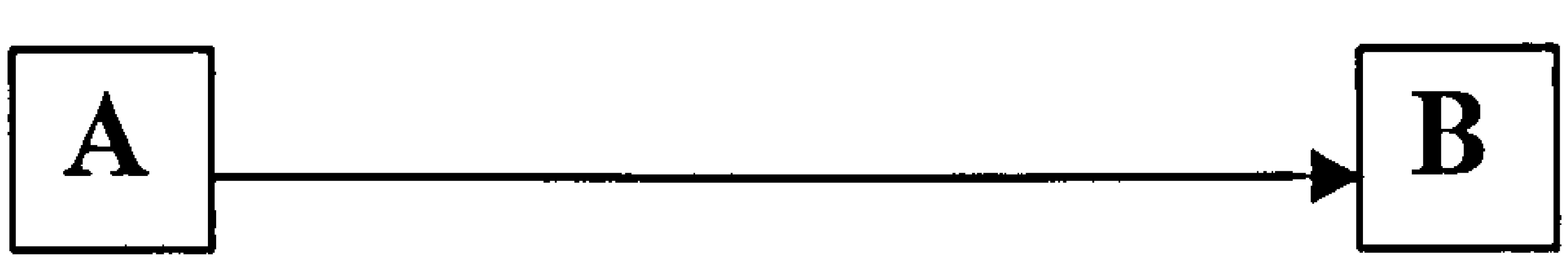
3.5 Strategy development through a DMO in peripheral areas

Whilst the preceding sections have focused more general on strategies for peripheral areas and specifically for tourism development of such regions, this section will now return to the DMOs role in the development process of tourism strategies. Setting off with some general viewpoints on strategies and the strategic development process.

3.5.1 Definitions of strategy

The concept of strategy, as the theory of marketing, enjoys a great variety of interpretations and applications both in theory and practice. It is even more so as the term strategy is used for different aspects within the concept of strategic management. Therefore, this section gives an overview of different approaches to the term strategy as well as a definition of its application in this thesis. The simplest definition of a strategy can be embraced by stating that we have a *status quo* and wish to proceed to another state, the plan for effectuating this change is the strategy; in other words, a strategy describes how to get from A to B.

Figure 3-4 Simple model of a strategy



Source: own illustration

Quinn (1980) has a slightly more sophisticated definition:

> A strategy is the *pattern* or *plan* that integrates and organisation's *major* goals, policies and action sequences into a *cohesive* whole (Quinn, 1980).

However, as the simple model, illustrated in Figure 3-4 indicates, strategy is also related to a certain direction one wishes to follow, a fact that Johnson and Scholes (1993) encompass in their definition:

> Strategy is the *direction* and *scope* of an organization over the *long term*: ideally, which matches its *resources* to its changing *environment*, and in

particular its *markets*, *customers* or *clients* so as to meet *stakeholder* expectations.

This definition also incorporates the fact that a strategy is working on a long-term basis. It also introduces the term of '*stakeholders*' (cf. below).

Andrews (1980) introduces in his definition the term of *corporate* strategy:

> Corporate strategy is the pattern of decisions in a company that determines and reveals its objectives, purposes or goals, produces the principal policies and plans for achieving those goals, and defines a range of business the company is to pursue, the kind of economic and human organization it is or intends to be and the nature of the economic and non-economic contribution it intends to make to its shareholders, employees, customers and communities.

On the other hand he speaks of shareholders, employees, customers and communities instead of stakeholders, a term not yet coined in the early 1980s, but especially in tourism the term of stakeholders has received attention since its introduction, as the term denotes the involvement of different groupings that in various ways influence upon a company. Stakeholders can include, owners of various kinds (e.g. stockholders), suppliers, employees, customers, the financial community, governmental offices, trade associations, political groups etc. (Freeman, 1984 as cited in Burton and Dunn, 1996). The importance of stakeholders in tourism (e.g. Jamal and Getz, 1995; Sautter and Leisen, 1999), and in particular in tourism destination marketing is illustrated by the fact that strategic planning for a destination is anticipated to be more complicated than for a single enterprise as there is no one who holds complete control of all the stakeholders that in various combinations make up the service offer at the destination, as well as the travel and transport to the destination just as was the case with the marketing mix elements.

3.5.2 Formulating a strategy

According to the above definitions, a strategy can be a plan for moving in a certain direction. A plan that can be rather simple, but also very sophisticated. Therefore, when developing a strategy two important questions need to be addressed:

1. Where to go? (Vision and aim)
2. How to get there? (Strategies and actions)

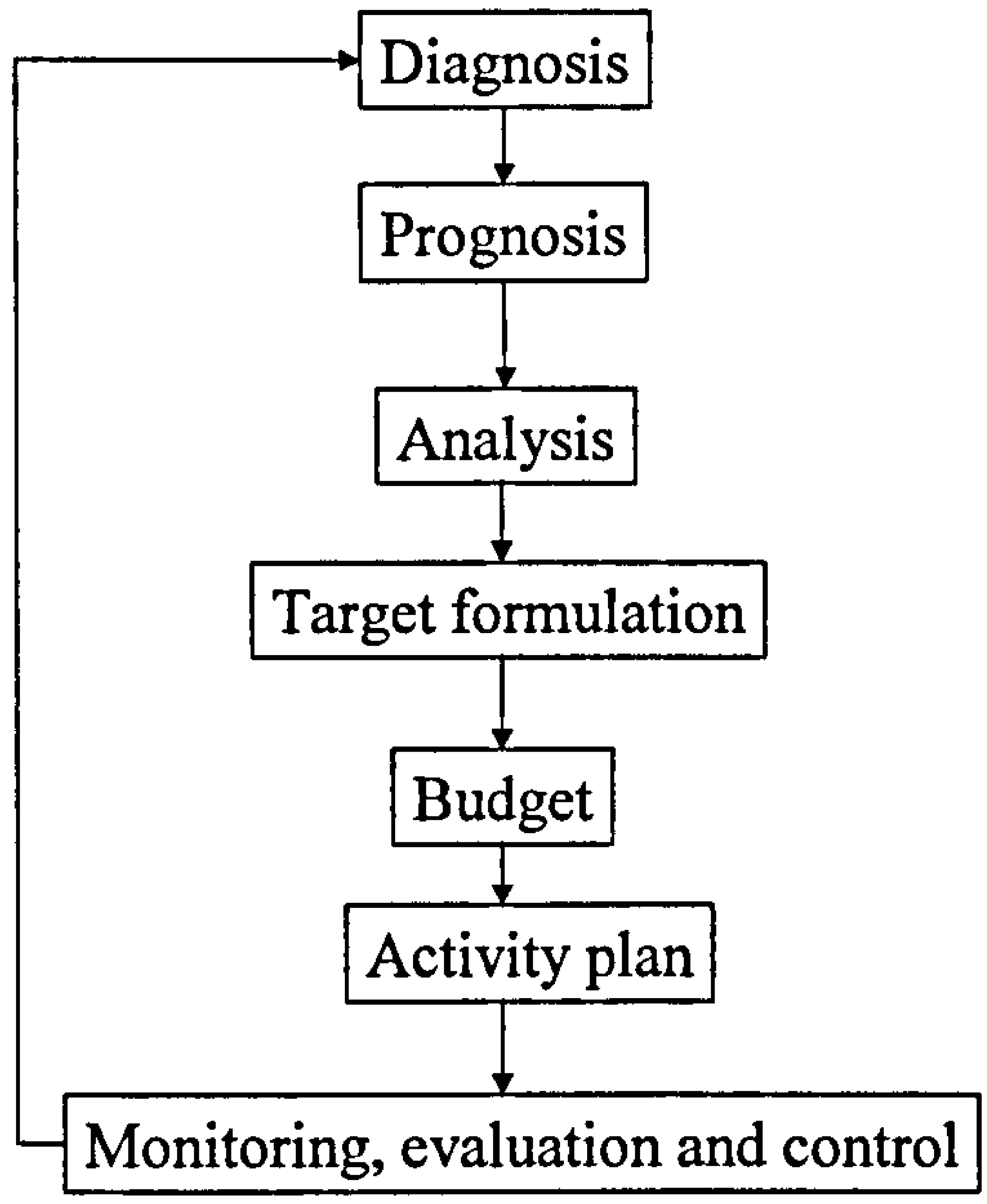
Additionally, it is important to ensure that it is possible to establish the achievement of the desired target (Mintzberg, 1987). In other words, targets set in a strategy need to be measurable in some way in order to be able to ascertain the effect of the plan developed. In the scope of this rather simplistic definition, no consideration has been given to the various levels of planning within a business. It is generally accepted that we deal with an operational, tactic and strategic level (Kotler, 1986). Here, operational denotes the day-to-day planning and tactics deal with a particular problem, the strategic level is normally considered to be more comprehensive than tactics. A corporate strategy, is thus a general strategy that steers the overall organisation, at the same time there can be additional strategies for individual business units at other levels. In this relation, it is also adequate to distinct between an aim and a target. An aim denotes a clearly directed intention or purpose, whereas a target is a goal to be achieved.

3.5.3 Strategy development

Developing a strategy is a process that is incessant. In the previous section, it was stated that strategic targets and aims needed to be measurable, so that a strategy's success could be determined. It goes without saying that therefore the process of developing a strategy needs to be replenished with a process for controlling and possibly correcting or updating the current strategy, in accordance with a renewed analysis of the business environment. Otherwise, it would be a case of strategic drift, i.e. that adjustments of the corporate strategy do not correspond to changes that take place in the company's environment (Mintzberg, 1987).

Since the early 1980s, the apprehension of the business environment has shifted from being static, single, simple and safe (4S) to be dynamic, diverse, difficult and dangerous (4D) (Mintzberg, 1987). One may rightly argue that an environment with these attributes calls for consistent strategic planning, in order to survive as a business.

Figure 3-5 The strategic planning process



based on Middleton, 1994, p. 141 and 2001, p. 205

3.5.4 The concept of strategizing

Strategizing denotes behaviour by individuals or SMEs as well as businesses in general, that distinguishes itself from behaviour that is random in its nature. When acting based on a strategy, thought has to be given to the current situation and an assumption of the future has to be based on analysis as opposed to action or reaction on impulse.

> As such strategizing is a complex, contextual interplay that takes place within firms, outside firms, and between firms. (Nygaard, 2001, p.7)

Nygaard (2001) describes strategizing as a systemic structure based on interplay rather than a well-defined concept, a structure that is more exactly descriptive than normative and breaks free from the terms (notions) of corporate strategy and strategic management. Strategizing are processes of (and behind) interplay and the concept helps to understand these processes through micro sociological studies. The interplay is ongoing, just like the strategic planning process is a continuous process.

If one argues that this interplay is based on different norms, rules and regulations, one can rightly state that this interplay is never new (Nygaard, 2001, p.8). However, there must necessarily be various stages of interplay depending on how well the various players know each other. Behavioural patterns are based on individual backgrounds. Nevertheless, individuals act differently when they are part of a group or an organisation and, thus, form the basis for organisational behaviour at a destination. On the other hand, dealing with small and micro businesses as in tourism, it will often be the individual's attitudes and background that will either influence or even completely dominate the organisational conduct associated with that business. The concept of strategizing is interesting when analysing tourism destinations as it provides a framework for strategic planning involving interplay between independent organisations.

Contextual interplay preceding the current interaction has an effect on the participants 'right' to take part in the interplay now and in the future, and thus the history affects the constitution of its own rules (Normann, 2000; Nygaard, 2001). Strategic plans can be produced as pure deskwork without any interplay and thus contact to any others taking place (Nygaard, 2001). This may be feasible for single businesses, which are top-down steered, or micro-businesses that have concentrated their competencies in one key-person, but it is rarely a useful solution, for amalgams of organisations. Conversely, strategizing is much more than this; it takes into consideration the interplay, which is taking place in the outside world, e.g. from stakeholder relations up to the constitutions of industries and nations. Thus, taking in the influence of cultural differences on the setting of standards for industrial competition as well as cooperation.

3.5.5 Other tendencies in strategy theory

This tendency that can be denoted in a process based on strategizing, goes very much in line with what Leavy (1996) identified as new trends in strategy development as priorities for the 1990s, based on the challenges of:

- Deregulation,
- New information, manufacturing and materials technology,
- Increasing globalisation of competition.

Interestingly, Leavy (1996) states that the following main concepts were coined and much applied in the 1960s and 70s:

- Product life cycle
- Experience curve
- Strategic business unit
- Growth-share (portfolio) matrix

And further, in the 1980s the theoretical development started to focus on growth strategies, diversification and vertical integration encompassing:

- Industry and competitive analysis:
    - Five-force model
    - Generic strategies
    - Value chain
    - Diamond
- Strategic change and transformation
- Competitiveness, renewal in core and nature businesses

These will not be described in detail here, but are included in order to demonstrate that the application of business theory in tourism generally lacks a decade or two behind. For example, Butler's tourism area life cycle, first introduced in 1980, was based on the product life cycle developed some 20 years earlier. In the same way, Porter's (1985) value chain has found application in tourism in the 1990s (Hansen, E., 1999).

Leavy (1996) also identified trends for the 1980s, and termed these 'external industry organisation and market structures', which in the 1990s would move towards 'internal processes and competencies'. Obviously, Leavy (1996) has his main focus on *internal* processes whereas Nygaard

(2001) has a clear focus on *external* processes, probably the trend for the first decade of the new millennium.

Figure 3-6 Shift in strategy focus

1980s	1990s	2000 +
External industry organisation and market structures	Internal processes and competencies	External processes and stakeholder relations

Source: based on Leavy (1996) and Nygaard (2001).

3.5.6 Marketing strategy development

In order to develop a successful services marketing strategy at least four characteristics have to be included:

- A detailed understanding of the market-place;
- Exploitation of the key-competencies of the organisation,
- Application of valid assumptions about environment trends and market behaviour; and
- These strategies need to offer a realistic basis for gaining and sustaining competitive advantage.

With a cohesive, integrated approach to the formulation of strategy, the enterprise also prevents the various functions from overlapping and thus conflicting with each other (Moutinho, 1990). As previously indicated:

> Each tourist destination has a unique range of features with which it tries to attract visitors, but the marketing challenge they face is that each potential visitor has a very wide choice amongst destinations. (Laws, 1991, p. 131)

In this case, the suppliers' viewpoint is prevailing and the factor of competition from other destinations is added. Further, the factor of accessibility is introduced as a critical aspect for destinations to develop, as '*efficient transport links between the destination and its main tourism generating areas*' guarantee success (Laws, 1991, p.132). This is specifically true for the mass tourism destinations of the 1970s and until today, as well as the increase in long-haul travel, once air fares to far away destinations became affordable (Bray and Raitz, 2001). However, once this discussion is taken further to the marketing of a destination, it is also necessary to examine the supply side of the destination, as this makes up the partners who should collaborate on developing a strategy for the cooperative marketing approach. As already indicated above, the literature presents destinations as complex systems or amalgams of businesses, public and private interests and so forth, but corresponding to marketing strategies, destinations are treated as if they were one homogeneous unit. For example:

> Destinations function as complex systems of businesses and other interests; they depend on a regular flow of visitors. In addition to attracting individuals by the traditional tourism methods of good service leading to word of mouth recommendations, market positioning based on imagery and branding related to the needs of market segments, and tour operator promotions, many destinations also have marketing programmes intended to attract large groups travelling for specific purposes. (Laws 1991, p. 140)

And accordingly, he gives the following overview as a framework for resort marketing decisions:

- Survey current and potential visitors to identify what benefits they are seeking from resorts in general.
- Carry out market research to establish what benefits they consider the specific resort offers.
- Specify the main clients groups to which the resort intends to appeal.
- Audit the resort's facilities to identify what it offers.
- Invest in developing appropriate facilities in the resort.
- Devise marketing communications programmes to communicate the facilities, which the resort offers to potential visitors.
- Monitor the results. (Laws, 1991, p. 143, table 10.8)

Nonetheless, there is no statement as to who should be in charge and carry out the work and if these tasks were carried out individually, duplication would occur and result in wastage of resources. Although others address the major challenges of DMOs, i.e. to act as coordinating catalysts, they nevertheless often fail to move away from marketing terminology (Buhalis, 2000). Here, for example, reference is made to a differentiation of the marketing mix in order to take into account the various needs of destinations at the different stages of their life cycle.

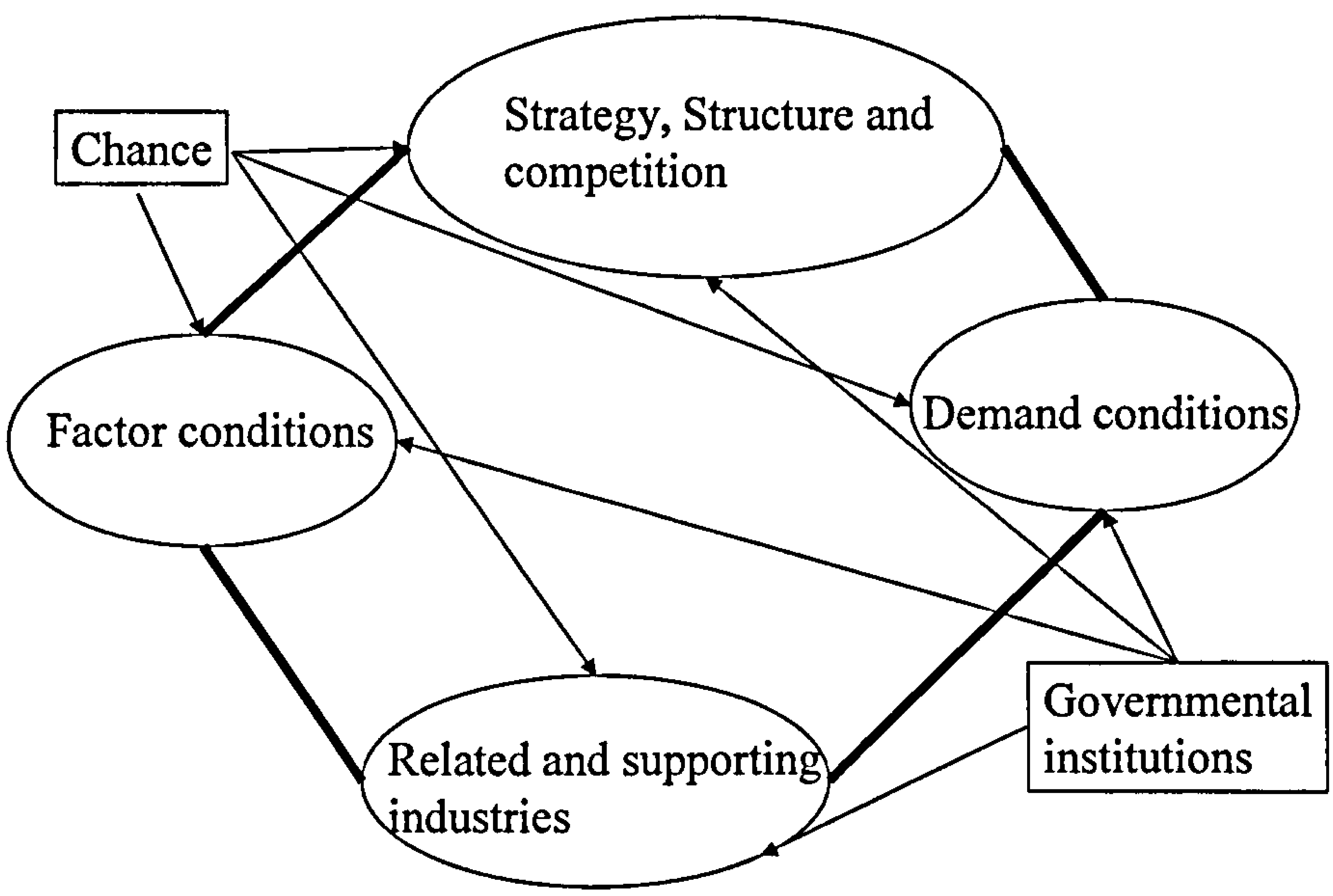
Table 3-11 Competitive factors in old and new tourism

Type of tourism / Factor	Old	New
Strategy, Structure, Competition	• Seller market • Few complex strategies • Self-marketing of products • Quantitative industry growth • Small structures • Homogeneous products	• Buyer market • Quality and innovation competition • (Inter)regional and interfirm cooperation • Necessity for strong market orientation • Focus on productivity and yield
Demand	• Basic tourism services • Monocultural composition of visitors • Folklore rather than authenticity • Mass tourism (skiing, hiking, sun) • Culture as bad weather alternative	• More fun and entertainment • Multioption customer looking for action& fun • Serenity & solitude • Both groups demand individual experiences and authenticity
Related & Supporting Industries	• Agriculture	• Agriculture • Food processing • Entertainment • Designer • Advertising • Marketing • Architecture • Culture
Factor conditions	• Easy credit • Qualifications based on secondary education • Little competition in the labour market • Few product and process innovations • Life-style entrepreneurs	• Use of risk capital • Competition in factor markets • Higher and more differentiated qualification of staff • Schumpeterian entrepreneurs • Information and communication technology
Government	• Fostering quantitative expansion of new destinations • Expansion of existing destination	• Foster liberalisation of tourism industry • Encourage innovations • Support/enhance tourism education

Source: Weiermair (2001)

In addition does Poon (1993) not address the challenge of coordination, as she alone states that destinations should organise their destination mix in a way that will enable them to focus their tourism product in keeping with particular demand needs (as cited in Buhalis, 2000). By considering factors of competition based on Porter's (1993) model of competitiveness and relating these factors to old and new tourism conditions) (terms coined by Poon, 1993). Weiermair (2001) illustrates the need for a revised approach to strategy formulation and development of business plans, as described in Table 3-11 and Figure 3-7. The table gives an overview of the various factors, whilst the figure illustrates their relationship in the context of competitive forces.

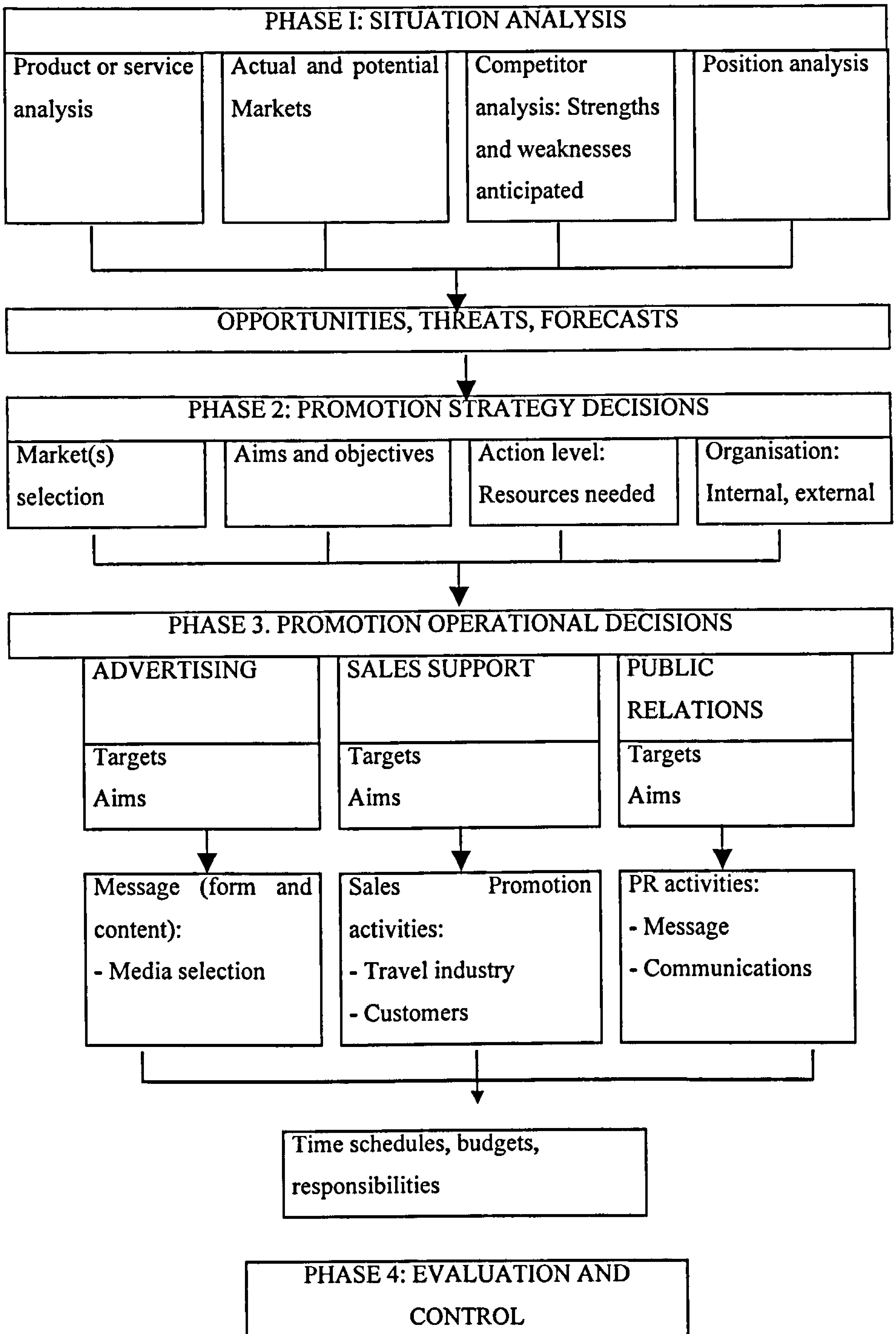
Figure 3-7 Relations between the factors of competition in old and new tourism



Source: Weiermair (2001) based on Porter (1993) and Poon (1993)

Marketing strategies are developed in order to enable a business to differentiate its own offering from those of its competitors, and thus position the company in the market (Kotler, 1997). In relation to this, or as a single reason, marketing strategies may also be developed when developing new products or services, as management tools for life-cycle strategies, coping with a global market or specific strategies for different positions in the market place, as market leaders, challengers, followers or nichers (Kotler, 1997).

Figure 3-8 Framework for a promotional plan



Source: Gartrell, 1994 and Kotler, 1988

It is further suggested that the marketing strategy plan should consist of three parts, i.e. firstly, defining the areas of operation in terms of target markets, their size, structure, and related behaviour, indicating the planned positioning for the product, and suggesting strategies for sales effort, indicating the market share that should be achieved and stating profit goals. Secondly, it should relate to the planned price, present a strategy for the distribution of the product and state the marketing budget. Thirdly, long-run sales task need to be stated, alongside with goals for profit and the actual marketing-mix strategy (Kotler, 1997). A more detailed approach is given in the following, presenting a framework of a promotion plan, based on Gartrell (1994) and Kotler (1988) and illustrated in Figure 3-8.

3.5.6.1 Situation Analysis

The purpose of this phase is to identify problems and opportunities and to forecast demand. Often this is based on an analysis of strengths, weaknesses, opportunities and threats (SWOT). Strengths and weaknesses refer to internal factors, which may be influenced, opportunities and threats relate to the market place and factors that seldom can be influenced through strategic planning. Additional to this analysis of the business (or destination) in question and the marketplace, a situation analysis also includes the analysis of competitors and a realisation of which funds can be allocated for marketing the product or service in question. Destinations often experience difficulties identifying internal factors that can be influenced; again reflecting a lack of control. DMOs can thus suggest changes, but they have to rely on the willingness of the service provider in order to carry out actual changes.

It is important to note that thorough research at this stage provides for a sound basis for decisions, and that it is necessary at times to look at other analyses carried out in those markets that appear of interest, as a 'hunch' – made on the basis of unproven or improvable assumptions about the key variables in the market segments – about a market may be completely wrong, so it is a good idea to look for any material prepared in countries in question, e.g. the German analysis on 'Holiday and Travel' Urlaub und Reisen (Forschungsgemeinschaft Urlaub und Reise e.V., 1996).

3.5.6.2 Promotion Strategy Decisions

The key strategic decisions that have to be taken are related to the items listed below.

- Market selection
- Aims and objectives for each market:

  Most promotional objectives can be classified into three groups, which are:

  - Market expansion
  - Demand restructuring - counteract seasonal variations, select specific customers (conventions, mature travel, youth etc.)
  - Increase sales efficiency - reduction of most costs of selling by promoting groups, package tours and using a centralised reservation system.
- Action level (resource allocation) by
  - markets
  - activities
- Organisation

Edgell (1995) suggests that on the one hand an increased awareness of public policy on the importance of tourism in the global economy is necessary, on the other hand, as the marketing of tourism is so complex, he advocates for a regional approach when developing the international marketplace. He further introduces the 'six C's: commitment, cooperation, communication, contribution and co-ordination – all of which can be summarized in the word *challenge*', which he considers imperative in order to have a successful marketing programme for a total quality tourism offering, that generates repeat visitation.

Poetschke (1995) adds to this the need for consistency through cooperation amongst the various players operating at the destination. He claims that many destinations find it increasingly difficult to market themselves, and that there is an apparent need for better product planning and marketing. This could be achieved through increased public-private partnerships, involving all key stakeholders (i.e. all groups directly impacted by tourism) at the destination. Poetschke (1995) advocates for one single organisation in charge of tourism development and marketing, where both the public and the private sector are represented.

Another aspect in marketing is of course the adoption of varying strategies as such, depending on developed tourism or emerging destinations. Well-developed destinations can diversify their markets by marketing and promotion in a large number of markets, whereas new destinations should focus upon few markets to start with.

3.5.6.3 Competitiveness

Finally, marketing strategies are developed in order to gain a competitive edge (Kotler, 1988). Economic development is cyclical, in the beginning of the 1990s, the global economy experienced a downturn and does so again at the beginning of the new millennium, underlining the importance of competitiveness for tourism destinations. Competitiveness continues to be one of the primary components for tourism success and is expected to remain as such for a foreseeable future (Conlin and Baum, 1995). Therefore, careful attention should be given to issues related to globalisation and the general development in travel patterns. It also concerns the ability to offer a product that is in keeping with tourism demand and which focuses on the economic sustainability of a destination. When new markets emerge through changed customer behaviour, an increase in spare time together with an increase in disposable income, these may present competitive threats at the same time as they offer opportunities for rejuvenation of mature destinations. If destinations are to be able to adapt to such market changes, this goes beyond improvement of the infrastructure, campaigns for beautification of the resort and aggressive marketing to retain competitiveness (Helber, 1995; Poon, 1993). Therefore there is a need for continuous development of the elements in the destination mix, at times this may have to include offers at other destinations, if the destination itself is too crowded with high-density development, something that can be problematic for destinations in a remote setting (Helber, 1995). In this manner, the better the destination manages the renewal process, the more competitive they become

3.5.7 Development strategies for peripheral areas

In recent years regional studies research has focused increasingly on regions unique cultural and historical background as an important element for the understanding of regions differing development. The main issue of this theoretical framework is that innovation and learning processes take place through interaction between actors and institutions (Petersen, 1996). Institutions here being defined as:

> ... sets of habits, routines, rules, norms and laws, which regulate the relations between people and shape human interaction. By reducing uncertainty and, thus, the amount of information needed for individual and collective action, institutions are fundamental buildings blocks in all societies (Freeman, 1995).

The understanding of a regions' general industrial structure must therefore, apart from a structural analysis, include intimate knowledge of the historical background as well as the qualitative elements of the industrial structure of the region. It is important to understand what governs cooperational relations horizontally and vertically; to what degree businesses make use of information from public institutions; and what proximity and personal relations mean. Once an understanding, of these chosen indicators for industrial development conditions, has been achieved, development objectives and strategies adapted for the region in question can be formulated (Petersen, 1996).

Further, the ability to search for and use acquired information and knowledge depends on a business' routines and learning processes. Information as such is without value, only when a business is able to transform information into knowledge it becomes useful in the innovation and development process. It is suggested that there is a relation between the ability to acquire coded knowledge and the educational level of a region. Traditionally peripheral areas educational level is low with a clear correlation to tacit knowledge, being the type of knowledge that individuals have or that organisations share internally, whereas coded knowledge is acquired through research and outspoken experiences. Optimal development strategies for regions take their departure point in the regions strengths and potential, and enable tacit knowledge to be brought out into the open and transformed into coded knowledge (Petersen, 1996; Vedsmand, 1998).

3.5.8 Tourism related development strategies

A logical way to develop tourism in peripheral areas would be to develop holiday types, which fit naturally into the area in question. This could be beach holidays, nature tourism or thematic holidays like angling, hunting, mountaineering, trekking or golfing holidays. Thus, using the natural attractions of an area or taking advantage of open spaces in order to establish the required facilities (Lundtorp, 1996). Further, it is suggested that the government should take a leading role in respect to tourism development, as this would be of benefit to both tourism industry and state finances. Strong government involvement alone is not the answer, but as long as the government nationally or supra-nationally (i.e. at EU-level) does not engage itself in a pronounced tourism policy, tourism development operates under difficult circumstances (Wanhill, 1996a). Tourism development calls for coordinating top-down steering with bottom-up processes, especially when sustainable development is in focus (Hartl and Herslund, 2001).

Other challenges for the tourism industries of peripheral areas are not any different from the challenges that entrepreneurs in central regions face; it is merely a question of degree. Or in other words:

> If tourism projects are viewed, in general, as being risky, then the problem is magnified in peripheral areas. In a European context, the tourism issues facing many peripheral areas are similar to those elsewhere in the world (Wanhill, 1996, p. 212).

It has been observed that troubled places react to the necessity for development and changes in a range of ways. Most do not respond because of lack of leadership or resign to their providence. Others struggle for an increase in resources, believing that money is the solution to their troubles rather then identifying their problems through a systematic approach. These places or regions lobby the government for financial aid or support. Some raise taxes. Eventually, they try to decrease local government expenditure: they lay off employees or they start privatising public services in order to save money. (Kotler et al., 1993).

Focusing on mature resorts, the lack of comprehensive planning and public leadership has been accused of being a factor that contributes considerably to the progressing of a destination along the life cycle of the destination (Helber, 1995) A necessary tourism master plan (a tool developed in the as early as the 1960s/70s) should contain the following elements:

- An inventory of attractions and resources;
- Designated areas for tourism development;
- Definition of the carrying capacity for the destination;
- Description of the necessary infrastructure requirements.

Where tourism planning takes place, this often is complicated by the fact that national tourism planning often stands vis-à-vis regional planning and development, and that there is no direct coordination (Helber, 1995). The integrated destination resort (a term introduced in the 1950s) is a master plan for a self-contained visitor destination, i.e. the development of the resort or destination is structured through spatial planning etc.

According to Helber (1995), an expansion of market shares can be achieved through new products or redevelopment strategies, a well-known factor of rejuvenation and diversification strategies. Often various forms of tourism are being considered sustainable, because these forms refer to themes like nature, culture, adventure or eco-tourism, but these are not necessarily sustainable in relation to the host community and environment, and thus, it is actually doubtful, whether these types are any less damaging than conventional tourism (de Albuquerque and McElroy, 1995). Further, there is strong focus on the use of cultural heritage in the presentation of the tourism product and the development of the destination as such, Prohaska (1995), maintains that this increased focus on cultural issues has contributed considerably to the development of international tourism destinations, as the cultural resources for any destination differ from those on other resorts, and therefore contribute to the unique selling proposition (USP) of the destination. Others (Forbes and Forbes, 1992, 1993 as cited in Ryan, 1995) are in favour of some areas leaving their destination mix unchanged, when reaching out for new markets or market segments, as they realise that certain patterns of tourist motivation and behaviour that was expected to be outmoded, may be repeated by new consumers entering the market. This can be exemplified by the appeal of Ibiza to the segment of young singles, looking for the excitement of the five Ss (sun, sea, sand, sex and spirits). On the other hand, there lies an opportunity in combining the traditional 'sun, sea and sand' holiday with tourism products focusing on cultural heritage, which should be presented in keeping with sustainability's basic requirements and states further that a majority of visitors, find visiting historic sites exciting, as it offers an opportunity to experience a different time or place, which helps the visitor to escape from everyday life and the ability to capture a feeling they would not be able to experience anywhere else on earth (Prohaska, 1995).

It should be the responsibility of regional governments to aid the interpretation of the community's history and at the same time develop a code of conduct for the visitor, in order to preserve the unique identity of the community (Prohaska, 1995). Therefore, it is important to include heritage preservation in the strategic plan for the region. If the island community succeeds in exploiting the increased demand for the heritage of the area, this can lead to a revitalisation of the tourism to the island.

If a destination fails to communicate its development and subsequently marketing strategy to the community this may have long-term effects on the development, as well as, misunderstood considerations, that may result in uninteresting settings at the destination, which fail to create the atmosphere demanded by the customer, and thus compromising long-term economic viability. It is therefore necessary to plan in such a way that both local interests and the interests of the visitors are taken into consideration, also in terms of placement of attractions and activities for user convenience and thus creating 'positive congestion' to some extent (Helber, 1995). Underlining once more the need for a cooperative approach.

Obstacles to tourism development can often be found in relation to SMEs and micro businesses, which dominate the industry structure at peripheral destinations, as demonstrated above. The barriers as listed in Table 3-12 to successful tourism development in relation to SMEs are most commonly experienced.

Table 3-12 Common barriers to tourism development for SMEs

- Supply dominated by family businesses;
- Lack of entrepreneurial drive;
- Limited business skills and some resistance to their acquisition;
- Shortage of finance;
- Tendency to 'free ride' in the hope that others will provide.

Source: Wanhill (1996, p. 214)

It is also worth noticing that although private businesses should be concerned with the feasibility of their investments through generation of return on invested capital (Wanhill, 1996), this is probably only true, when dealing with people, who take a logical, business-like and matter-of-fact approach to running their business. Often the contrary seems to be the case, when the running of the business becomes a lifestyle, and thus are seldom apprehensive towards the question of developing business plans and strategies (Ateljevic & Doorne, 2000). Also, small communities in spite of holding outstanding tourism resources have been observed to be unable to market themselves properly. They need to determine how to allocate scarce resources in order to achieve tourism development and improve marketing competitiveness (Heller and Ahmed, 1997).

3.6 Summing up the theoretical basis

It can thus be concluded that the special features of tourism and marketing are that it firstly takes place on a variety of levels, which are the national, regional, resort (destination) level. Additionally, individual businesses, such as transport and accommodation, tour operators and other members of the tourism industry, take care of marketing, thus duplicating each other's work, as the destination to be visited is at the core of the visitors view. The concepts of cooperative marketing however are being applied in order to reduce replication, but in general, there is no organisation that is in control of the complete destination mix. The marketing is carried out by both public and private bodies, but the main focus areas for DMOs is on promotional activities, another important activity is the distribution of information about the destination. There are a number of fixed product attributes, which cannot be changed and which therefore influence upon the view upon the selling approach. Distribution, which is generally out of the hands of the DMO is an option to purchase, as the product is consumed at the same time as it is produced, as with all services, there is no storage of the offer.

It was demonstrated that the promotional objectives of a DMO are to

- Stimulate demand;
- Promote a favourable image for the destination;
- Build a constant communication system with the travel trade and public;
- Maintain maximal promotional exposure for the product mix;
- Increase the range of travel intermediaries offering the product;
- Increase travel trade and public knowledge of the product range.

Additionally, DMOs need to interact with the industry. Illustrating the complexity of tourism marketing and planning tasks (Liping, 2002). Further, to the above-mentioned marketing processes, managers of today have to relate to a number of processes and disciplines in order to cope with the advances in modern management (Arias and Acebrón, 2001). These processes related to production, management of relationships (as argued by Gummesson, 1990 and 1996), human resource management as well as a focus on social responsibility. Arias and Acebrón (2001) argue from a post-modernist point of view, that it is impossible to rely on science's rationality alone, as one needs to be able to judge whether a decision is taken in a correct manner. This also raises interesting issues for destination marketing, as the rich nature of the place product and the management and marketing of it, seems to be presented poorly by general marketing terms alone.

Tourism offers are based on trust, the 'product' can neither be judged prior nor after the purchase, therefore DMOs need to disseminate knowledge, create image and mediate trustworthiness, thus creating trust amongst potential customers, this can be aided by the application of a branding strategy. Altogether, these objectives can only be achieved through close cooperation with the actual suppliers. It is also important to remember that product development and thus destination development is part of the marketing process, thus taking a more marketing oriented approach, in the sense of the word, would also improve performance.

When including aspects of peripherality, it became apparent that this both had influence upon the functioning of the destination as well as the factors that would attract visitors to the destination. Therefore, DMOs should take these specific challenges into account, when operating in a peripheral area.

4 Developing marketing strategies for Bornholm - the case study

This part of the thesis looks at the case example and, as previously described, this chapter mirrors the structure in Chapter 3, thus taking its point of departure in the broad understanding of the environment the specific DMO operates in, and subsequently narrowing it down to the operation of the DMO itself. Accordingly, the case study report will briefly introduce the empirical area of the research, which is the island of Bornholm. Tourism to the island is first illustrated from a historic perspective; this is followed by a thorough review of tourism to and on the island, including visitors and the industry. When referring to Bornholm, it was decided to refer to 'in Bornholm', recognising that the inhabitants of the island realise themselves as a nation within the nation.

Once, the frame of reference has been established, attention will be given to the specific DMO itself. This part includes the background for establishing DB, its organisational structure, and the financial basis; this is done so as to demonstrate DB's working conditions. Thereupon, the actual process of developing a tourism strategy for the island is described, alongside with an analysis of how this strategy subsequently is being put into action. The chapter concludes by comparing an accumulated visitor and destination profile and an examination of industry involvement, leading to a statement of challenges facing DB in order to improve performance.

4.1 Bornholm in brief

Bornholm is a Danish island with an area of 588 km^2, situated in the Baltic Sea, approximately 150 km as the crow flies from the capital Copenhagen, and only 35 km from Sweden and less than 100 km from Germany and Poland respectively.

Figure 4-1 Map of the Baltic Sea Area

The Baltic Sea Area

The island has approximately 44 000 inhabitants; the principle town is Rønne, with a population of about 15 000, while the rest of the community is scattered in smaller towns and fishing hamlets along the coastline or in rural settlements.

Figure 4-2 Map of Bornholm

The number of inhabitants has been steadily declining over the last 50 years and, with exceptions for the years 1982 and 1984, the net migration rate has been negative (Bornholms Amt, 1989). There is a distinct lack of young people in the age bracket 18-35, as many young people leave the island in order to continue their education, since opportunities for further education on the island are rather scarce. A relatively large primary sector (accounting for 7.8 % of the workforce viz. 3.9% in Denmark as a whole), alongside industries based on agricultural and fish processing, dominate the industrial structure. However, these industries have experienced a serious decline in employment over the last 15 years, leading to the highest unemployment rate and the lowest per capita income in the country (Bornholm i tal, 1998, 2002). Bornholm qualified, therefore, first as an EU Objective 5b region and, since the restructuring of the funds in 1999, then as

Objective 2. Together with receipts of large subsidies from the EU, the political side of the island has been ferociously fighting for national subsidies over a long period of time, but although the island in particular in 1992 succeeded in convincing the Government of that time to invest in a large-scale aid programme entitled 'the Bornholm package' this was not to the expected effect. Since, efforts to convince the national government to subsidise Bornholm have been mainly unsuccessful, or only had a lower outcome than asked for.

Until the end of 2002, there were six administrative units on the island, five municipalities and one county. From 1 January 2003, these units merged into a single unit, a regional municipality, comprising an elected council of 27 representatives and a unified administration.

4.2 Tourism in Bornholm

The island is among the most popular holiday destinations in Denmark. The climate is temperate and records the most sunshine hours of the country, though no sunshine guarantee. A great diversity of nature-based and cultural attractions contributes to Bornholm's attractiveness, combined with a considerable number of activities to take part in.

The attractions include the castle ruins of Hammershus (dating back to the 13th century), the unusual four round churches (mid-12th century), picturesque fish smoke-houses, and a large number of arts and crafts workshops, which have become noted for ceramics and glass. The art museum, which opened in 1993, is one of the most visited art museums in Denmark, displaying a large collection of Bornholm-related artists. Activities are often nature-based – a new addition was the experience centre Nature Bornholm that opened in 2000. Other activities are cycling, water-based sports and golf, just to mention a few. Today's tourism product carries with it the past history of tourism development on the island.

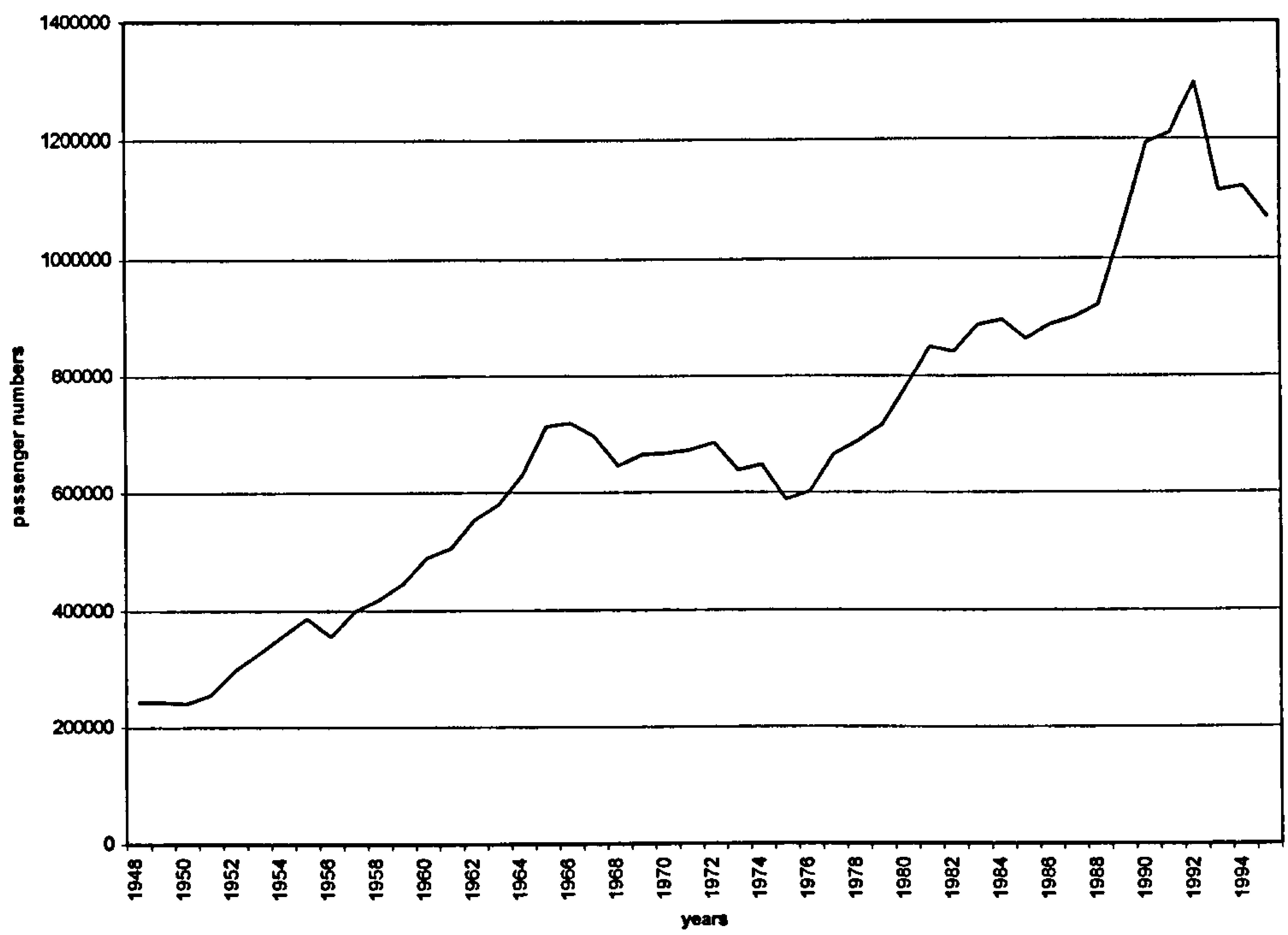
4.2.1 Historic tourism development

Bornholm has been a tourism destination since the end of the 19th century. The first visitors were Germans, who in 1874 established a sea route from Stettin, today, the Polish town of Szczezin, and discovered Bornholm for tourism (Krentzien, 1992). Later, in 1893, they even established hotels and guesthouses, in the Northern parts of the island, which to them were exotic, with small cliff gardens and unusual flora (Knudsen, 1994). Only a few years later Danes and Swedes joined the tourist flows to the island, and thus the main markets were linked to the island by proximity - a proximity that made direct ferry connections possible. The fascination of Bornholm to all these visitors was the unusual natural environment (an environment not found elsewhere in Denmark) and its picturesque townscapes. Visitor movements, especially from Germany, were disrupted by two world wars. In the aftermath of World War II, the Russians occupied the island until April 1946, which disrupted much of the workings of the community, so it was as late as around 1955 before life on the island could be considered as 'restored to normal'.

4.2.1.1 Passenger statistics for the years 1948-1995

This historic overview is based on statistics provided by Bornholmstrafikken (the ferry company), as well as DS. The time from 1995 onwards will be described in the section on tourism in Bornholm today. The choice of years for the recent development is based on the period when the CRT conducted its visitor exit survey, which provides much richer data concerning tourism on Bornholm and more complete data than DS. The passenger statistics are based on all year transport and to a certain extent also the recent seasonal routes from Rønne to Poland. Figure 4-3 illustrates the development in passengers from 1948. As mentioned in section 4.2.1 there was only little tourism to Bornholm from 1948-55, this is reflected in the number of passengers being stable. Looking at the period from 1955 and until 1992 as a whole, a clear trend of increase in passengers can be detected. Nevertheless, there was a period from 1965 until 1975 with stagnation and slight decline, followed by a period of steep increase until 1981. The decade of stagnation and decrease can partly be explained by the introduction of charter holidays abroad, another reason for decline in the early 1970s would be the global oil crisis resulting in a drastic increase of cost of living.

Figure 4-3 Passengers to and from Bornholm 1948-1995



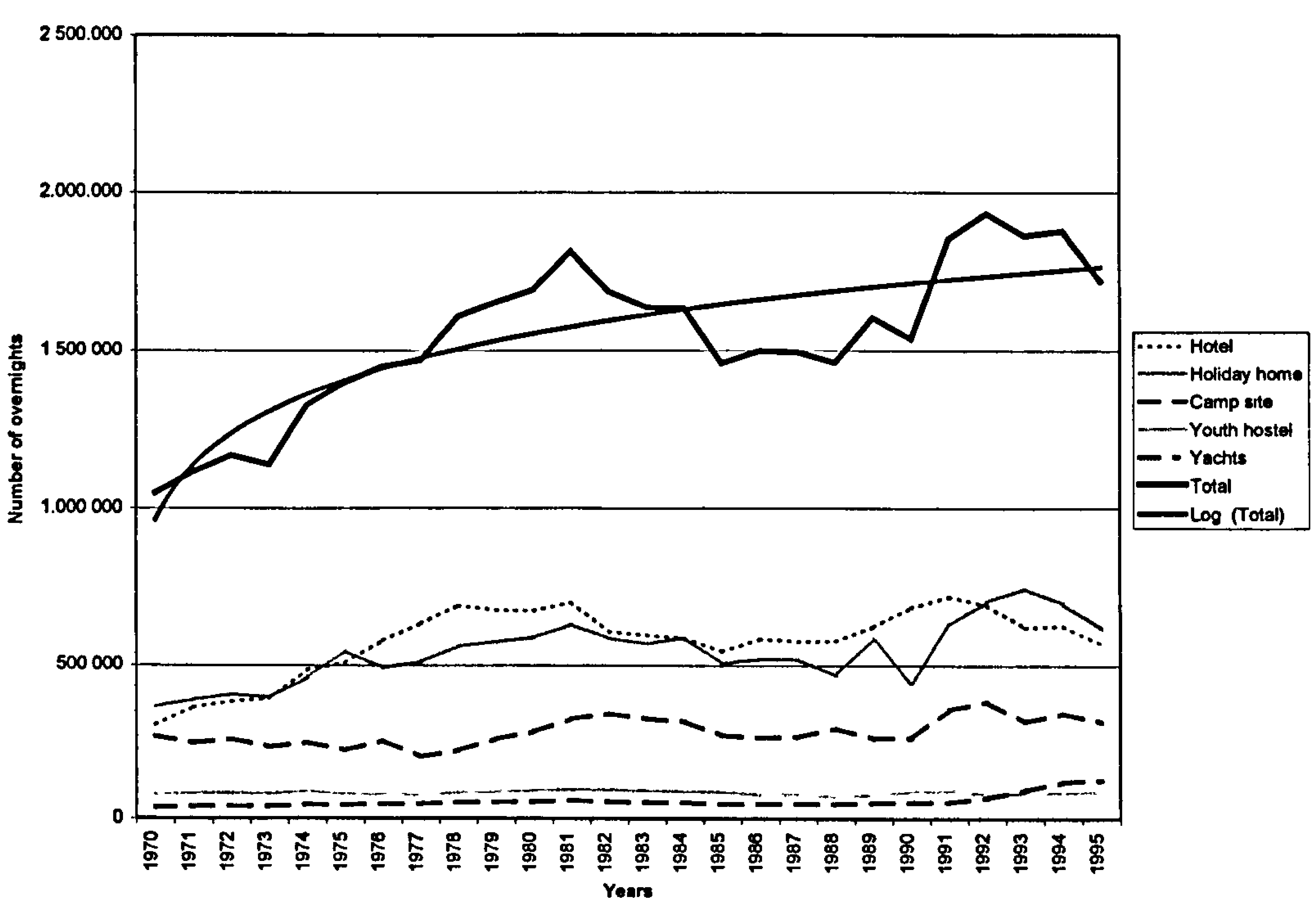
Source: Bornholmstrafikken and DS

On the other hand, summer routes directly from (West-)Germany were operated by competing ferry companies. Statistics of these routes are not included in the available statistics; therefore it could be that some of the German visitors would choose to visit Bornholm via these routes and consequently not being recorded in the current statistics. The fervent increase in passengers from late 1980s and into the early 1990s is partly caused by the introduction of the sale of duty-free goods on board the ferries to Ystad and related introduction of extremely cheap (i.e. 10% of the normal price of a return ticket) fares for shopping trips during the off-season, related offers were events on board the ferries like company Christmas parties, cocktail evenings and pleasure sailings around the island. Additionally, the fall of the German wall resulted in an increase of traffic from the former East German island of Rugia. At the same time the Swedish currency was fairly strong, and Bornholm was popular with visitors from Southern Sweden. In 1993, however, there was a turning point in number of passengers. In late 1992 the Swedish government had devaluated the Swedish kroner and this had a rigorous effect on the number of passengers to Bornholm. Concurrently, the immediate interest from former East German visitors to holiday at Bornholm also had dropped.

4.2.1.2 Overnight statistics

DS in conjunction with the DT has never calculated the number of visitors to the island; therefore, there is no historic data on visitor numbers. However, there is data on overnight stays. As indicated previously, the data obtained through the exit survey and the data that is collected by the DS vary, and it is therefore not possibly to directly compare numbers in Figure 4-4 with the data provided in section 4.2.2.1.2. Nevertheless, the tendency in continued development can be observed, indicated through the trend line added to the total number of overnights.

Figure 4-4 Total number of overnights 1970-1995



Source: DS, www.statistikdatabanken.dk, own calculations

The years from 1970 up until 1995 were chosen in Figure 4-4 because of availability, however, it should be mentioned that the data on holiday home usage is based on calculations in the years prior to 1987, which was the first year where DS published data on rented summerhouses. The increase in overnights corresponds with the increase in number of passengers presented in Figure 4-3, although the increase in passengers from 1970 to 1992 is 94% and the increase in overnights is 84%, this difference is accounted for within the number of passengers travelling on the occasions mentioned in section 4.2.1.1 that do not generate overnight stays. Likewise, the overall increase in bed nights in the period presented in Figure 4-4 is 64% whereas the overall growth rate for passengers is 60%. It must be assumed that these differences are within the area of change imposed by changes in local residents travel patterns, which there had been no information about prior to the BVS. It is further interesting to notice that holiday home accommodation in 1992 overtakes hotels as the most overnight-generating type of accommodation. Apart from this observation, there is no particular type of accommodation that notably has benefited more than others from the general increase in bed nights. So apart from the change in first place, already noted, the three most popular lodgings were hotels, holiday homes and campsites. The remaining two, yachts and youth hostels only account for small numbers of stays.

4.2.1.3 Historic development of the organisational structure of Bornholm tourism

Throughout the years, an organisational structure emerged with TAs in every town or community on the island. Since the 1970s, these organisations have had varying success and some of them could not keep up with increased competition and thus went bankrupt, as in Rønne, or were merged with others to larger units, as in the case of the three TAs in Allinge-Gudhjem municipality, where ASTE-Allinge-Sandvig Turist- og Erhvervsforening, TEST-Tejn-Sandkås Turistforening and GUBTE-

Gudhjem Borger-, Turist- og Erhvervsforening merged to ASTE-Allinge-Gudhjem Kommunes Sammenslutning af Turist- og Erhvervsvirksomheder.

The TAs have been the core of tourism operations on Bornholm as well as in the rest of Denmark. Active owners and managers of tourism businesses in a local area formed TAs, providing them with a forum to meet and discuss issues related to tourism. Typically, they would establish a tourism information centre (TIC) in order to serve the visitor on site, and provide the financial basis, through membership fees and fund raising, for publishing a pamphlet or brochure on the area in order to inform and attract visitors. In Denmark, many of the TAs that operate TICs have received public support, but in Bornholm this type of support as been rather small. In order to survive and to be able to provide service to visitors, many tourist offices would act not only as information centres but also as booking agents for hotels, holiday homes etc. For Bornholm and other island destinations in Denmark, they would also sell ferry and air tickets.

Although there was a tradition for local cooperation on Bornholm, until the early 1990s there was no effective and generally respected organisation for the island as a whole. Many had argued that there was a necessity for a joint effort, but just as many had failed at establishing a powerful organisation.

Nevertheless, when in 1991 a private organisation – a holiday home booking agency, which a that time had taken over the TIC in Rønne – informed the public that it would not be open to general visitors during the Easter holidays, but only serve its own customers, measures were taken for the establishment of a 'Welcome Centre' for the whole of Bornholm, and in June 1992 a new building, housing this Bornholm's Welcome Centre (BWC) was opened near the ferry docks in Rønne. Based on the establishment of the BWC, a joint marketing organisation was started up, i.e. DB. The latter will be examined further in section 4.3.

In order to put the development of the organisational structure on Bornholm into a wider perspective, it should be mentioned that tourism in Denmark was considered generally to be an isolated economic phenomenon that only had local policy interest up until the 1980s. From around the mid 1980s, the Danish Government became more and more aware of tourism's impact on the country's economy and, as a result of this, the Danish Government now takes initiatives for the sector's transformation in order to increase its competitiveness. This has also led to an increased institutionalisation within the sector. On the other hand, the background for the development of the Danish tourism industry lies within the Danish culture of associations (Strunge, 2001).

4.2.2 Tourism today

Tourism to Bornholm today is very much based on the same elements that brought it together more than 100 years ago. The product elements include the attraction of the natural environment, the scenic and well-preserved small towns and fishing harbours, as well as the atmosphere created by the changes in daylight that brought artists to the island and the receptive local population (BVS, 1996-2001).

The main markets have not changed significantly as, unlike many Mediterranean islands, Bornholm did not develop air charters until recently, but then only in a very minor way. Thus, the main markets are still the home market and visitors from Germany and Sweden. Although the local tourism professionals wish to create the impression that there are a number of emerging markets, i.e. Norway and Poland, the numbers of visitors from these markets are very low and have not developed much in absolute terms over the recent years.

In May and July 2000, however, a major change took place, which has affected and is going to affect tourism in Bornholm over the next decade. In May 2000, a new fast ferry was introduced on the ferry route between Bornholm and Sweden, cutting the crossing time by almost 50% from 2h30min to 1h20min. Then, two and a half months later even more importantly, a fixed linked (comprising of tunnel and bridge), called Øresundsbron, was opened between Denmark and Sweden, just south of Denmark's capital Copenhagen. The Øresundsbron replaced a ferry link and cut travelling time from 35-55 min down to 15 min. A trip from Copenhagen to Bornholm before these changes took a minimum of 5 hours; travelling time is now less than 3 hours.

4.2.2.1 Visitors

The following sections on visitor characteristics are based upon the results of the BVS. First, the development in numbers of visitors is presented, followed by socio-economic characteristics, nationality, type and purpose of visit, party composition, booking patterns, and visitor expenditure. The section concludes by giving visitors' preferences and views on Bornholm, which are used to establish a demand side profile of the destination. The material from the Survey, which to date has been collected for seven years turned out to be very consistent, as far as the essential characteristics of visitors are concerned. These basic features include socio-economic characteristics, distribution by nationality, type and purpose of visit, party composition and size, as well as length of stay.

4.2.2.1.1 Visitor numbers for Bornholm 1996-2000

In order to estimate the number of visitors to Bornholm, it is necessary to combine the survey data with DS data of passenger statistics. As mentioned in section 4.2.1.1 the survey has enabled the CRT to provide data on the extent of tourism to the island that is more comprehensive. As already mentioned, the DT that normally provides visitor statistics based on DS figures has never calculated the actual number of visitors. Table 4-1 below illustrates the development of visitor numbers. As can be seen from Table 4-1, the development of visitors to Bornholm has been unstable in the period from 1996 until 2000. However, looking at the overall development, it is evident that there has been an increase in total of 8%.

Table 4-1 Development in number of visitors 1996-2000

1 000s	1996	1997	1998	1999	2000	Δ% 96-00
Visitors						
1st quarter	36	32	36	33	38	+5
2nd quarter	124	163	119	109	129	+4
3rd quarter	252	266	261	259	290	+12
4th quarter	67	53	34	61	68	+2
Total	**485**	**514**	**450**	**462**	**525**	**+8**

Source: BVS

4.2.2.1.2 Overnight stays for 1996-2000

On the basis of the BVS, overnight statistics present themselves with a completely different volume compared to the published figures. This immense deviation of up to 100% is due to the fact that the survey registers a representative sample of all visitors, including those that are not in the official statistics, which have limited coverage. Additionally, the collection of data on overnight stays by DS is based on youth hostels, hotels and guest houses with 40+ beds, campsites with 75+ units, and only the large Danish holiday home agencies data on rented houses, where it is assumed that every house is occupied by 4 people, though today, many of the newer holiday homes for rent through agencies have 6 – 10 beds or more. Whereas the survey, representing a sample of all visitors, also includes those, who own a holiday home/summer cottage on the island, those who rent a cottage privately or from a smaller agency, not included in the official statistics, guests who stay at small guest houses or private homes (b&b) as well as those who stay with family and friends.

Particularly, the last category covers a large number of visitors during the off-season. This group of visitors is of great importance for tourism to Bornholm and the spend through tourism, even though these visitors have a lower expenditure, since they typically pay little or nothing for their accommodation. At the same time, it can be expected that a great potential lies in this type of visitor in regard to increasing numbers during off-peak periods. They know the island very well, and their expectations are not very high in terms of available facilities, on the contrary, any small effort to extend the season will be highly appreciated. This statement will be examined further during the course of the case study. Table 4-2 illustrates the development in overnight stays. As was the case with visitor numbers the development has been unstable, with a considerable increase from 1999 to 2000, demonstrating the effect of improved accessibility.

Table 4-2 Development in overnight stays 1996-2000

1 000s	1996	1997	1998	1999	2000	Δ% 96-00
1st quarter	133	183	200	117	168	+26
2nd quarter	728	874	692	822	852	+17
3rd quarter	2 031	2 809	2 618	1 790	2 802	+6
4th quarter	370	321	249	307	350	+5
Total	**3 862**	**3 887**	**3 759**	**3 036**	**4 172**	**+8**

Source: BVS

The overall increase in the observed years corresponds with the growth in visitor numbers. However, what is slightly worrying is the fact that overnight stays in the third quarter, signifying the best part of the main season, are only half the increase of the number of visitors. This denotes a decrease in the average length of stay, particularly in a period where peak season prices render substantial revenue to the industry.

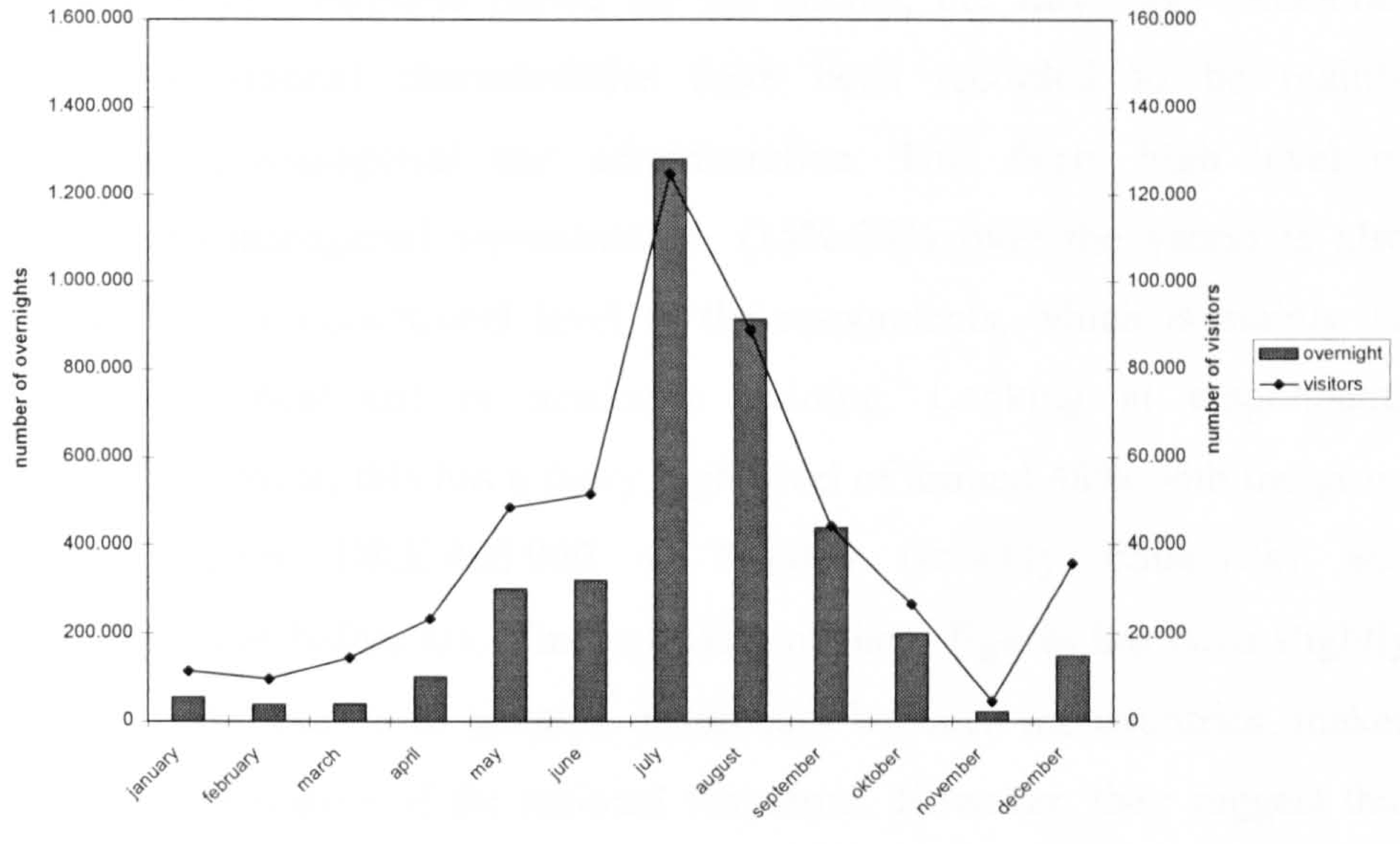
Table 4-3 Average length of visit in days

	1996	1997	1998	1999	2000
Average length of visit in days	8.68	9.00	8.43	7.32	7.73

Source: BVS

Table 4-3 demonstrates the decline in the average length of stay, however, the variations are very small and the figures indicate stays of approximately one week on average over the whole period, thus indicating that Bornholm remains a main holiday destinations. Table 4-2 and Table 4-3 also show that the majority of overnight stays are in the main season, lasting from late June until the beginning of September. The numbers presented in those tables also show that Bornholm is a main holiday destination, with the majority of overnight stays in the main season, which is from late June until the beginning of September.

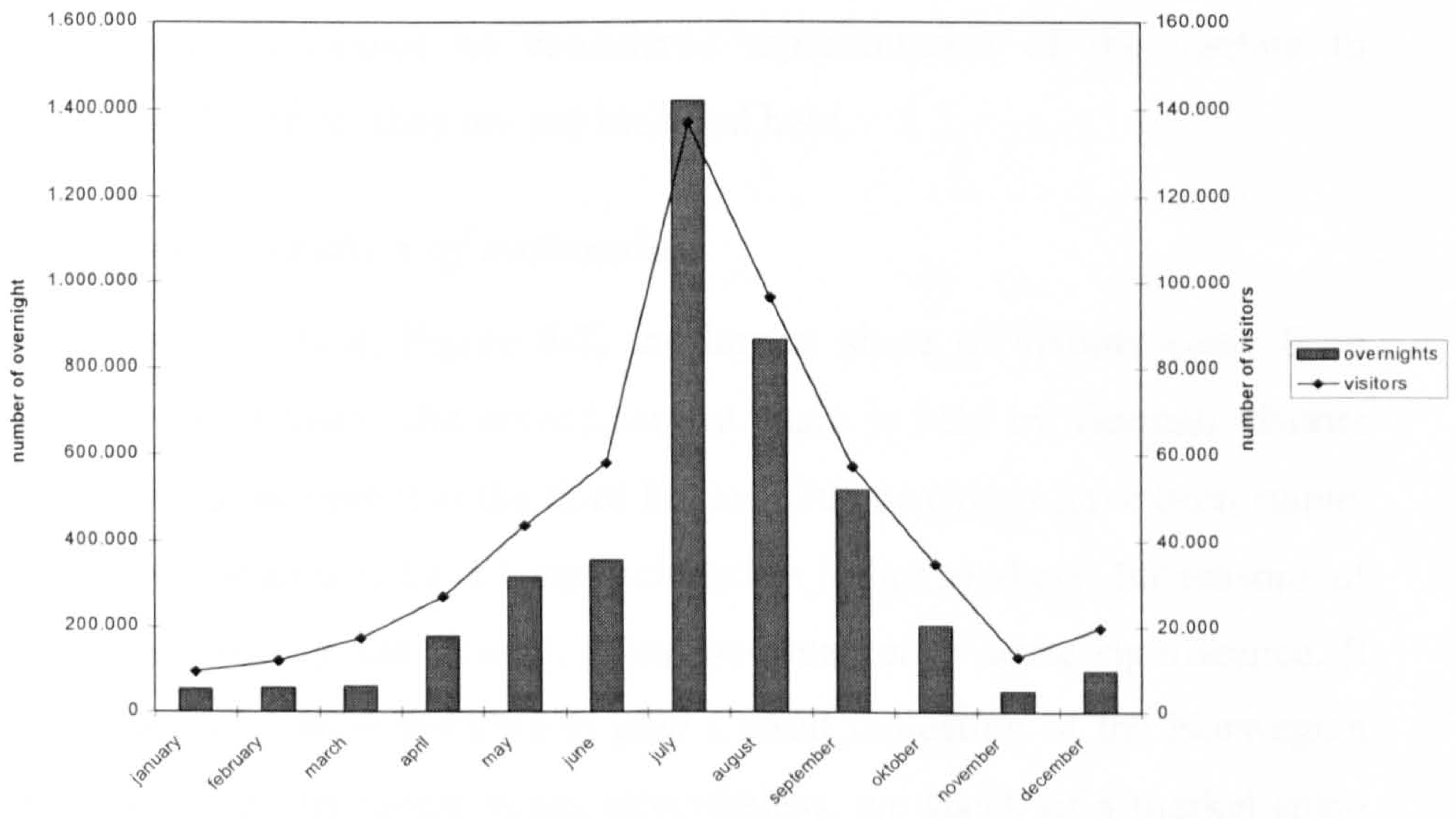
Figure 4-5 Seasonal distribution of overnight stays and visitors, 1996



Source: BVS

Looking at Figure 4-5 and Figure 4-6, giving the seasonal change of overnights and visitors in respectively 1996 and 2000, it becomes evident, that there have been no considerable alterations in the seasonal pattern. Although minor variations may be detected between these two years, these deviations are of no significance.

Figure 4-6 Seasonal distribution of overnight stays and visitors, 2000



Source: BVS

4.2.2.1.3 Socio-economic characteristics

Looking at the complete period for the survey, i.e. July 1995-December 2001, occupational characteristics have been recorded to be mainly professional, managerial and administrative. This fairly high level of professional/managerial representation (15%-24% over the years) is also reflected in the educational level of the respondents, which is mainly 12 years plus vocational or academic training. Looking at respondents household income, this has a fairly high level of around 48% with the gross income ranges DKK 400 000 – 700 000 (roughly €50k-70k) and DKK 700 000+ before tax. The recording of these figures has been slightly difficult and, because of taxation differences between the countries, makes them only indicative of the national variations. However, they suggest that the Bornholm visitors are better off in general.

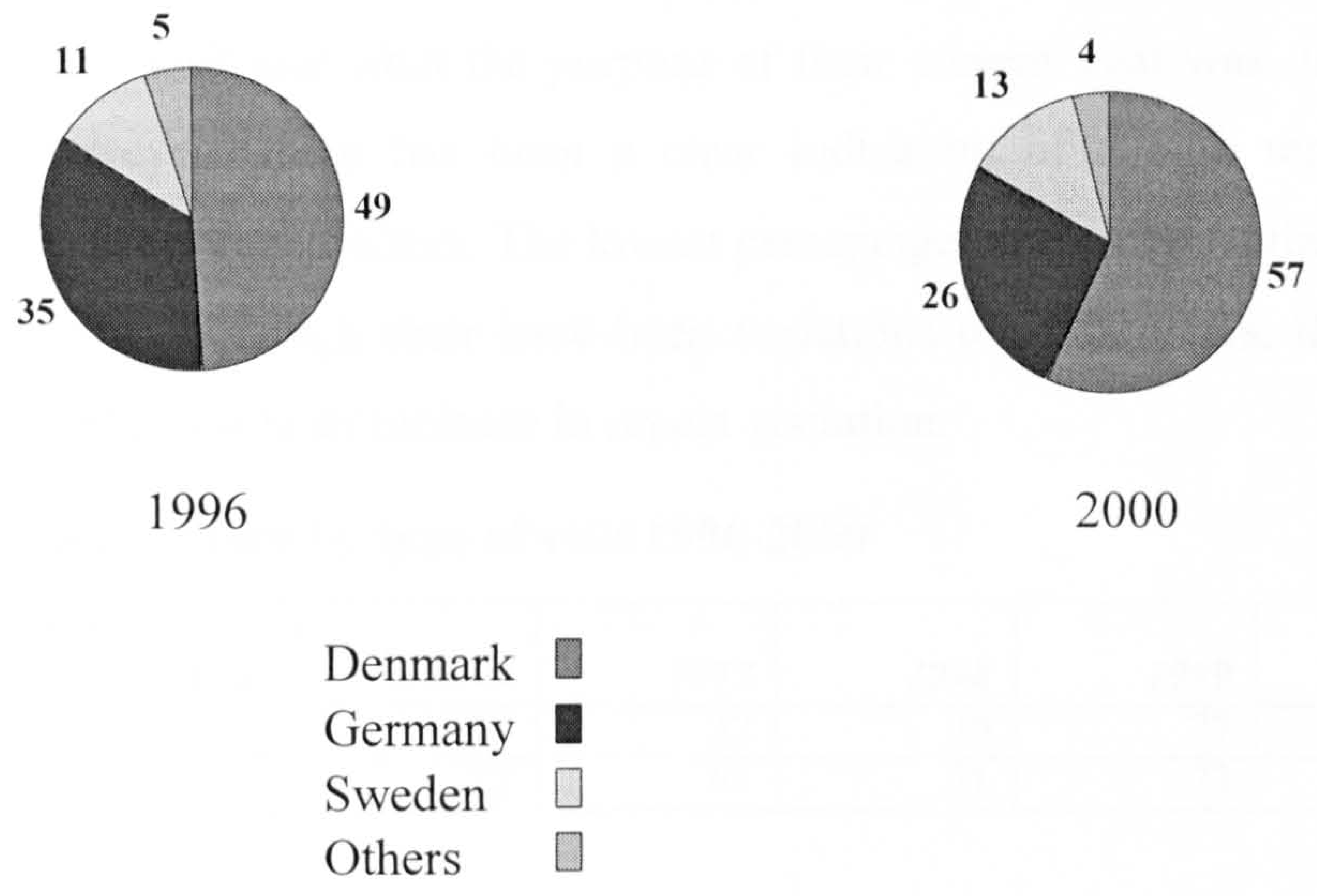
The age brackets in the survey reflect the individual respondents' ages, and are thus not representative for the age distribution in the party, e.g. when families with grown up children respond, only one out of the group will eventually fill in the questionnaire. This could be the mother, who is 60 and retired, others in the group could be the father, who is 70 and the 'children' being 24 and 31, thus covering four age brackets altogether, but only recording one (50-59 years). This means also, that the survey data on age distribution cannot be considered representative of the visitors to Bornholm; therefore, they are not included here.

4.2.2.1.4 Distribution of nationality

As can be seen from Figure 4-7, the largest share of visitors came from Denmark in all years, the second largest share is held by German visitors and the Swedish market is the third largest. Other markets have been stable. Two nationalities that have been included in 'other markets' for reasons of clarity are Norway and Poland, being two market of some significance. It has in particular been possible to give a valid indication of the Norwegian market share in the recent years, nevertheless, we speak of a market share that represents around 24 000 visitors in 1996, a number that drops to

21 000 in 2000. The share of Danish respondents in the visitor survey has been increasing from 1996 to 2000, an increase that eventually continued into 2001. It has already been stated that the number of visitors increased over the years, therefore, total market volume has gone up.

Figure 4-7 Distribution of nationality in 1996 and 2000



Source: BVS

However, the German market has not only declined in share, but in total numbers. On the other hand, the Swedish market has increased slightly, both in share and in volume. As can be seen, a more drastic change in distribution of nationality has taken place after the change in infrastructure. The effect that the change in infrastructure has had on the nationalities visiting Bornholm has been fortified by changes in the market place. Thus, the German market has been struggling ever since the German re-unification, implementation of higher taxes and the introduction of the Euro, which was accompanied by an increase in prices, so that German visits to Denmark as a whole have been declining. A change that only to a certain extent had a similar effect for Bornholm, but which seems more rampant recently on the island as well. Also, the Swedish market has been in decline ever since the Swedish currency dropped below the Danish kroner in face value. As far as the Swedish market is concerned, the introduction of the fast ferry on the route to Sweden has had no significant effect on the number of visitors from Sweden.

4.2.2.1.5 Type and purpose of visit

In the survey, respondents are asked whether they had been to Bornholm before this visit and what the purpose of their current visit was. In all the years surveyed, there has been a clear indication of a high repeat rate amongst Bornholm visitors. The lowest percentage is 68 in 1997, the highest 78 in 2000. Although their have been variations over the years, there is a clear trend towards an increase in repeat visitation.

Table 4-4 Visitors by type of visit 1996-2000

Percentages *Year*	*1996*	*1997*	*1998*	*1999*	*2000*
First	28	32	29	27	22
Repeat	72	68	71	73	78

Source: BVS

Repeat visitation is generally recognised as an indication of a destination's success, as repeat customers are considered satisfied customers. However, it is on the other hand considered challenging to solely rely on repeat visitors, as visitors numbers subsequently might diminish, either because visitors decide to go elsewhere for various reasons or because they stop travel activities because of old age etc. It is therefore important for destinations to keep a certain mix between satisfied, repeat and first time visitors who may consequently be turned into repeat visitors.

In respect to the BVS there are two distinct groups of repeat visitors, one group with only very few (one or two) previous visits consisting of around 25% of the respondents, and another group with many previous visits (more than 20); between 23% and 46% of all respondents stated that they had been more than 20 times before. The latter group contains a large percentage of former Bornholm residents or visitors with family relations on Bornholm.

The purpose of visit is most often Holiday, ranging from 53% in 2001 (lowest) to 67% in 1997 (highest). Additionally, between 20% and 30% of the respondents stated that they had come to Bornholm for holiday and VFR or VFR solely in all years. Only fairly small percentages (around 5%) indicated that their visit to Bornholm had been for work or educational reasons. Clearly, Bornholm is a holiday destination. Taking the average length of stay into consideration, Bornholm is, despite the decline in length of stay, still a typical main holiday destination.

4.2.2.1.6 Party composition

The structure of the parties visiting Bornholm has not changed distinctively throughout the time the BVS has been conducted. Average party size has been around three persons all years, as can be seen from Table 4-5.

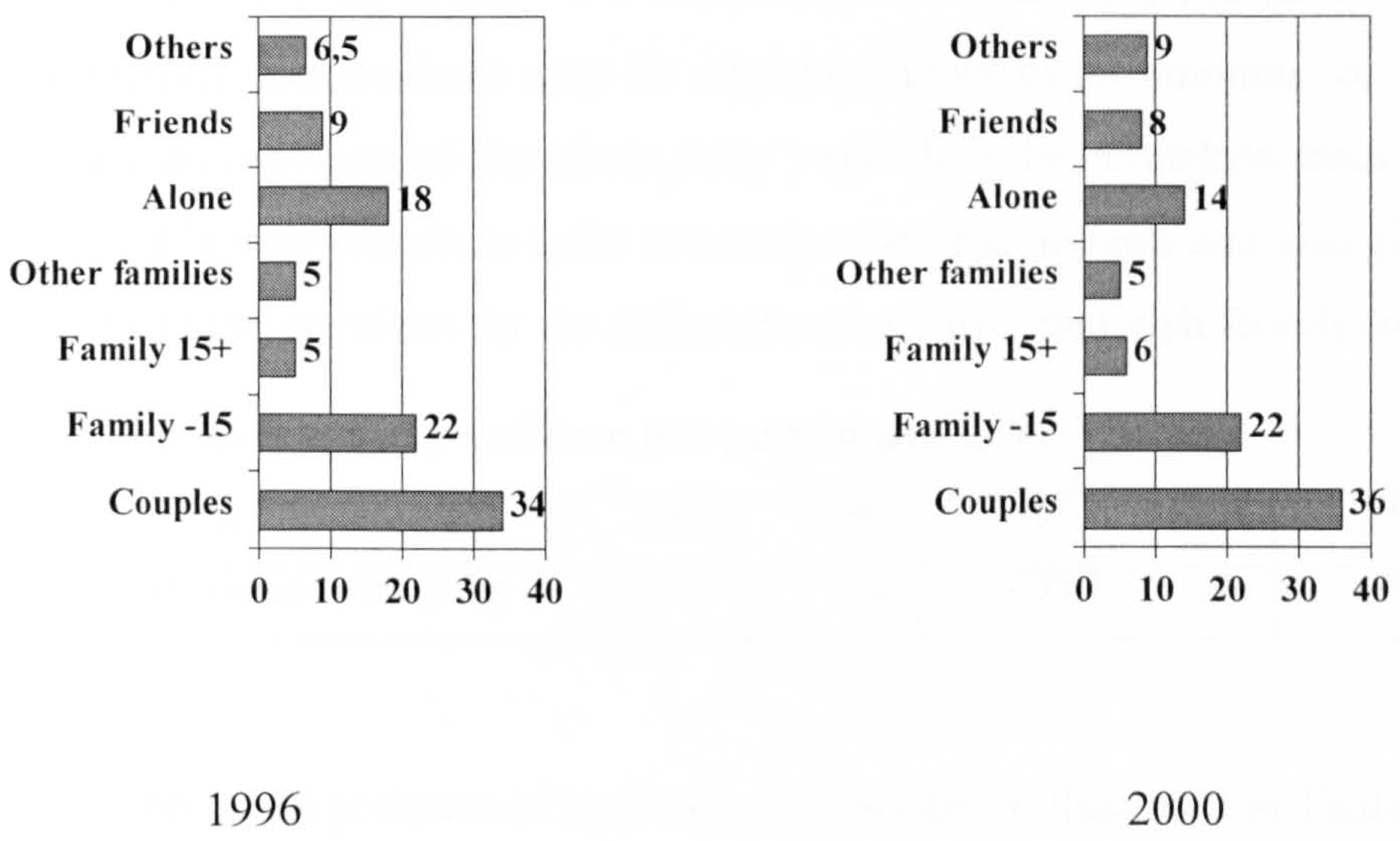
Table 4-5 Average party size 1996-2001

	1996	1997	1998	1999	2000	2001
Average party size	2.68	2.86	3.18	3.43	3.26	2.9

Source: BVS

It was surprising to find out that a large share of visitors were couples, as it had been expected that the share of families would be even greater, as Bornholm was considered a family destination. Nonetheless, in the years illustrated in Table 4-5, the percentage of couples surpasses families with children under the age of 15 considerably and even surpasses various combinations of families, although only by a little. Family parties cover families with small children (younger than 15 years), grown-up children and family relations, where for example grandparents travel with grandchildren or three generations travel together. The percentages of travellers observed on their own are typically higher out of season then during the third quarter, where couples are even more dominant.

Figure 4-8 Party composition in selected years



Source: BVS

4.2.2.1.7 Booking patterns

Survey respondents were asked questions regarding their booking arrangements, irrespective of the purpose of the trip. Again, because of the large share of repeat visitors, it is no surprise that many book directly with the carrier or the place of accommodation, although there is of course a large share of VFR (especially during the off-season) who do not book accommodation at all. Only a small percentage (below 5%) indicated that they had received information from travel agents. Despite the fact that visitors generally do not use travel agents for information purposes, they actually do use travel agents near where they live for booking to a much larger extent, for example in 2000, 28% did book accommodation through a travel agency. Only fairly few book package tours to the island: lowest in 1998 with 11% and highest in 2001 with 21%. But again, this is not unexpected, given the large repeat visitation. Therein lies a challenge: how should the marketing planning process of both the DMO and the individual businesses encompass these booking patterns?

4.2.2.1.8 Expenditure

Visitor expenditure is presumably one of the most difficult areas to retrieve information for, especially in a self-completion questionnaire (even with supervision). Respondents may be uncertain about exact amounts, or may not have an overview of the whole party's spending. Nevertheless, such data are valuable information in order to assess economic impacts and also give a picture of market values for the different nationalities that visit Bornholm.

Table 4-6 Average expenditure per person per day

DKK (€1≈DKK7.5)	1996	1997	1998	1999	2000
Average expenditure person/day	307	266	257	276	303

Source: BVS

The economic importance of tourism in Bornholm is illustrated in Table 4-7 through a rather simple figure, estimating tourists' expenditure in Bornholm. The figure is calculated as an average of tourist expenditure per person per day multiplied by overnights and tourist expenditure per person per trip multiplied by number of visitors. Thus, the figures are imprecise and only an expression of the money spent by visitors in Bornholm (including transport to and from the island). Neither the value of imports nor purchases of necessary to supply goods and services, nor multiplier effects have been taken into consideration in order to determine indirect and induced effects (these are demonstrated by Zhang and Rassing (2000) giving an income generation by tourism for 1997 of DKK 241 million and a total employment multiplier of 1.76, generating 1 430 jobs).

Table 4-7 Direct tourist expenditure

Million DKK (€1≈DKK7.5)	1996	1997	1998	1999	2000
Tourist expenditure (estimate)	1 209	1 124	974	901	1 197

Source: BVS, survey reports and own calculations

As can be seen from Table 4-7, tourist expenditure has been around DKK 1 billion over the five-year period; however, the level of 1996 has not been reached again. A slightly disquieting tendency, as this indicates that despite an increase in overnight stays and visitors, visitors in Bornholm have spent less money. In other words, more visitors spend less money while staying on the island. This may be explained by the change in composition of visitor nationality, as different nationalities have different average expenditure per person per day, as illustrated in Table 4-8.

Table 4-8 Expenditure by nationality

DKK / *Nationality*	*Expenditure per person per trip*	*Expenditure per person per day*
Danish	1 785	273
Swedish	1 656	376
Germans	3 642	358
Others	2 670	407

Source: BVS Note: €1≈DKK7.5

These observations should result in action by the DMO, thus leading to a closer monitoring of the economic impact of tourism as well as considerations on how tourist expenditure can be increased in order to achieve an overall increase of expenditure that mirrors the increase in visitor numbers.

4.2.2.1.9 Visitors' preferences in terms of choice of Bornholm as destination to visit and choice of accommodation

As mentioned in section 4.2.1, Bornholm attracted visitors at an early stage because of its attributes different from the rest of Denmark and island characteristics, incorporating all of '*Scandinavia in a nutshell*'. Therefore, it was interesting to find out, which aspects of Bornholm attract visitors of today. In the survey, respondents were presented with a list of aspects, which they were asked to rate on a four-point Likert scale, with a range from very important via important and less important to unimportant. Respondents were asked to look at all the aspects presented in the list. The list was based on the features most commonly used in the marketing messages for the island. Throughout the survey years, nature, landscape and atmosphere have been ranked highest. Specific activities, like golfing, fishing and cycle routes achieve low scores. Only 4% rated golf courses as very important, whereas 64% considered nature as very important in 2000. The ranking from the BVS in 2000 is as follows:

1.	Nature	2.	Landscape
3.	Atmosphere	4.	Fishing towns
5.	Beaches	6.	Cultural history
7.	Walking/Hiking routes	8.	Craft/art workers
9.	Family/friends in Bornholm	10.	Cycle routes
11.	Variety of activities	12.	Restaurants
13.	Fishing	14.	Golf courses

When planning the survey, the researchers were aware of the fact that a lot of Danes had been to the island as children, as Danish school travel in many places around the country included Bornholm as the annual school trip in seventh or eighth year of school. It had often been claimed by tourism professionals on the island, that these school trips had a distinct effect on the choice to re-visit the island at a later date. Therefore a question was included in the survey to find out whether people had been to Bornholm as a child, and if yes, on what occasions. It was a share of approximately 50% of all repeat visitors that had been to Bornholm as children, however, of these only 13% had been to Bornholm with their school solely. Some 9% had been to Bornholm on a combination of occasions, the school trip could be one of them. The remaining had been to the island with their family or friends, or in order to visit family and friends, or they had lived in Bornholm when they were children or had been to the island with a club or association. Obviously with a large share of Danish visitors and the high rate of repeat visitation, it is no disclosure that the main source of finding out about Bornholm as a destination to visit is credited to *always known*. Additionally hereto is the importance of word-of-mouth recommendation, reflected in some 27% who state that they received recommendation from family and/or friends. Small percentages (below 5) indicated that they had different promotional material, such as TV advertisements, visited travel shows or exhibitions or received recommendation from a travel agent.

4.2.2.1.10 Customer's view through the visitor survey

One method to assess whether the development of strategies is successful (at least to some extent) or a complete failure is to measure customer satisfaction. One might argue that an assessment of customer satisfaction will indicate the success of the chosen strategies and not of the development process as such. However, because of the interrelation between the elements in the marketing mix, which are handled by independent agents, it can be claimed that satisfied customers reflect a success in making the marketing mix equation between the various agents work and thus indicate a successful strategy formulation process, followed by a successful communication of the jointly formulated message.

In this relation, it is worthwhile noting that people in general do not express an overall dissatisfaction with their holidays. A fact, which can partly be explained by the feeling of not wishing to criticise oneself, or to expose oneself of being incapable of having a good experience (Gyimóthy, 2000). The BVS has a number of questions relating to general visitor satisfaction with Bornholm a destination to visit. These questions consist of several multiple-choice questions, some of which relate to specific areas, such as accommodation, whereas other focus upon the destination in general. Additional to this the questionnaire at times contained several open-ended questions regarding comments on Bornholm as a holiday destination. These are the standard opportunity questions asking whether they wish to emphasize anything not yet mentioned on either the positive or negative side. During the first year, there was also one question (no. 48) enquiring: 'In what way(s) could Bornholm be improved as a holiday destination?'

The data stretches therefore over the period from 1 July 1995 to 30 June 1996. The question was quite deliberately posed to all respondents, without regard to their purpose of visit, as it was assumed that even business travellers might have suggestions for improvements in regard to Bornholm as a holiday destination. The interest was particularly in improvement of Bornholm for holidaymakers as opposed to improvement of Bornholm in general, as the information gained from the question was intended for suggestions for strategy development for the DMO. However, at that point, the DMO did not show any interest, and therefore the question was subsequently removed from the questionnaire, in order to produce a user-friendlier questionnaire with fewer questions. Moreover, as mentioned above, two more questions had been in the questionnaire since the survey started in 1995, regarding likes and dislikes of Bornholm, and many of the issues raised during the first year were also found in the answers to these two questions. Results from these questions will be used below.

The question was open-ended: the answers were coded by the interviewers and later structured by the author in order to give a quantitative approach to the suggestions. On the other hand, these were qualitative statements and it might have been an idea to use these statements in order to investigate different issues further. However, this would go beyond the scope of the current work. A detailed output from Question 48 can be seen in Appendix B.

The following groupings for the comments were chosen base on the coded answers:

- General comments on Bornholm
- Comments on cleanliness, pollution and the natural environment
- Crowding
- Comments on attitude
- Comments on ferry transportation
- Public transport in Bornholm
- Comments on price level as well as other economic issues
- Shopping
- Seasonality
- Comments on accommodation (with subcategories for camp sites, hotels, summer cottages and youth hostels)
- Comments on food and restaurants
- Comments on attractions and activities/events
- Marketing and sales, as well as information services

- Suggestions for new facilities and activities (with subcategories for: entertainment, new attractions, improvements at attractions, things for hire, financial services, activities, maps, cycle paths, foot paths, angling, towns and landscape, roads and traffic, harbours, signposting, beaches, children, dogs, general infrastructure, weather)

There were 1 369 responses out of 4 967 possible, i.e. approximately 28% of all respondents came with suggestions for improvement. This figure is subject to a small number of respondents having been recorded for multiple suggestions, so the actual number of responses does not match respondents. The above categorisation suggests a large variety in comments. On the other hand, a concentration on certain comments can be noted. A number of these suggestions may be regarded as a complaint. Still, one has to bear in mind that there is great satisfaction with the overall tourism product, and that the remarks made here may be given exclusively out of personal experiences and frustrations. A large number of comments are focused on 'Bornholm must not be changed', 11% of all suggestions wish Bornholm to remain as it is, thus reflecting on the question asked and saying that Bornholm is good enough as it is.

Looking at effective suggestions for the change of the island, the largest proportion of suggestions concerns the ferry transportation to and from Bornholm. Altogether 222 respondents suggested improvements relating to the ferry transportation, representing 16% of all comments. Two-thirds of the suggestions related to ferry transportations had included a remark on the reduction of ticket prices. Others concern the improvement of ferry connections timetables, such as an increase in number of departures or changes in departure times to better fit driving times to and from the ports from where the ferries depart for Bornholm. One might argue that the fact that the majority of questionnaires are being filled in on board the ferries might create a bias towards focus upon ferry related issues. On the other hand, the cost of transportation is a large percentage of the overall cost for visiting Bornholm, and therefore also of importance to the visitors and as shown previously, the access to the destination is of an important part of the destination mix. The better the access routes to the destination, the greater are the possibilities for the potential visitor to get there. Expensive and poor connections have a negative impact on the visitor flow. Other comments on the ferry company are related to poor service, a general perception of the state-owned company throughout the years, not only reflected in the survey, but through numerous letters to the editor of the local media. Eventually, in the year 2001 the ferry company decided to carry out its own survey on its customers' view on service quality. However, results from this survey were not available for evaluation in this thesis.

Further, there was some focus on overall poor value for money and suggestions to improve this by lowering the general price level, as well as suggestions for reducing VAT or making Bornholm a tax-free destination. Conversely, some concern was expressed that prices should not be cut in order to create a discount image, instead consideration should be given to creating a real value for money and focusing on improving the quality or offering a good quality product as a whole. A specific suggestion from Swedish visitors was to devalue the Danish currency, clearly a reaction to the devaluation of the SEK in the beginning of the 1990s, which caused the tourism industry in Bornholm consistent problems (Sundgaard, 1996). Altogether, 11% commented on these issues. All of these suggestions are highly unlikely or practically impossible to be brought to action and to some extent it must be anticipated that the respondents were aware of this.

On the other hand, there cannot be any doubt that Bornholm experiences a downside in relation to offering general value for money as a tourism destination. Results from the survey (Hartl-Nielsen et al., 1996) show that 77% rated Bornholm as excellent as a holiday destination and 20% as good, giving an average score of 4.73 on a scale from 1 (=poor) to 5 (=excellent). Whereas, when asked about value for money the score was considerably lower, only 3.91, with 31% considering the value as excellent, 37% as good, 27% as average, 5% as not good enough and 1% as poor, indicating a dissatisfaction, however, this is not uncommon in visitor surveys in general, and should therefore not be regarded as a problem. The aforementioned suggestions must therefore be considered as the visitors' way of emphasising this dissatisfaction by suggesting improvement.

Another suggestion compares value for money in Bornholm to Southern European destinations', stating that it is 'cheaper' to go to Southern Europe than to go to Bornholm. This corresponds with the general conception of Denmark and the other Scandinavian countries to be considered expensive holiday destinations that do not have the potential for large-scale mass tourism development.

Those travelling after 1 September 1995 raised another important issue: 5% comment on an extension of the tourism season, expressing the wish that more shops and sights should be open. Visitors, who had not previously been to the island, make the largest number of these comments. Thus, raising the question whether the marketing and sales efforts promised more than they could keep. Some of these comments are, however, accompanied by remarks showing that these are experienced Bornholm-visitors, who believe that time has come for more than just nature-based experiences out of season. These comments in relation to a prolongation of the season also connect to other comments regarding general suggestions for 'more action, more fun, more entertainment and activities' whereas others give specific examples for what types they would prefer (e.g. information meetings and diving opportunities). Other suggestions for new facilities and activities point towards infrastructural improvements, particularly regarding cycle paths. These suggestions are typically given with remarks that say the cycle product is good, but it could be made even better. Presumably the large focus on cycle paths is triggered by many visitors using the offer at some point of their visit to Bornholm, and also being one of the product stereotypes associated with the island.

Looking at the data provided by the BVS since, it is noticeable that there are two areas of expression of general satisfaction, one is the high rate of repeat visitation, which is above 70% for almost all years (cf. Table 4-4). The other is expressed in the questions regarding Bornholm in terms of a place to visit and value for money together with the question of the likelihood to return. For the questions regarding the judgment of Bornholm as a holiday destination and value for money respectively, a 5-point Likert scale was used in the same manner as previously mentioned. Table 4-9 illustrates the responses over the five-year period chosen for the thesis. As can be seen the values over the years do not differ significantly. However, the evaluation of value for money is lower in all years, which is confirmed by the viewpoints expressed in the open-ended questions.

Table 4-9 Evaluation of Bornholm in general terms, 1996-2000

Average score / Year	Bornholm as a Holiday Destination	Value for Money
1996	4.69	3.83
1997	4.69	3.80
1998	4.65	3.84
1999	4.65	3.92
2000	4.66	3.91

Source: BVS; Note: 5.0 highest score on a five-point Likert-scale.

As far as probability of returning is concerned, this is generally high, as can be expected from the high repeat visitation rate. Clearly, the high percentage of visitors who come to Bornholm in order to visit friends and relatives influences the likelihood to return.

The survey results over the years show that the probability of returning is lowest for those who visit the island during the main season (around 40%) and highest during the off-season (1st and 4th quarter). Respondents were also asked when they were likely to return if they had answered *certain* or *likely* in the first question. Many said they would return either within the same year or the year after.

Table 4-10 Likelihood of returning, 1996-2000

Percentages / Probability	1996	1997	1998	1999	2000
Certain	42	38	44	47	46
Likely	28	31	25	27	27
Maybe	25	25	24	20	21
Unlikely	5	5	7	5	5
Certainly not	*	1	1	1	1

Note: * means less than 0.5%; source: BVS

Recently, the interviewer taking care of the screening process and distributing the questionnaire has increasingly experienced to be turned down by repeat visitors, who do not wish to participate in the survey, because their 'suggestions do not make a difference anyway' (Knack, 2002). Illustrating both difficulties in communication survey results and effectuating change.

4.2.2.2 Tourism industry

This section on the tourism industry in Bornholm focuses on the industrial structure in relation to its effect on cooperation and interaction between the organisations involved in the tourism industry in Bornholm.

4.2.2.2.1 Structure

The structure of Bornholm's tourism is dissected by using the five As (accommodation, attractions, amenities, ancillary services and access). Access will be discussed in a separate section, as it is of such great importance to tourism development in a peripheral area. The tourism industry in Bornholm is characterised by a large number of SMEs, more especially micro-businesses (many of which in Bornholm are self-employed persons or husband-wife businesses). Because of the distinct seasonality, there are only few full-time all-year jobs, whereas there are a considerable number of low skill jobs during the season.

There are a large number of industrial associations. These are either specific to a particular branch, e.g. the Campsite Union for Bornholm, the Marketing Group of Bornholm's Hotels and Guesthouses, the Association for Rural Tourism Accommodation; or they are encompassing different kinds of tourism businesses as in the TAs.

Accommodation

The accommodation offer of Bornholm varies greatly. There are a few large hotels (with more than 150 beds), a large number of medium-sized hotels, as well as numerous small hotels and guesthouses (with less than 40 beds). There are around 25 campsites of all standards, seven youth hostels and an unregistered number of private accommodation units for hire. An important part of the Danish accommodation product is holiday homes (that are referred to as *summerhouses*) and Bornholm is no different. It is estimated that there are some 3 000 holiday homes in Bornholm, half of which are for rent, the remaining houses are exclusively used by the owners or might be lent to friends and relatives. The holiday homes are made available to tourists in different ways, through the TAs on the island, through agencies exclusively offering holiday home stays either locally or nationwide or privately by advertising in relevant papers or on the Internet. The most recent additions have been web-based services pooling the offer.

It is evident that the accommodation sector in Bornholm is very fragmented, but whereas hotels and guesthouses, campsites and youth hostels are organised in associations and unions, holiday homeowners are not organised in any way. Holiday home agencies are to some extent members of the nationwide *Feriehusudlejernes Brancheorganisation* (Danish Holiday Cottage Rental Association), but there is no regional representation for Bornholm.

The large holiday home agencies have experienced a concentration in recent years; in particular, Novasol has followed a growth strategy through acquisition of competitors. This strategy has nevertheless not been applied in Bornholm, except for the merger with another large Danish agency. Novasol, however, offers holiday homes elsewhere in Europe and was itself acquired by the America leisure concern Cendant. Novasol's actions are unique in Denmark.

Attractions

As anywhere, attractions in Bornholm can be divided into those that are free and those that charge admission. Bornholm's most visited attraction is the ruins of Hammershus Castle, which can be accessed freely all year and are owned by the Danish Government. The second most important attraction is the four round churches belonging to the Danish State Church; entry is either free or nominal (DKK 5).

Apart from nature reserves with free access and picturesque cliff formations, there are a number of museums of varying sizes; some of these are simply private collections open to the public. There is also an amusement park, a nature experience centre, a medieval centre, and various other smaller attractions, such as various churches, lighthouses, stone-age monuments and viewpoints. The seven largest attractions decided in 2000 that they wanted to form cooperation in order to intensify their marketing efforts. This cooperation includes NaturBornholm, the Art Museum, the Medieval Centre, Joboland Amusement Park, the Hammershus Exhibition, Oluf Høst Museum and Bornholm's Museums; the latter being an umbrella for the state supported museums on the island.

Amenities

Amenities relate to the infrastructure and support services available at the destination. In Bornholm, therefore the public authorities play an important role, as they provide infrastructure, including roads, cycle and hiking paths, public conveniences, signposting and beach maintenance. The spatial planning system and related strategies are examined in section 4.2.2.2.3.3. During the period of this research, there were three levels of public authorities in Bornholm, local authorities (municipalities), a regional authority (county) and the central administration (national government institutions). As mentioned previously, the local and regional authorities located in Bornholm merged into one unit on 1 January 2003. This is expected to have an impact on the level of coordination and improved communication within government.

An example of current poor coordination is the existing signposting in the small fishing hamlet of Vang. Visitors come here to eat at a popular restaurant and to look at the historical granite quarry. There is also a café that is particularly popular with hikers following the coastal path. Despite the fact that the nearest major attraction is Hammershus, it is not marked on the overview map situated near the parking ground. Presumably, this is so, because Hammershus is located in another municipality than Vang. This illustrates that the public approach is not customer focused, when it becomes to looking beyond administrative boundaries. On the other hand, one has to bear in mind that the public authorities' prime focus is serving the local population, not necessarily the visitors.

Ancillary services

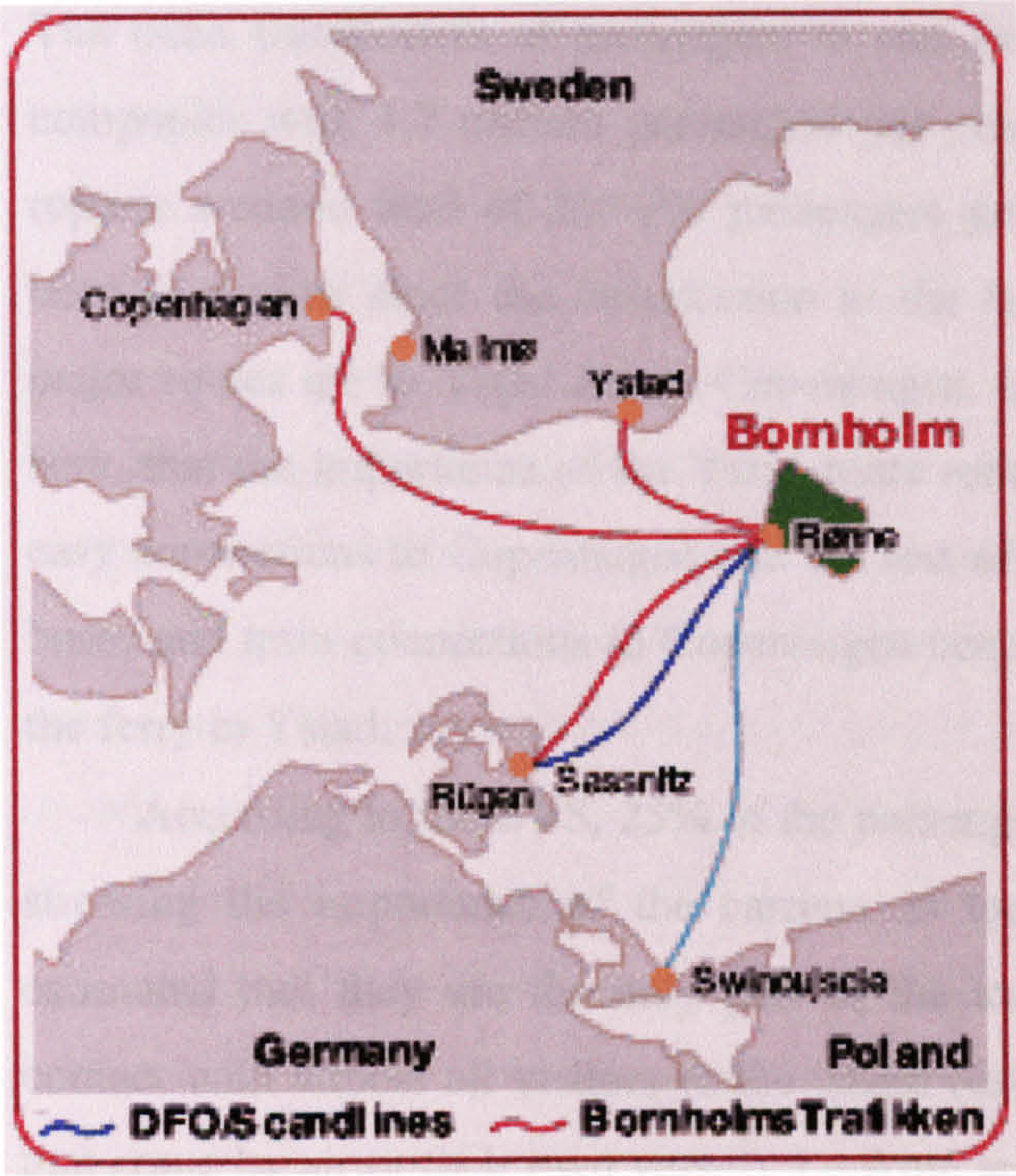
Ancillary services is the most fragmented part of the tourism industry, covering anything from small kiosks to large supermarkets, hot dog stands to large restaurants, arts and crafts workshops etc. Again, many of these services are not solely for tourism, but also serve the local residents. It therefore depends upon the businesses' own perception of who their major customers are. It is widely recognised that the level of service in some of the smaller towns or fishing hamlets is higher than what would be present in equivalent settlements without tourism, for example Snogebæk has a supermarket of a size and assortment much wider than elsewhere. The recognition of the impact of tourism has led to a local group of stores in Bornholm belonging to the same chain of supermarkets have supported DB with a decent annual contribution for the last five years, making them the largest non-tourism contributor of DB.

The businesses that are categorized under this heading are not organized in unions or associations, except for those who consider themselves tourism businesses and decide to become member of the Danish Association of Hotel, Restaurant and Tourism Employers (HORESTA). HORESTA has a chapter in Bornholm of approximately 80 members as per 1 September 2002 (Kure, 2002). Apart from being an employers association, HORESTA also provides a meeting and discussion forum for its members.

4.2.2.2.2 Access/Transportation

Since Bornholm is an island, access is a crucial issue. Figure 4-9 below illustrates the routes to Bornholm in 2002.

Figure 4-9 Map of ferry connections to Bornholm



Source: www.bornholminfo.dk

There is one all-year air connection to Copenhagen, operated by Cimber Air. There used to be seasonal scheduled flights (once a week) to different German airports, but these services, which most recently were run by Eurowings, ceased in 1999 (Statens Luftfartsvæsen, 2002). There were three all-year car ferry routes to Copenhagen and Ystad, Sweden (owned by Bornholmstrafikken) and Sassnitz, Germany (operated by Bornholmstrafikken in cooperation with Scandlines). There were three seasonal routes to Poland, a car ferry run by Polferries to Swinoujscie and two passenger services from Nexø to Kołobrzeg and Utska respectively. Bornholmstrafikken, Scandlines and Polferries are state owned carriers. The Danish Government owns Bornholmstrafikken, Polferries by the Polish state and Scandlines is a shareholder company, with both the Danish and the German departments of transportation owning equal shares of the capital. Polish shipping companies privately own the passenger routes.

Passengers

The main transporters of passengers to and from Bornholm are the ferry companies with 1.7 million passengers per year, whereas the airport only reports a round total of 200 000 passengers per annum. Air transport has been in decline since the introduction of the fast ferry link to Ystad. The major routes are to Ystad and to Copenhagen. It is important to emphasise here, that the importance of the Ystad-route relies first and foremost on the easy connections to Copenhagen and the rest of Denmark. There are direct buses and train connections to Copenhagen central station that link up with the ferry in Ystad.

According to the BVS, 25% of the passengers are Bornholm residents, stressing the importance of the carriers as tourism providers, it can be estimated that they are the only part of the tourism industry, that are in contact with almost all visitors to the island (except for the small numbers that come by air or their own vessel). Looking at Bornholmstrafikken alone, a market share of 96% of all ferry passengers and 84% of all passengers (including air) can be estimated. Thus, Bornholmstrafikken can be identified as one of the most important tourism businesses in Bornholm; nevertheless, it does not consider itself a tourism business rather than a transport provider.

Bornholmstrafikken

The ferry company was established in 1973 when the Danish Government took over all shares and assets in the then privately own company *Dampskibsselskabet af 1866* in order to secure the transportation of passengers, goods and mail. Since that time Bornholmstrafikken has been the equivalent of 'motorways' to Bornholm in the mind of Bornholm residents. Bornholmstrafikken is highly subsidised and runs as an independent state company (*statsvirksomhed*). According to the annual report, in 2001 Bornholmstrafikken had 748 employees and a turnover of DKK 417.5 million; the same year the company received a state grant of DKK 135.5 million, reflecting the level of previous years. They spent DKK 15.8 million on marketing, a figure that has decreased steadily in the recent years, as a comparison, the report states, marketing expenditure to have been DKK 24.9 million in 1998.

In 2000, it was announced that Bornholmstrafikken would undergo a public tender, a decision that has created some uncertainty about the future of transport to Bornholm. In 2001, the Danish transport minister appointed an advisory committee to recommend on transportation questions to Bornholm. Clearly, Bornholmstrafikken is in a monopolistic situation as far as transport to and from Bornholm is concerned. Cimber Air has as already indicated a small share of the market; and other ferry companies are insignificant in terms of numbers of passengers. Throughout the years, several entrepreneurs (e.g. Espersen in 1988 and Karlsson in 1990) entered the market, but seldom lasted for longer than a few seasons. In general, passengers welcomed competition, hoping that Bornholmstrafikken would be forced to improve prices and service level, but as this seldom happened, customers surrendered to stability. Despite being in a monopolistic situation, Bornholmstrafikken does not ask any price they consider appropriate, as mentioned previously, the company is highly subsidised.

In 1993, Bornholmstrafikken entered the tour operator business, running a travel agency and tour operation unit named BornholmTours. Over the years, BornholmTours had developed cooperation with some of the local agencies (Sydbornholm and Nexø) under the name of *pakkeriet* (the packaging department). They would publish a joint catalogue and cooperate on the acquisition and booking of hotel and holiday home accommodation. In relation to these activities, Bornholmstrafikken also spent a considerable amount of money on advertising and sales, probably being the greatest marketer for the island. As indicated, a change occurred in 2001 under the influence of the announced tender, and in 2002 it was decided to handover BornholmTours to Nexø's now privately owned TA and the marketing efforts for the island will in future be carried out by DB, though for less money than Bornholmstrafikken had spent on these activities hitherto. This of course strengthens the role of the DMO, but by reducing the amount spent on marketing activities, it weakens the overall marketing effort for the island.

On the other hand, the carrier has increased its focus on service quality, which can contribute to increased visitor satisfaction. No doubt Bornholmstrafikken is the only actor of the Bornholm tourism industry that is in touch with almost all visitors to the island twice and thus creating important first and last impressions during the Bornholm visit, and consequently being crucial to the experiences gathered throughout the stay, nevertheless it does not consider itself a tourism business, as mentioned in the preceding section. Although Bornholmstrafikken has increased its focus on service performance, the decision to outsource the marketing could indicate an attitude based on belief routed in the monopolistic standing, that visitors will travel with the Bornholmstrafikken anyway, as they have no alternative, and therefore this makes them less vulnerable as other SMTEs, which are dependent on attracting customers to their individual business instead of any other competing business on the island. Additionally, the outsourcing of marketing activities also indicates a certain view on marketing as being a sales and advertising function rather than an integrated part of the business. This includes the situation that the DMO does not get an influence on setting the price for ferry tickets or any other additional marketing parameter at their disposal.

4.2.2.2.3 Strategies for Bornholm Tourism

After having analysed and described the structure of the tourism industry in Bornholm by using the five As, this section will give the strategy-framework within which Bornholm tourism operates. This framework consists of a tourism-related part and a general setting of national and regional planning and development, the latter forming a subset to the tourism strategies.

Table 4-11 The spatial planning system in Denmark

Institution	Output
Danish Ministry for the Environment	National Planning Act & National Instrument for Revision of the Regional Plan (*Statslig udmelding til Regionplanrevision*)
County Council's Planning Departments	Regional Plan
Municipal Planning Departments	Local Plan

Table 4-11 illustrates the relations regarding the different levels of the strategy formulation process. There can be identified three major levels, the national level, the regional level and the local level. At the national level, there are on the one hand the governmental departments, on the other hand the DT and the nationwide associations. It is recognised that these organisations should be involved in decisions regarding the national strategy for tourism. At this level, it is the Ministry of Industry and Commerce (since November 2001: Ministry of Business and Economic Affairs) that is the strategy owner, whereas the DT will carry out the implementation of the contents of the strategic plan. On the other hand, there is the Ministry of the Environment, which is in charge of the general spatial planning process in Denmark in cooperation with the county administrations that formulate regional plans, and the municipalities that are in charge of local planning. Spatial planning has an impact on tourism development as it ensures that there is made space for recreation, that there areas set aside for development of bedspaces, etc.

At the regional level, we find the RTDCs, which can be found across Denmark (eight altogether). These eight corporations have joined together in an association in order to be able to communicate better with the DT and directly with the Ministry, from whom the RTDCs received up to 40% of their funding. DB is one of the RTDCs. The County Administration can also be found at this level.

At the local level, TAs operate together with all the individual tourism businesses, alongside the local authorities. The individual businesses can be members of a TA. The local authorities contribute financially to the running of the TA's. They also provide the necessary local plans and subsequently planning permission, e.g. for building of new facilities for the tourism industry.

Table 4-12 Relation between key stakeholders in the strategy formulation process

<table>
<tr><th>Areas
Level</th><th>Tourism</th><th>National and regional planning tourism subset</th><th>National and regional planning</th></tr>
<tr><td rowspan="4">National</td><td colspan="2">Ministry of Industry and Commerce</td><td></td></tr>
<tr><td></td><td colspan="2">Ministry of the Environment</td></tr>
<tr><td>Danish Tourist Board (DT)</td><td></td><td></td></tr>
<tr><td>Nationwide tourism associations, e.g. HORESTA</td><td></td><td>Various associations, e.g. Open air council</td></tr>
<tr><td rowspan="2">Regional</td><td>Association of RTDC</td><td></td><td></td></tr>
<tr><td>DB</td><td colspan="2">County administration (Bornholm), regional plan</td></tr>
<tr><td rowspan="2">Local</td><td>Tourism Associations</td><td colspan="2">Local authorities, local plans</td></tr>
<tr><td>Individual tourism businesses</td><td></td><td></td></tr>
</table>

Communication flows between players situated at the same level and typically one level up or down. It is considered unnatural to communicate with levels much higher, e.g. from TA's directly to the ministry, unless the TA is of a certain size or the problem to be discussed is considered very specific and unsolvable at a lower level.

4.2.2.2.3.1 National Strategy for Tourism

Regarding the National Strategy for Tourism, there was no specific tourism policy expressed by the government until 2001. In 2000, a process was initiated by the Minister of Industry and Commerce and overseen by key

Ministry staff members. In the process, the DT played a fundamental role in involving stakeholders representing as many tourism interests as possible.

In November 2001, the Minister presented the strategic plan at the DT's annual conference. Shortly after this, a general election took place that resulted in a change of government. The new government nevertheless adopted the strategy and re-published the plan in July 2002. The national strategy for tourism contains the following focus areas, as presented in Table 4-13. As can be seen from this table, the focus area shifted from government to government, which is not surprising, as there is a prevailing difference in policy. However, in terms of long-term planning for tourism this is not very helpful. In relation to the public-private cooperation on product development, the government introduced *alliances* to be formed in the areas of City breaks, MICE, Coastal and Activity-based tourism. The strategic plan stipulates two phases for implementation, firstly, the phase of establishment, secondly, a phase of cooperation. During the first phase, strategic and action plans for each of the above-mentioned areas were to be developed. During the second phase of cooperation, actual projects (3-5 for each area, with a maximum public finance of DKK 2 million over a 3-year period) are to be launched upon application. The work of the first phase took place at the DT who invited key industry partners to join the process and form alliances. The process could be followed publicly via the industry website of the DT, where general guidelines and minutes from alliance group meetings were published. The plan also explicitly expressed the intent to conduct a tourism policy on a basis of close dialogue with the industry. For strategic plans of this kind to be carried into action, there is a need for funding to follow the good intentions, and the Ministry therefore states in the report that they have allocated DKK 40 million for support of the strategy. Apart from this, the Ministry is the funding body for the DT that supplements its grant, which is secured by a 3-year-result-contract, with campaign contributions from the industry. These contributions are related directly to marketing activities guaranteeing advertising space to the contributor. Typically large tourism organisations contract directly with the

DT, whereas smaller players are pooled by the RTDCs. This also underlines the communicational process when formulating the national strategy: the Ministry communicates with the DT and with the primary national industrial representatives a process, which has been described as 'a vast dialogue' (Økonomi- og Erhvervsministeriet, 2002), but also the association of RTDCs has an interest in communicating with the ministry as they receive up to 40% of their income as government grants.

Table 4-13 National strategy for tourism - main focus areas

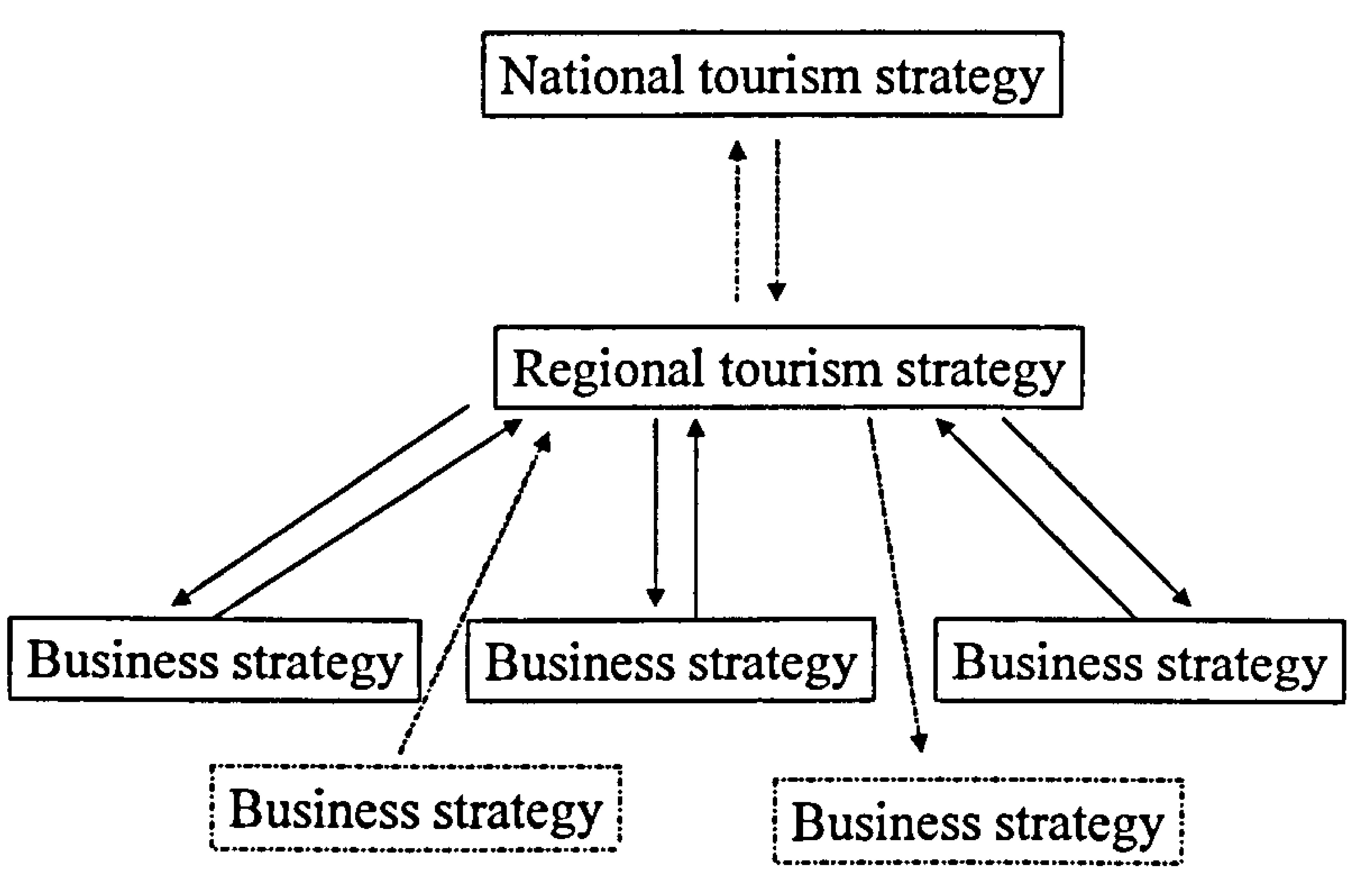
November 2001	*July 2002*
Increased knowledge amongst tourists (key-words: Branding, Internet and Media awareness.)	Public-private cooperation on product development: Renewal and development in order to enhance earnings and competitiveness.
Better experiences for tourists (key-words: Rejuvenation, Cooperation, Events, Satisfaction, Quality and Labelling)	Effective industry service and branding of Denmark (for businesses and other tourism stakeholders)
More able tourism industry (key-words: Education, In-service training, Increased professionalism)	Reduction of direct costs and administrative burden (general effort for all industry and trade in Denmark).

Source: Erhvervsministeriet (2001) and Økonomi- og Erhvervsministeriet (2002)

The DT communicates with the national industry representatives, the regional companies and the larger tourism companies. Whilst ministry and DT are based in the capital Copenhagen, the RTDCs are based in their respective regions. There are four in Jutland, one covering Funen and the surrounding islands, one covering South-Western Sealand, Lolland and Falster, one covering the capital (soon to be enlarged through a merger to cover the remainder of Northern Sealand), and finally DB, covering Bornholm. These regional companies follow to a certain extent the same pattern as described previously, they communicate upwards and downwards with their members/shareholders or the tourism industry in general in their area, but often, because of the fragmented industrial structure, they concentrate on the larger contributors, cooperating with destinations or TA's rather than the very small individual businesses.

Figure 4-10 illustrates in a different way the interaction that can take place between the different players. It also attempts to indicate that there are relations between the different levels of strategy, which to some extent influence upon each other or in other ways depend upon strategies at a different level. The greater the distance between the particular strategies appears to be, the greater the likelihood that the strategies operate quite independently. In other words the strategies of individual businesses, if they exist, tend to work without reference to the overall political strategies. Often these businesses do not get involved in the planning process at the national or other politically driven strategy-planning processes.

Figure 4-10 Players in the tourism strategy planning process



4.2.2.2.3.2 Regional strategy for Bornholm

In 2001 *Bornholms Erhvervsknudepunkt* (a forum for politicians and industry representatives, cf. Appendix C), published a *Perspective Plan* for the development of Bornholm 2001-2005. The plan states in its vision a set of basic values for Bornholm, namely:

- An outstanding natural environment,
- An attractive climate,

- Small and well-preserved towns
- An emphasis on closeness and harmony.

The vision affirms that these '*qualities have to be preserved and developed in such a way that Bornholm may become a more attractive place to live, work and visit*' (Bornholms Erhvervsknudepunkt, 2001, p.3 – translated from Danish). Although this plan does not exclusively look at tourism, it is obvious that tourism is a recognized and accepted part of the industrial structure and thus in the plans for future development. Tourism is mentioned under general industrial development as well as in its own specific section of the plan, and also in other relevant sub-sections, such as:

- Arts and crafts,
- Traffic to and from Bornholm,
- Culture and leisure and
- Marketing.

Specifically on tourism the plan states:

> It is necessary to secure good development opportunities for tourism. Holidays in Bornholm need to be attractive. Therefore, there is a need to keep and develop quality experiences, which contribute to a prolongation of the season and attract high-profile visitors.

And further:

> Tourism is to be based on the variety Bornholm has to offer, because of its particular natural and cultural environments, its closeness and attractions. Bornholm needs to be developed further in the coming years in order to be a sustainable destination for tourists, who demand high quality and the possibility of a great variety of experiences within a small area.

This regional strategy was published for the first time in 2001 and signals a change in attitude and focus by regional policy makers. However, the wider audience of tourism stakeholders has appreciated neither process nor contents, in other words, the industry in general has not taken notice of the Perspective Plan.

4.2.2.2.3.3 Other political strategies and spatial planning

Whereas the plan presented in the previous section is a new initiative, the regional plan, as part of the spatial planning system has contained a section on tourism for many years. Nevertheless, it has only been in the years up to the regional plan revision in 1999 that there was a shift in viewing the regional plan as merely a tool for spatial planning to a tool for strategic planning of the region (Kragstrup, 1999).

Over many years there has been one particular element in the regional plan, which can be considered as an early political commitment to sustainable tourism development, or at least anti-mass tourism development. It was stated in the regional plans for many years that the number of visitors in anyone day over the year must not exceed the number of inhabitants. This has always be a political statement, as it has never been possible to control the number in any way and there have never been any attempts to do so, or measure it.

Although the spatial planning system forms the framework of operation for many tourism businesses, it was quite evident from the interviews that there was hardly any participation in the process from the businesses. Most expressed the view that they would participate, if there were a matter of importance to their particular area and which could be expected to influence upon their business, but as long as this was not the case, there was no reason to participate. The planning system was seen as rather slow, so often action had to be taken outside the normal planning periods and additional plans would be necessary anyway. For example, planning for a new golf course, would take approximately four years from the first contact to the authorities until all planning permissions would be available. Thus contacts would be made at any time it was deemed necessary and not according to some procedure stipulated by the national planning authorities.

4.2.2.2.3.4 Individual strategies for businesses

Only few of the respondents interviewed amongst the trade on Bornholm said that they had a pronounced business strategy for their operation. Even large companies like Bornholmstrafikken had not on the first occasion a pronounced business strategy, however, this had changed at the time of the second interview. One of the holiday home booking agencies, which was a branch office of the nationwide agency Novasol, was reporting to the strategic plan issued from the head office.

Even so, it is evident that businesses, however small, must have some kind of underlying strategy for their operation. Most interviewees agreed that, especially for SMTEs, this was to *make a living*. In other words, the aim was not necessarily profit maximisation, but to have an outcome that enabled the owner of the business to live a satisfying life. There was agreement that this was generally true for micro-businesses and often these businesses were run as '*life-style businesses*', in the sense that the running of the business was a life-style for the owner. This life-style would include, long hours and hard work during the season, but the ability to plan and live more freely during the off-season, in order to, say, be able to pursue personal interests. Others could be said to have a survival strategy. They may have taken over the family business and feel an obligation to continue the enterprise, or they do not see any job alternatives, and therefore they focus on survival as well as they possibly can. Others again, are said to have the simple strategy of generating as much income from the operation as possible, without investing too much money. This was the case for one business, where the owner did not participate in the day-to-day operation of the company. Since there seldom were formulated strategies for the businesses in writing, it did not come as a surprise that only on a few occasions were there procedures for reporting, other than fulfilling the statutory requirements, like bookkeeping and the annual audit.

The entrepreneurial counsellor expressed the view that many small firms and even medium-sized ones, were not very good at taking advantage of the knowledge one had in the business. Many routines were carried out, because these had to be taken care of, without any investigation into how this information could be of use in the business. Many had a fair knowledge of their customers, because they were in close contact with them, which was an advantage of the small businesses. Nonetheless, this knowledge was based on the managers' own memory, and seldom verified through statistics. In general, the small businesses had no knowledge of the BVS, and if they had, they did not use the data available. Hence, tacit knowledge would be lost in the case of the key person in the business leaving.

Only DB, the experience-centre NaturBornholm, the amusement park Joboland/Brændesgårdshaven and Bornholmstrafikken had taken the opportunity to include questions in BVS and receive cross-tabulations against the visitor data. This reflects the size of the operation, in other words, it has been larger companies, which have taken the opportunity to use the data for their own planning, reflecting that planning takes place in these businesses.

Framke (1998) found in his investigation, that businesses defined Bornholm as a destination by its geographical criteria. This definition delimitated the businesses from several opportunities in terms of packaging different products. Framke (1998) indicated therefore that the businesses and the customers view the tourism product differently. Whilst the businesses work with single products or at least rather simple product combinations, the tourists' point of view of what they purchased, was a collation of single products. In his approach, Framke (1998) divided products into types:

- Primary attraction factors – typically nature or culture;
- Tourism core services (transport, accommodation, food & beverages, attractions and events);
- Peripheral services (e.g. retail services);
- Information distribution and sales functions (accessibility).

Nevertheless, this division was not reflected in the views of the interviewed industry representatives. Further, his findings showed that the TAs had a clear focus on holiday home guests, giving little or no consideration to other types of visitors. Table 4-14 shows characteristics as they were identified by the trade interviews carried out by Framke (1998).

Table 4-14 Visitors' characteristics (TA's view)

High season	*Shoulder season*
Uncomplicated	Searching for knowledge
Undemanding	Great focus on quality
	Need for precise information
Families with children	Couples without children account for approximately 50%

Source: Framke (1998)

It was generally envisaged that visitors during the high season were undemanding and therefore easily to handle and they mainly comprised of families with children, who had a fairly good knowledge of Bornholm. Therefore, the sales efforts were fairly low. Conversely, visitors during the shoulder season were much more demanding, craving quality products and services, looking for precise information on activities and events. During the off- or shoulder season, the main group of visitors was couples without children, covering approximately 50% of all visitors. The sales effort in order to attract this type of visitors had to be higher.

Compared to this the accommodation sector (such as hotels and guest houses) shared the view of the main visitor groups in the high season to be families with children and being rather undemanding, whereas for them the shoulder seasons were dominated by OAPs often in groups or other groups, which in general were easily satisfied. There was some effort to attract these groups, but planning was in general both short-term (within the same season) and medium-term (up to a year in advance), leaving the accommodation sector with a persistent challenge of filling their beds often at short notice.

4.3 Destination Bornholm

DB is a shareholder company founded in 1992/3. At that time, the Danish Government had a programme to promote a higher concentration of cooperation within tourism organisations in Denmark. DB is the Destination Marketing and Management Organisation in Bornholm. It is in charge of marketing Bornholm externally, coordination of product development at the destination, acts as an innovator for the tourism industry on the island and coordinates the tourism development of the island in general (DB bylaws). These tasks should be carried out with respect for the local population as well as the islands natural and cultural environment, focusing on the sustainable development of the island's tourism industry.

4.3.1 Historic development and background

Until the establishment of DB, tourism organisations were typically associations of tourism businesses in smaller areas, normally at municipal level. Most of these TAs ran a local tourism information office and were financed partly by membership fees, earnings from accommodation agency and partly by subvention from the local municipality. Many of these tourism businesses enjoyed close relationships with their local TA. Businesses that had indirect, let alone induced earnings, from tourism were rarely members of these associations and thus did not contribute financially or had any influence on how the tourist bureaux were managed.

4.3.1.1 Establishing destination bureaux

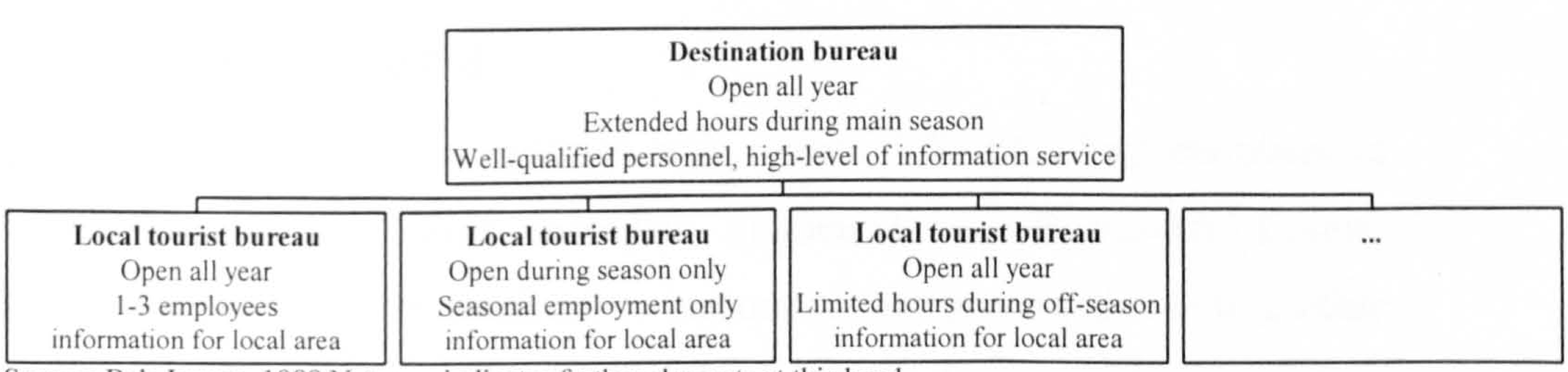
In the late 1980s, the DT initiated a process to analyse the *Future role of tourism associations and bureaux in Danish tourism* (Bak-Jensen, 1989). Several other reports (e.g. PA Consult, 1990 and 1991) were written and all suggested that a higher level of professionalism was required in the customer service and promotional work carried out by the tourism associations. The working group used the following definitions of destinations:

- Local area; being one municipality (smallest public administrative unit in Denmark);
- Destination; as being a naturally well-defined tourist area, which can be, depending on the areas characteristics, one or more than one municipality;
- Region; as comprising one county (a public administrative unit in Denmark; Denmark has 16 counties altogether, cf. Figure 4-11).

Figure 4-11 County (Amt) map of Denmark

The review put forward the idea of having destination bureaux, so as to create larger units covering larger areas (destinations, as defined above) that would be able to maintain staff on a full-time basis for the whole year as opposed to seasonal employment. This full-time staff should be better qualified through training in languages and business skills. Also, these bureaux were intended to have a co-ordinating function in relation to smaller units at the local level, as illustrated in Figure 4-12.

Figure 4-12 Intended structure for tourist bureaux at a destination



Source: Bak-Jensen, 1989 Note: ... indicates further elements at this level

4.3.1.2 Network grants

In 1990, the Danish Government intervened by offering grants for formalised networks, i.e. groupings of enterprises and individuals that would become members/shareholders of a destination company. Any such grant had to be matched by at least 50% of funds from the stakeholders. Such a grant would be given for the maximum of three years. After this period the operation of the network, i.e. the established company, needed to be self-sufficient. However, the Danish State later had to revise its role, and has until the end of 2002 supported through varying schemes tourism in the Danish regions. In some cases, the cooperation continued after the three years of public support, having taken on the role of a TA.

4.3.1.3 Further concentration in destination marketing units

The initial initiative proved that further concentration within the units for destination marketing would be preferable. In cooperation with the DT and the Joint Council of the Danish Tourist Trade (TF) the Government Tourism Department (today the Ministry of Business and Economic Affairs), suggested that a maximum of eight tourism development companies (TDCs) should be established. A TDC should cover a larger area then the already established destination companies such as DB.

So, in 1996 a new grant scheme was established giving 50% of subsidy to the new established TDCs. All of these were collaborations between more than one Destination Company, except for Bornholm, where cooperation with other destinations in Denmark would not be logical, given Bornholm's isolated geographical situation. Thus, DB was accepted as a RTDC in its own right in 1997.

4.3.1.4 Establishing DB

DB was one of these companies with around 170 founding members in September 1992. These included municipalities, Bornholm County Administration, tourism businesses (accommodation, attractions etc.), other businesses (e.g. supermarket chains) and private persons. The number of founding members was quite impressive, as the previously mentioned close relations between local TAs and tourism businesses was expected to hamper cooperation at a higher level. Each founding member paid for a minimum one share costing DKK 1 000 (the equivalent of €150). In order to attract shareholders to the company a plan was put forward for three years of operation, which was the period of time the government had granted financial support. Prior to establishing DB, two phases of investigation were carried out, analysing the state of the art of the tourism industry on Bornholm. These included interviews with the major 'players' within the tourism industry. Table 4-15 gives a brief overview about DB's internal organisational structure.

Table 4-15 Facts about DB

Established	1992 by Bornholms Erhvervsråd (Industry and Business Council – a semi-public body) as a Danish *anpartsselskab* (a limited shareholder company).	
Share value:	DKK 1 000 (each), minimum statutory shareholder capital was DKK 50 000 in 1992; this was raised to DKK 250 000 in 1997.	
Share capital:	per 30/06/2000: DKK 550 000	
Share holders:	178 at establishment, 2002: 312	
Financial year:	1st July – 30th June	
Management:	Managing Director	Birte Jacobsen 1993-98
		Niels Feerup since 1998
	Chairman of the board	Ole Almeborg, 1993-95
		Jørgen Hammer, 1995-97
		Ole Almeborg, 1997-99
		Kenn Kjellberg, since 1999
Annual turnover:	DKK 10.6 million in 1999/2000	
Staff:	8 as per 01/06/2002	

Source: www.destinationen.dk

4.3.2 Organisational structure

DB was established in 1993 after a process started in April 1992 involving key-stakeholders on the island and an open round of offers to investors on the island to join the process. The process had three phases: the initial phase included an *investigation* for setting up a body that could take care of the marketing and management of the island, and was supported by around 25-30 stakeholders, who each paid DKK 1 000, this amount was then doubled by a network scheme supported by the Danish Government. The next phase included the same stakeholders and focused on a more *in-depth investigation* of who could be expected to be involved in the future organisation, a formulation of an initial marketing strategy and the framework for the organisation to be established. The third phase was the actual *establishment* of the company as a Danish Anpartsselskab and the running of this over three years again received funding through the network scheme. At this stage, shares (at DKK 1 000) could be bought by anybody who was interested in supporting the work of DB. The company set off in 1992/3 with approximately 180 shareholders, a number that had risen to 312 by 2002.

DB continued the close cooperation with the DT, which previously had been taken care of by the Bornholm Tourism Board (BTB), one of DB's preceding organisations; this included amongst other things the mediation of sales of DT's marketing campaigns. DB would earn a commission from every campaign sold to the industry in general through them.

4.3.2.1 Shareholders

As can be seen from Table 4-16 the majority of shareholders are based in Bornholm, however, there is a small number of shareholders, working with incoming tourism to Bornholm, that are based elsewhere (Copenhagen and Jutland in Denmark, as well as Ystad in Sweden). Also, there are two holiday home agencies represented that are operating all over Denmark, with local outlets in Bornholm. What is interesting is that as much as 42% of all shareholders are non-tourism businesses. Amongst the tourism businesses, the greatest percentage of shareholders is to be found in the accommodation sector. It is DB's pronounced aim to acquire as many shareholders as possible, but there is no specific focus on any preferred groups of shareholders.

One of the initial ideas of involving a large proportion of non-tourism businesses appears to have succeeded. This is related to the acknowledgement that on the one hand many businesses thrive on tourism through the multiplier effects of tourism spending, but also on the other hand, that tourists experience a destination not only from the tourism offers, but from the fact that the destination is a holistic presentation of an area and that the tourists are attracted even by the atmosphere created by the local population and its day-to-day life, including non-tourism related occupation, for example, agriculture and fishing.

Table 4-16 Shareholders in DB in 2001

Category	Number of shareholders	Percentage of shareholders
Total number of shareholders	312	100
Shareholders based in Bornholm	307	98
Shareholders classified as tourism businesses	176	56
Of these outside Bornholm	5	2
Of these associations	9	3
Accommodation establishments	76	24
Attractions	9	3
Tourist offices, travel agents, holiday home agencies etc.	14	4
Restaurants etc.	14	4
Transportation and related infrastructure (e.g. harbours)	15	5
Events and activity service providers	14	4
Arts and crafts, galleries	13	4
Shops and contractors	7	2
Non-tourism related shareholders	132	42
Non-tourism businesses	101	32
Non-tourism associations	9	3
Public authorities	6	2
Private persons	14	4

Source: based upon information collected from www.destination.dk

4.3.2.1.1 Shareholder influence

Although a shareholder company was founded, the working committee for the establishment of DB considered it important that the shareholders' direct influence on the company's work would be kept to a minimum in order to be able to reach decisions quickly and whenever necessary. All shareholders had to sign a shareholder agreement, giving all power to the Council of Trade and Industrial Development (Bornholms Erhvervsråd, BER); an organisation mainly financed by the County of Bornholm. A board of directors was appointed with seats divided between members of the BER and members appointed by a tourism committee comprising members from the tourism and transport industry. The annual assembly is electing only two directors directly each year, usually without any contest for the seat. This shareholder agreement was binding for 10 years and could therefore be changed by the end of 2002, if so asked for by any of the parties, who signed the agreement. DB's management plans to suggest a change in the company's by-laws on the basis of the complete abolition of the shareholder agreement. Instead, the by-laws should contain a paragraph prescribing membership to the board of directors of DB (Feerup, 2002).

4.3.2.2 The board of directors

As indicated in section 4.3.2, the company is headed by a Board of 15 directors, who employ a managing director for daily operation. The appointment of members of the Board of Directors takes on the one hand place through appointment by the BER (7 members, 2 of these are appointed by the County Council and the Association of Municipalities in Bornholm respectively, in future the Region of Bornholm), on the other by the Bornholm Tourism Committee (BToC), who appoint 8 members. The BToC was established in 1992 when the quasi-public BTB was made obsolete by the establishment of DB. In the BToC, each of the main groups within the tourism industry has one representative, which are appointed from various industrial organisations. So in order to become a board member, one needs to be member of an industrial organisation. The BToC has 15 representatives from the following groupings:

- Hotel and Guest house accommodation (Marketing Group of Bornholm Hotels and Guest Houses);
- TAs / tourist offices;
- Museums
- Attractions;
- Events;
- Restaurants;
- School camps;

- Campsites;
- Ferry companies;
- Private holiday home agencies (Ørpe, 1999).

4.3.3 Financing DB

As explained, DB was set up under the network scheme established by the Danish Government in the 1990s. The scheme had been established in order to encourage increased professionalism in the tourism industry. The idea was to create larger units to be able to take care of marketing and product development on a greater scale than had been the case in an industry dominated by small tourism associations at municipality level. The local authority would typically support the TAs and, thus, the TA would see it as its responsibility only to promote this municipality in order to live up to obligations to its funding authority. They were also most often run on a voluntary basis consisting of a board of directors elected from the members. These members would typically be small business owners without any training in marketing and only limited knowledge of tourism mechanisms, market development and tourism demand.

The network scheme offered up to 50% public co-finance for the budget of the formally established networks. DB acquired some of 40 network participants, who subsequently became shareholders and thus provided the financial capital for the establishment of DB. The contribution scheme, described in the next section, was later established in order to ensure the DMO had a sound basis for its operation.

4.3.3.1 Contribution scheme

The company is run on a non-profit basis. Ever since its start it has relied on subsidies from the Danish Government as well as local/regional governments, however, as far as the contributions from the national Government are concerned these are declining and cannot be expected to increase, unless DB is able to acquire funding through e.g. the EU or project specific subsidies.

Table 4-17 DB annual turnover and public subsidies in 2000-prices

Year	1992/ 93	1993/ 94	1994/ 95	1995/ 96	1996/ 97	1997/ 98	1998/ 99	1999/ 00	2000/ 01
Annual turnover DKK 1 000	*3 289*	*4 569*	*5 085*	*4 925*	*6 482*	*9 009*	*10 175*	*10 917*	*10 593*
Percentage from public subsidies*	*24*	*30*	*7*	*21*	*33*	*41*	*32*	*17*	*18*

*Note: includes funding from national and regional/local government as well as EU-funds.

1994/95 the period for the annual accounts was changed, therefore the percentage of public subsidy appears lower than usual.

Source: Own calculations based on annual accounts and Retail Price Index for Denmark.

As can be seen from Table 4-17 the annual turnover has been increasing every year, except for the year 1995/96. In fact, the annual turnover has increased by 221% over the 9 years DB has been in operation, and with a declining percentage of public subsidies, this means that the contributions from others have increased considerably. Unfortunately, it has not been able to compare the marketing spending over the years, as different years report activities that cannot be directly compared. For the year 2000/01, the marketing expenditure breaks down to the percentages illustrated in Table 4-18.

Table 4-18 Breakdown of DB's marketing expenditure

Activity	*Expenditure in percentage*
Advertising	66
PR+Press	4
Promotional activities	16
Public information	12
Research	0
Other	3

Source: DB's accounts

Apart from signing up shareholders and thus supplying capital to the company, DB every year has to look for contributions to its day-to-day business. Therefore, in 1995 DB developed a model to finance the general marketing activities for Bornholm, i.e. activities that do not have a direct effect for a single business, but should promote the island as a whole.

Non-tourism businesses were then asked for a basic contribution of DKK 1 100, whereas tourism related companies are asked to pay a marketing contribution dependent on the size of the business; e.g. hotels should pay DKK 50 per bed. The idea arose from increasing awareness of tourism's multiplier effects on Bornholm's economy and the expectation that as all - or at least all businesses - can account for additional earnings due to tourism, they have a vested interest in contributing towards a joint marketing effort to sustain or increase the level of tourism to Bornholm. In the 1995/96 accounts for DB, DKK 352k were registered as interest contribution and DKK 2.5 million as marketing contribution. This rose in 2000/01 to DKK 2 million and DKK 3.1 million respectively. Although DB was not content with the amount received, they realised that they have the widest support compared with other regions in Denmark (DB's newsletters, 1996-2001).

The current scheme operates with different levels of contribution:

1. Basic contribution of DKK 1 250/annum.
2. Voluntary contribution to the marketing effort, amount at the discretion of the contributor.
3. Marketing contribution of tourism businesses based on the turnover and/or size of the operation (e.g. for hotels number of beds).
4. Payment for participation in campaigns or the annual brochure.

Contributors and shareholders are not necessarily congruent, i.e. there can be shareholders that are not contributing additionally to the annual marketing efforts and there can be contributors who are not involved in the company as shareholders.

An important aspect of the contribution scheme is that contributing according to aspects 1., 2. and 3. on the above list are independent of a specific company representation, i.e. the contribution does not buy a certain advertisement space a guarantee that the contributor will be mentioned in promotional material to the customer. The only visible confirmation of having supported DB is a shop window sticker, indicating that this business supports DB for the year that is printed on the sticker. DB creates customer awareness of this sticker in its publications as well, suggesting that tourists should support DB's sponsors.

Table 4-19 Contributors to DB in 2001

Category	Number of contributors	Percentage of contributors
Total number of contributors	469	100
Contributors based in Bornholm	461	98
Contributors classified as tourism businesses		
Of these outside Bornholm	8	2
Associations	8	2
Accommodation establishments	86	18
Attractions	12	3
Tourist offices, travel agents, holiday home agencies etc.	12	3
Restaurants etc.	51	11
Transportation and related infrastructure (e.g. harbours)	20	4
Events and activity service providers	14	3
Arts and crafts, galleries	14	3
Shops and contractors	6	1
Non-tourism related shareholders		
Non-tourism businesses	230	49
Non-tourism associations	8	2
Public authorities*	0	0
Private persons	0	0

Source: www.destinationen.dk own classification and calculations

* Note: Public authorities are on this list as they are shareholders, however, they do not appear on the list published by DB on the internet, but the County of Bornholm and the municipality of Rønne do contribute as can be seen from the accounts, however, this is on the basis of a special agreement.

Table 4-19 shows that in terms of contributing businesses there is almost equal representation between tourism and non-tourism businesses. Again, as with the shareholders, 98% of all contributors are located in Bornholm; this figure includes those businesses that have local representation through an office on the island. Those businesses that in number contribute most to DB are accommodation establishment followed by restaurants and other eating-places. Table 4-19 does not indicate which sectors contribute the most in terms of the amount of money paid into DB. As can be seen further from

Table 4-19 the number of contributors exceeds the number of shareholders by 157. However, the analysis of contributors surprisingly shows that only 62% (or 308 in figures) of the shareholders are also contributors. Therefore, it is true for all categories that there are shareholders who contribute alongside with contributors who are not shareholders, and there are shareholders who do not contribute additionally to the ongoing work at DB. There can be many reasons for a shareholder not wishing to contribute; first of all, as shares cannot be traded, some shares may remain registered although the shareholder has gone out of business or moved away. Secondly, private shareholders do not contribute at all. This group, alongside a group of small businesses, may have concluded that their support would not go further than the initial investment.

4.4 Developing the marketing strategy

It was one of the pre-requisites for becoming a RTDC that a marketing strategy was developed and an assessment of the Bornholmian tourism product was made by DB. The then managing director and the marketing co-ordinator of the company wrote a report in 1996, which formed the basis for a strategy paper. The Board of Directors subsequently confirmed this report in spring 1998 as the company's strategy, though in a revised form. Since then, a reworked strategic plan was adopted after a change in senior management in 1999 and again in 2002. These strategy papers contain clear reference to DB's mission statement and states the markets that the company wishes to operate in and also includes focus a on internal marketing. The operational part of the strategy paper will be examined later in section 4.5.1.

Table 4-20 illustrates how broad the mission statement is formulated. The main aims to be achieved are related to the marketing of tourism to the island and tourism development in Bornholm. The aim to increase the number of shareholders can be considered as supportive aim rather than an aim of great importance. Apart from being broad, the mission statement appears ambitious, e.g. by aiming at product development that always will satisfy the needs and demands of the visitor. The first strategic plan failed to state how the objectives stated in the mission statement should be achieved on a strategic or tactic level, but moves straight to operationalising the strategies, by stating markets and marketing activities. Also, the plan does not give a clear view of what is expected from the tourism industry and therefore fails to give the necessary guidelines for the tourism businesses in Bornholm. At the same time, there are no strategies for communication with the industry in this first plan. This has, nevertheless, changed in the recent years, where DB expresses a more articulate strategy for industry involvement.

Table 4-20 DB's mission statement

DB's mission statement:
According to the company's articles of association §2:
• to market Bornholm externally in regard to promote tourism
• to carry out the marketing effort
• to co-ordinate product development
• to act as initiator for the tourism industry on Bornholm
• to co-ordinate the work for the advancement of tourism on Bornholm
According to the regional analysis of Bornholm:
• to develop a sound and sustainable tourism industry with real earning prospects which thereby can increase the number of jobs
• tourism development is to take place with respect for the natural, environmental and cultural life in interplay with local interests
• to secure the development of the Bornholm tourism product in way that always will satisfy the needs and demands of the customers.
According to the company's articles of association §4:
• ensure that the number of shareholders becomes as large as possible.

Source: DB's bylaws

However, looking at DB's business plan for 2001-2003, a lack of thoughts is prevalent about the structure of the industry and the industry's particularities and the strategic implications derived from them. Neither is it clearly defined what is covered by 'Region Bornholm'. The plan could do with more in-depth analysis as a background for the SWOT-statement or a more in-depth SWOT overview, not necessarily as part of the strategic plan, but made available for the trade in order to be able to relate to the strategy and how it has come about.

The following sections will look at the strategy development process in general, followed by the communication that takes place and finally stakeholder involvement. The main part of the analysis presented here is based on the two rounds of trade interviews, combined with information collected from Bornholm media (TV, radio and press) as well as background information through Framke (1998) and informal contacts with the industry.

4.4.1.1 Strategy development process in Bornholm

As explained in Chapter 2, the interviews were carried out in order to get a qualitative view on the strategy development process for marketing Bornholm as a tourism destination. These interviews were conducted by focusing on four main areas, which were: network (cooperation in general), strategy, marketing and its relation to, as well as work of, the DMO and more general views on cooperation. In this manner, it was intended to cast light upon the different co-operative agreements that could be found within the tourism businesses in Bornholm, between private businesses in the field of tourism and public bodies, and finally with the DMO. Also, the respondents were asked if they participated in any kind of general planning process in order to be able to evaluate that process was conducted. Finally, focus was put upon the respondents perceived impact of peripherality, specifically in terms of its effect on how strategies were developed.

According to the formal (spatial) planning system in Denmark, there are a number of 'key players' on the side of tourism development who are involved in the strategy formulation process. As indicated above, there are different levels of strategies that influence the tourism development in a region. In order to illustrate the interaction between the different levels, the analysis of the interviews was grouped under the following headings: cooperation, strategy development, duplication of work, marketing, DB and the influence of peripherality on the strategy development process.

4.4.1.1.1 Cooperation

A good deal of the information given by the respondents related to cooperation; this is not surprising, as the development process can only be carried out, if the involved parties cooperate. There was a clear view that relations at a peripheral destination differ from relations in central regions. Although networks, both personal and professional networks, are of great importance to all, there is a clear impression that it is easier to remove yourself from actors one does not particularly like in a city environment, such as Copenhagen, without harming the professional side of the cooperation. It was clear that the respondents in Bornholm felt that the advent of another generation was about to take place and that this was promising in terms of increased willingness for cooperation. However, when asked about this during the second round, some respondents strongly disagreed that such a change had taken place, but rather any new face was under the strong influence of the 'old guard'.

All Bornholm respondents turned out to be shareholders of the DMO and this had not changed for those interviewed during the second sessions of interviews. Surprisingly everybody referred to their involvement as membership (*medlemsskab*), which at least in Danish terms indicates an annual contribution (membership fee) and not the actual involvement in buying a share and investing in a corporation. Many of the respondents were also members of other tourism organisations, e.g. HORESTA. The importance of being a member of different organisations and being able to use these networks is highlighted by this comment from one of the Bornholm respondents:

> ... that way we get to know each other and thus are being confirmed in the impression, how difficult it is, to reach agreement. For attitudes are led by emotions, not only logic; we are very much led by our emotions. ... I feel that we have established a very good cooperation ... (Ørpe, 1999).

This comment also expresses that logic and causal relations do not necessarily drive networking and cooperation, but instead are dependent on personal likes or dislikes in the cooperating organisation. Others stated that there were no communications between the organisation the respondent represented and the DMO before he started in the position (Novak, 1999). However, it appears that cooperation continued after the respondents had left the various positions; one explanation for this was that these respondents had been part of the formal planning process, as they were employed with the public authorities, and once the connection was established, it continued beyond the personal contact.

Others expressed the view that they avoided certain persons and thus would not cooperate with the organisation they represented. Cooperation also took place informally in the so-called 'coffee-club', a forum for the holiday home agencies in Bornholm to meet and discuss subjects of mutual interest in an informal way. Although these agencies clearly compete for customers, they meet regularly and discuss topics of joint interest informally. One respondent (Hansen, P.A., 1999) pointed out that the first attendance had been odd, as he had always viewed the others only as competitors. Thus, apart from getting a different view of 'the colleagues', he described the meetings as being in a very good atmosphere and even convivial. Undoubtedly, it was important to him to feel at ease in the others' company in order to consider the participation in the meetings as a basis for cooperation. Also, in this connection the aspects of peripherality became prevalent, as another respondent (Molin, 1999) expressed the importance of being able to communicate with everybody in a positive manner:

> ... personally, it means something to me, as I am an active member of this community. So therefore, it is important that we participate.

Generally it was felt important to be an accepted member of the community, both in terms of personal acceptance and in terms of the company one represents in relation to competitors, and through that obtain respect for ones work. In terms of informal cooperation, the example of a number of neighbouring hotels was mentioned. This consisted of helping each other when double bookings occurred etc. These viewpoints were mainly confirmed during the 2002-interviews, but appeared to have matured through multiple experiences, both successes and failures.

At the time of the first investigation, there were several formal cooperations, e.g. between two tourist bureaux (Sydbornholm and Nexø-

Dueodde) and Bornholmstrafikken. In 2002 the vertical cooperation between Bornholmstrafikken and the TAs had ceased (cf. section 4.2.2.2), and was sold to one of the participating TAs. An additional well-known cooperation is of course the formation of DB. These examples represent only the tip of the iceberg of cooperation. Much informal cooperation and networking of this kind is taking place that will not be discussed in detail here. However, it can be stated that the latter is not necessarily a form of cooperation, but merely serves the purpose of getting to know each other in order to be able to cooperate at a later stage.

Another aspect of the question of cooperation in the survey was the discussion of the reasons for cooperation and reasons for ending an existing cooperation. Clearly, economic improvement was a very important incitement. In other words, if an organisation could save money by cooperating with another company, they would be more willing to enter into an agreement. An example from the ferry company was selling a competitors product instead of packaging it oneself, i.e. in the conference and meetings market, which they had done previously. Bornholmstrafikken in 1998 decided to close down its meetings and conference department and contracted subsequently with a tour operator in Sweden in order to still be able to satisfy the demand for the product. Until then, this tour operator had been Bornholmstrafikken's competitor. Others seemed to speculate more about their competitors' hardship, knowing that their economic situation was tight; they expected them to be forced into closer cooperation by this (Hansen, P.A., 2001).

Further, the exchange of knowledge and the building of joint results were important to some. Additionally, several respondents expressed the need of equality and influence between partners, in order to build lasting cooperational relationships. It was also important to one of the respondents (Kahn, 1999) that cooperation where his organisation had to give up part of its independence, should result in an increase in customers to all partners involved, not necessarily an equal increase, but a equally noticeable increase to all.

For years, it has been a prevailing opinion that the tourism industry in Bornholm finds it generally difficult to cooperate (cf. Andersen et al., 1995; Hartl-Nielsen, 1993; Hofbauer, 2000; Manniche and Nyberg, 2000,Twining-Ward and Twining-Ward, 1997). Thus asked about why it is so difficult to cooperate, one respondent (Sørensen, 1999) expressed the following opinion:

> In a way, this is because everybody is beastly afraid of, that if one spent one kroner on something, think, if somebody else, who only gave 50 øre, got equally much out of it, as I did, right? And then there is this incredible belief amongst some that a tourist who lives somewhere down in Germany actually has a real preference as to staying in Gudhjem as in Allinge.

By the latter, the respondent gives the impression that there might have been some kind of local jealousy preventing people from cooperating. This also touches upon the free-rider problem, where operators expect others to provide for them.

When it comes to public-private sector cooperation, it appears that there is at times only little respect for the local authorities, as they are believed 'not to know, what is going on in the industry'. This belief combined with the impression that these authorities are not really interested in finding out what the needs of the industry are. However, this of course implies a certain view of the role of the local authority, namely, that it is a service instrument to the industry. This particular respondent (Kragh, 1999) made it clear that his organisation would not initiate any further steps towards cooperation with the local authority, this was wholly at the hands of the local authority, especially as far as tourism development issues by the local authorities were concerned. Here, the respondent was thinking of a concrete project that the municipality had initiated, but handled, from his viewpoint, quite unprofessionally. He saw his organisation's role as a mediator of information, but not necessarily as a producer of information. In this case, they had not received the necessary information in order to print it in their annual publication and thus distribute it to potential customers. Something he was convinced that project assistant at the local authority had not understood. In 2002, this relation had changed, as a change in management in the tourism business had taken place; they now worked closely with the local authority on a result contract basis in order to deliver tourism information to visitors to the municipality.

Altogether, there were many reasons for cooperating on diverse levels, but most reasons were led by economic motives, such as enhanced earning capacity. As far as reasons for not cooperating or ending an existing cooperation were concerned, these were more difficult to describe by the respondents. The more hypothetical character of the question might have caused this, as none of the respondents apparently had any particular examples for this.

As mentioned earlier, the tourism industry in Bornholm had been accused of low ability to cooperate. Several respondents gave the impression that cooperation existed and was satisfactory at the operational level; the major problems were experienced on a more superior, political or strategic level. In other words, as far as practical matters were concerned, there were only minor problems, but as soon as it was a question of long-term planning, board members and politicians were unable to agree.

4.4.1.1.2 Strategy development

Questions were asked about bridging from cooperation and networking to strategy development, the issue of how respondents kept themselves up-to-date with the general development in tourism trends, market trends as such, competitors, customers, other destinations etc. There was great variation between the different approaches to market information. Some were very active and followed intensely every move of competing destinations, as well as following the daily as well as the professional press. Others felt that they had enough in making their own company work on a day-to-day basis, and would thus, only search for this type of information if a concrete need arose. Strangely, none of the respondents mentioned that they used their networks or other information search in order to find out about new general developments in the tourism industry or other initiatives they might benefit from, but only in relation to particular initiatives and possible cooperation projects.

In order to form a view of how strategy planning in the organisations took place, the respondents were asked about their planning processes and the timing for this planning, but also whether they participated in any working groups, committees etc. at destination level or whether would like to participate in such activities, but had been unsuccessful. It showed that planning horizons were particularly tight, at times even very tight. The typical planning amongst the interviewees was a year or less at a time. Even though this may be explained by most of the organisations' small size, this was also the case for a number of larger establishments or those who were part of larger corporations, with headquarters elsewhere in Denmark. As far as the latter was concerned, this might, however, be a question of the branch office being at an organisationally lower level (tactical/operational), and thus having shorter planning periods.

For many it was a question of having neither financial nor mental surplus in order to think and plan ahead. Some said that they were planning for a year at a time, however, normally they did not change too much in relation to previous years activities, they just repeated what they had done, thus not leaving space for innovation and new thinking. Some others expressed a wish to have more time for planning and reviewing, but then again, had no clear view of how to create time and space for changing status quo.

This is also true when enquiries were made about engagement in overall strategies for tourism in Bornholm. The small businesses felt that they did not have the capacity to exert influence on the 'big players' or even that this was out of reach for them. Very interestingly, one of what might be called the 'big players' expressed the need for leadership, but also a rather undemocratic way of exerting it:

> So, I have learned during the two years I have been here, that you simply have to ... if you wish to create development in Bornholm that there simply needs to be some who shows the ability to – and the cunningness – to pull, well leadership in other words, and then .., well otherwise nothing would

> happen. It simply wouldn't. So that is what we do these days, and we do it according to a fairly selective model .. (making our own choice of whom we wish to involve). (Novak, 1999).

One respondent (Olsen, 1999) specifically pointed out that she had never heard of a strategy for tourism in Bornholm. She admitted that she believed and hoped that one existed, as she was aware of more regional activities and concrete steps taken by the DMO. As such there is the annual marketing plan published by the DMO, however, she felt that this plan was not so much under the influence of a long-range strategy then more a question of what activities the DMO could raise enough money for in order to be able to carry them out, and thus compromising the marketing process by shooting rather aimlessly into the distance.

Another (Sørensen, 1999) commented rather wryly that most people did know what should be done, but never did it – for whatever reason. Or in other words, theory and practice do not always come as logical companions; also, the actions of business people and public planners are not necessarily and certainly not exclusively dominated by logical thinking. This is illustrated further by another remark, describing the lack of strategic planning:

> ... we hadn't really thought of, that this might have that effect .. (Hansen, P.A., 1999).

This remark denotes that actions are being taken without prior analysis of the possible effects. Thus, the success of actions is merely aleatoric. Success is more dependent on the manager's flair for the immediate customers than thorough investigation and detailed planning.

4.4.1.1.3 Duplication of work

In Bornholm tourism, it has been a big issue that the industry uses too many resources on too many publications, which in the end said the same. Some have labelled these brochures 'internal marketing', as they typically were only available for distribution in Bornholm, and as such would not contribute to an increase of the overall attraction of customers, but only distribute customers once they had come to the island. Another side of the coin is that brochures, which are produced for selling outside Bornholm, not only present the specific product that is for sale (e.g. holiday homes or hotel stays), but also naturally present the destination in general. That way, the same sale propositions are being repeated all over again. It is certainly a difficult task with no immediate solution to change this duplication of work. However, one respondent (Pass and Pass, 1999) explained that they had decided not to use space on describing Bornholm in their latest catalogue, but instead used more space for describing the actual product in more detail. Choosing such a strategy denotes great trust in that others in fact do carry out the promotional work to draw potential customer's attention towards the offer in order to create sales on the background of choice of destination.

4.4.1.1.4 Marketing

Questions about marketing were primarily asked to verify the hypothesis that the general perception of what marketing in fact is, deviates greatly from what it is in the textbooks. Thus, talking about marketing in general, it soon became evident that for most respondents this was closely knit, if not equal, to selling and advertising. Only few had a more complex idea of what else marketing could include other things then just sales promotion. This points towards a linguistic mismatch between the theoretical and practical use of the term 'marketing' that is common in SMTEs.

A very interesting viewpoint was being expressed by one respondent (Hansen, E., 1999) regarding the duality in the marketing effort at a destination, i.e. on the one hand marketing towards the customer, on the other hand marketing by the DMO and local tourism offices towards the trade. First of all, he criticised that this duality was on several levels, i.e. on a national level, a regional level and a local level. Secondly, he criticised that the focus was very much market-led as far as the customer was concerned, but did not focus enough on the business-to-business market. From his point of view the distance between what went on in the DT's market offices and what the single business was supposed to participate in of campaigns, was too great. The way these campaigns were sold '... was far too old-fashioned and did not take their departure in the businesses itself.' The respondent himself gives a possible explanation to why this might be so:

> Well, there are some fundamental things in our business processes that are not properly tied together. It is the intention that our efforts should be described by this value-chain, but that is not so easy after all. There are some rhetorics, which are the old rhetorics still, which refer to the Danish Tourist Board as doing the marketing, regional development companies work with the development of qualifications and products. And these rhetorics date back from the old network scheme, and have just been transferred to the new scheme. ... We believe that these more general categories do not hang together very well.

Others have different viewpoints about regional and national cooperation regarding marketing. They claim that it is important to show whatever is to be presented in a Bornholm-context, especially in relation to the nearby markets. Thus, they prefer DB to coordinate a marketing campaign rather than individual or group participation (several campsites together or several youth hostels), in campaigns organised by the DT.

Another respondent (Holmstrand, 1999) presented yet another interesting point of view, when discussing what type of focus the tourism businesses used in terms of marketing:

> I don't even think you could call it product focus, really, it is more like some enthusiast, who establishes a concept, or rather, has a good idea, who says, this has to be a good idea, because it is really enthusiasts, who are so involved in their own ideas that they believe that supply automatically would create demand. ... Therefore, there is no plan, for how to ensure a sufficient demand for this product, like communicating about the product – market it, price it, and other more business related circumstances ...

May be this is so, because many owners, particularly micro businesses, do not take an entrepreneurial view of their company, but more view it as a lifestyle. Others again point out that throughout the recent years there has been a gap between those who take a business-oriented approach andtherefore wish to market themselves, and those who have no or little funds to use for their marketing. At the same time, one respondent (Pass and Pass, 1999) detects a correlation between the development in overnight stays for individual accommodation businesses and the size of their marketing budget. Those who spend money on marketing have experienced an increase, those who do not, have experienced a recession or even a decline. It has to be pointed out that this respondent also included investment in product development in his definition of marketing.

4.4.1.1.5 Comments on DB

Generally, the respondents had a positive view of the DMO, but they also expressed clear views of what they should do, what they believed they actually did and how these efforts were carried out. Expectations were very high, especially in terms of the DMO's role as a coordinator and trendsetter on how the tourism industry should be run in Bornholm. However, this was hampered by the fact that the DMO had not yet been able to create the necessary trust amongst all tourism interest on the island. Also, during the second round of interviews voices were raised from several respondents that they were loosing their trust in DB's ability to attract the right customers and they were considering whether to reduce or withdraw their support.

4.4.1.1.6 The influence of peripherality on the strategy development process

There was an overall disagreement, whether peripherality had an influence on the strategy development process or not. Several expressed the viewpoint that there was no difference in how you carried out the formulation of a strategy for a peripheral destination or a centrally located destination. The only change they would subscribe to was a difference in contents of the strategies, in terms of focusing on accessibility and different attributes.

Those who believed that the process was different had a particular focus upon the interaction between the businesses at the destination. Most believed it to be more complicated in a peripheral area, as one had to consider other people's feelings and beliefs. They recognised a greater interdependence between companies in peripheral areas, but also that personal interests and animosity between key personnel could intervene with the development of necessary cooperation.

Another problem, which in part related to the peripheral location of Bornholm, was the unwillingness of local banks to finance various operations. It was mentioned that banks were only prepared to provide a maximum of 30% of the total value of a guesthouse property, therefore the purchase could only be realised with the help of banks outside the island (Humlebæk, 2002). However, this need not be so, as banks outside Bornholm also have a critical viewpoint to financing tourism operations beyond Copenhagen, as they often consider the alternative use of a property as highly unlikely and therefore the engagement as risky (Laursen, 2001). Anyhow, the same respondent uttered the view, that the problem was that the annual turnover alongside the earnings in the SMTEs within the overnight sector was simply too low, and as long as this was the case, the various banks would not change their attitude. To put the matter into perspective, one should mention that the price of commercial property was in the region of DKK 1.8 million, a normal price for a family home in the outskirts of Copenhagen and therefore not a major investment. The respondent claimed further that the property could easily be turned into 3-5 apartments, which could then be sold as holiday apartments, and therefore he considered the investment as secure. He also stated that one needed to have the right connections on the island, if one wanted to get finance for an investment. He agreed that there was a major challenge ahead for tourism in Bornholm, in terms of a generation shift amongst hotel and guesthouse owners (Humlebæk, 2002; Feerup, 2002).

4.4.1.1.7 The impact of structural change

As mentioned previously (Chapter 2), a second round of interviews was undertaken, amongst other reasons because of improved access to Bornholm from mainland Denmark and because of the change in municipal structure that was about to take place. None of the respondents in the second round stated that they had changed behaviour because of these changes. In relation to the improved infrastructure, this had of course had an immense impact on their day-to-day operation, but it had not influenced upon the planning approach. As far as the coming changes were concerned this was not expected to have direct influence upon the businesses and they therefore anticipated without any preparations.

4.4.1.2 Communication

Communication between the DMO and its stakeholders is crucial in order to achieve stakeholder involvement; this will be discussed in section 4.4.1.3. As mentioned previously in section 4.4.1.1, DB needs to communicate about the strategic decisions made and the general background for the strategy followed by DB. Although there are a large number of board members, who represent a broad span of tourism and tourism-related businesses on the island, it is not certain how well these board members communicate with their contemporaries. DB has the viewpoint that they should communicate at various levels through many different means, e.g. through newsletters, electronic mailings and via the website (www.destinationen.dk), which is for the trade as opposed to the website for the (potential) visitor. These means of communication are clearly one-way tools, not necessarily initiating any kind of discussion. In general, there is only little opportunity for two-way communication with many shareholders/stakeholders present at the same time. The statutory annual assembly, which could offer such an opportunity, is hardly ever used for further discussion. However, when some of the shareholders uttered dissatisfaction with the willingness to discuss during the annual meeting, DB's chairman expressed the view, that this was not the forum for discussing strategies and general challenges (DB's annual meeting, 2002). Nevertheless, there is clearly a need for discussing various issues other than through individual contacts with DB, in order to achieve consensus on these matters, and DB has so far failed to provide a platform for this.

4.4.1.3 Stakeholder involvement

The current manager of DB expressed a clear view of who should be involved in the development of strategies for DB and who should not. Only if one invested in the company and became a shareholder could one expect to become involved in the process. This viewpoint was expressed during both the first interview in July 1999 and again in September 2002. It came also quite clear that there was a willingness to inform about activities and efforts to a broad public, and even beyond shareholders, but strategic decisions would be made within the Board of Directors, who was chosen in order to broadly represent the tourism industry on the island. On the other hand, those interviewed, especially during the second round of interviews, pointed out that there was too great a distance between DB and the industry in general. A fact that some respondents believed would have an impact on the willingness to support DB in the future, as people started to doubt the effectiveness of DB's strategies and the way it was carried out. Some concern as to whether DB was acting convincingly enough towards the trade was uttered. On the other hand, there was a general belief that the idea of DB, i.e. to join efforts in order to promote Bornholm better, has always been, and still is the right idea. The questions and critique raised were related to how the tasks should be achieved and how well DB performed.

4.4.2 Outside influences

When developing a strategy for Bornholm tourism, other factors than those present in the immediate environment have to be taken into consideration. In sections 4.2.2.2.3 ff. various strategies with influence on activities and plans for Bornholm tourism were described. DB is member in the Association of RTDCs, indicating that it is part of a national context. DB has through all the years of existence worked closely with the DT, amongst other things through the sales of DT campaigns receiving commission from the DT for these efforts. The work at the DT has in the recent years become more focused and more long-term, because of a political willingness to work on a basis of three-year contracts with the government instead of annual grants within the yearly budget negotiations. Another step towards increased professionalism through strategic planning is the development of a tourism policy or national strategy for tourism by the Danish Government, as described in section 4.2.2.2.3.1. On the basis of this plan, the DT has put considerable effort into a project of *Branding Denmark*, which will be examined further in the next section.

4.4.2.1 Branding Denmark

The project *Branding Denmark* started in 2000 and took its point of departure in the project entitled '*The German challenge*' (TUC, 2000), a project that was partly triggered by recent market analysis, indicating that the general conception of Denmark abroad was of a country slightly boring and lacking USPs in relation to the other Nordic countries or other countries in Europe. The process had been extensive and after discussions in *The Debating Forum for Tourism Policy*, the task was first to determine the values, which should be associated with the brand 'Denmark', then to communicate these values to the industry and also to explain how these values were intended for general use. The target had been to create a universal set of values, which could be used, with local or regional amendments, on any, whether primary or secondary, of the markets the DT works with currently or might choose to do so in the future. In order to engage the industry in the use of these values, several meetings had taken place, information material has been sent out, and the industry has had the possibility to request help for planning their own application of the brand values in their promotional materials. The primary idea was to spread knowledge of the project. Currently, the DT is working with the principal corporations in the industry, in order to ensure that they would use the national branding values in their campaigns. There are also efforts to find broader use for the values than just in tourism promotion, therefore, negotiations are ongoing with the foreign office.

DB has taken up the values and the design for the new branding effort in its own production and in November 2002 was awarded DT's branding award for the best brochure. The decision to follow DT's branding policy and use the values presented was not discussed openly, neither has DB encouraged the trade in Bornholm to take up these values in their individual marketing efforts. However, section 4.5.1.6 will investigate the branding effort for Bornholm made by DB and how this is put to work in Bornholm.

4.5 Putting the strategy to work

In the previous sections the general conditions for tourism in Bornholm have been examined, also DB and its relations to the tourism businesses in Bornholm have been explored. This section, closely related to Chapter 3, looks into the actual marketing effort made by DB to show how the strategy is transformed into action and made operational.

4.5.1 DB's marketing activities

The marketing activities of DB are presented on the basis of the overall plan as derived from DB's strategic plan. The elements comprise of the chosen markets, publication of promotional material, maintenance of the 'bornholminfo'-website , participation in trade shows and fairs and PR.

4.5.1.1 Markets

DB has defined its primary markets as

- Denmark,
- Germany,
- Sweden and
- Norway.

Secondary markets are the Netherlands and Poland.

4.5.1.2 Promotional material

Every year, DB offers various marketing opportunities to the tourism businesses on Bornholm, some of these are offered in cooperation with the DT, others are exclusive for Bornholm. The latter include a Bornholm brochure in up to five different languages (Danish, German, Swedish, Norwegian and English) where the industry may advertise. An image brochure, i.e. without advertisements, is produced as a separate edition for distribution amongst German travel agents and others who wish to use the brochure for promotion of their own programmes without advertising for competitors at the same time. Apart from the main brochure, DB has, for a number of years produced, more detailed thematic brochures on cycling, golfing, culture (to include arts and crafts) and fishing.

4.5.1.3 Internet website

DB maintains also a website presenting Bornholm (www.bornholminfo.dk). This website is maintained in cooperation the County Administration of Bornholm. It is built around the concept of the brochures and reflects all the major marketing themes noted above. Recently, a booking facility, supported by some 30 accommodation establishments has been added to the website.

4.5.1.4 Participation in trade shows

DB typically participates in at least one major trade show/exhibition in each of the main markets, depending on interest/participation from the trade. The number of exhibitions where DB has a stand has dropped in the recent years, as participation is costly and effects difficult to measure.

4.5.1.5 PR

DB organises several press trips to Bornholm each year. Also, the DT includes Bornholm in their PR activities and press visits to Denmark. DB reckoned that they had an editorial coverage in the printed press for an equivalent of almost 15 million DKK in 1996, that is, if the space should have been paid for as advertisements (DB Newsletter, No. 2, 1996), a figure that increased to more than DKK 43 million in 2000 (DB Newsletter, August 2000). There is also some focus on attracting TV journalists to the island; hence, in 2001 Bornholm had visitors from six different European TV-networks resulting in different holiday programmes (DB Newsletter, July 2001).

4.5.1.6 Branding Bornholm

One of the most recent activities has been the attempt by DB to initiate a regional branding process based upon the branding strategy of the DT. DB intended, as is the case with the DT, to involve others than the tourism industry in the process, thus creating a corporate identity for Bornholm, rather than just for the tourism industry alone. In the same way as for the DT, there was only modest interest and support by the County Council or the politicians elected for the new Regional Council, also DB found it difficult to find externally financed support for the project and therefore choose only to adapt the national branding values and design to their promotional material.

4.6 Visitor viz. destination profile

This section attempts to draw a profile of Bornholm, on the one hand based upon the viewpoints of the visitors, as they have been expressed in the visitor survey as to how aspects of Bornholm were scored in relation to the choice of Bornholm as a destination to visit, on the other hand on a critical judgment of the use of the same aspects in the marketing of Bornholm. For the profile a adapted version of the visitor/destination profile, as presented in Chapter 3 has been employed, thus, reflecting the interest in certain aspects by the visitor in comparison to the marketing use of certain aspects by the DMO. For the visitor profile, the average over five years (1996-2000) of the scores has been used. For the destination profile, the scores have been allotted on the background of the space various characteristics receive in the printed material as well as the website. Therefore, features such as golf courses and fishing opportunities score highly in the destination profile, as the DMO has chosen to assign a whole brochure to the promotion of golfing holidays. Additionally, nature and atmosphere score around 2.5, as pictures are used frequently to illustrate these features, but there are no particular promotional materials presenting these aspects alone.

As can be seen from Table 4-21 the profiles differ on many points. Although family and friends in Bornholm are of some importance to visitors for choosing Bornholm as their holiday destination, this fact does not receive any attention at all; whereas, cycle routes, which are almost equally important, receive great attention both in the marketing campaigns and in product development activities. Golfing and fishing are two important features of the promotional effort, i.e. there own brochures, however they are fairly unimportant, when choosing Bornholm as a destination to visit, e.g. in the year 2000, only 4% stated that they considered the golf course in Bornholm as 'very important' for their choice of holiday destination. A variety of activities does not score any higher, than having family and friends in Bornholm and the provision of restaurants, very much opposite the general conception of for example the DT, of the provision of activities and events during the holiday becoming increasingly important. Likewise, other aspects considered as 'very important', which were solicited in an open-ended question together with the list of aspects given in the questionnaire, were 'peaceful atmosphere, relaxing'.

Table 4-21 Bornholm profile

Rating, 5-very important 1-unimportant *Attribute*	Visitor Profile Interest in (5 4 3 2 1)	Destination Profile Marketing use of (5 4 3 2 1)
Family/friends in Bornholm	2.34	0.00
Beaches	2.85	3.00
Landscape	3.49	4.00
Cycle routes	2.38	4.50
Walking paths	2.63	0.50
Fishing towns	3.06	3.00
Nature	3.56	4.00
Golf courses	1.25	4.60
Fishing	1.43	4.60
Cultural history	2.70	4.00
Restaurants	2.27	2.00
Craft/art workers	2.52	4.00
Atmosphere	3.47	3.00
Variety of activities	2.33	4.00

Source: BVS and brochure analysis

Looking at the industry's perception of who the visitors were, it was clear from the interviews that this was based on customers who frequented their particular business. The smaller the business, the better the knowledge of the customers. Few conducted systematic collection of customer data, none expressed that they used data available in their computer systems for planning and marketing purposes. However, occasionally a hotel owner would send out mailings or Christmas cards to every customer, thus enhancing awareness. The industry's view on which markets DB should operate upon were therefore influenced by the markets that brought customers to this establishment, say, a hotel that received many visitors from Norway, an otherwise insignificant market, would suggest that DB should increase the promotional effort in Norway. Also, views were expressed that if a campaign had been conducted for one year without any immediate effect for the business in question, they would rather see that campaign stopped and used money for campaigns in other markets. The concept of building a 'platform of awareness' was something they were not prepared to grasp.

Another interesting aspect in matching the view of the tourism industry in Bornholm with the picture provided by the BVS is the decline of the German market share. In 1999, the decline in German visitors in Denmark in general had reached a point where the major tourism businesses in Denmark called for action. Overnights that had topped in 1996 with 20 million had by then dropped to 16 million a decline of 18,6% (TUC, 2000). When the analysis was presented, it was also stated that the decline for Bornholm had been less severe. However, at the same time, the number of overnight stays in Bornholm had, according to the BVS eventually dropped by 21%, whereas the number of visitors in the same period only declined by 16%. In other words, there was still a good following amongst the German visitors, however, they would stay for a considerably shorter time. Additionally, Bornholm failed to retain that following, as in 2000, the number of visitors dropped by an additional 10%. One explanation for the development could be the reduction in ferry connections to Germany. From two competing ferry companies, this was changed into two cooperating ferry companies. The departure frequency was reduced and departures were considered to be at inconvenient times for the German visitors, a tendency that did not change over the following years. So, while there was considerable focus upon the improved ferry connection to Sweden, bringing more Danes to Bornholm, there was only little focus on the route to Germany. Not until late 2001 was anything done, when one of the principal holiday home agencies, which depend on the German market, took the initiative for a campaign in Germany to stabilize or improve the market share. In relation to this, there was criticism of DB, as to who should take initiatives of this kind. Although, the investigation in the year 2000 (TUC, 2000) showed that Bornholm had a different – more positive and distinct – image amongst the interviewees, no separate investigation as to why German visitors stayed away from Bornholm has been conducted.

These examples illustrate the lack of coordination between the visitors' views of Bornholm, the industry's view on what they offer and the marketing effort carried out. Despite that fact that one cannot base the marketing effort solely upon current demand, it is interesting to note that in spite of year long marketing efforts, the influx of visitors looking for specific activities as their primary purpose of visit has not taken place. It is not possible on the current basis to judge whether the campaigns have been a failure, nonetheless, DB does not conduct investigations into the actual effectiveness of their marketing efforts, i.e. they cannot prove correlation between the campaigns carried out and visitors attracted or maintained.

4.7 Industry involvement

When handling the marketing of a destination, industry involvement is imperative, as this is the only way to ensure correspondence between the marketing message and the services supplied (cf. Chapter 3). Looking at Bornholm, a high level of industry involvement can be determined in terms of DB when looking at the number of shareholders that have been acquired over the years. However, looking at the actual process of developing the strategy, only few industry representatives feel that they are involved and have a saying. One may argue that through representation in the board of directors, which reflects a broad selection of the various sectors, all businesses are represented. However, as these representatives are not openly elected, the democratic process comes to a halt. Also, those respondents, who did not belong to the inner circle, did not know who was member of the board and did not necessarily have close cooperation with the management of DB either. As a result, they felt that it was impossible to utter their viewpoint.

Additionally, the short planning horizons of the industry collided with the longer-term planning horizons of DB. When a single business would experience problems over the season, they would tend to call for immediate action to be taken, at that time when DB's plans for the current year were fixed and, accordingly, the budget allocated for programmes for that season were used up. Instead DB would be working on next year's campaigns and activities, leaving little flexibility. Some industry representatives would find this difficult to understand.

In general, there were indications from the second round of interviews that some respondents are less positive towards their engagement in DB, and that they therefore might reconsider the amount of money they wish to spend on joint marketing and contribution to DB. One could argue that the involvement in DB had been created through the belief that a joint marketing and management organisation was the right initiative. However, after having watched DB's performance they had decided that they needed to invest elsewhere. A decision that for some of the respondents was not based on fact but on a general assumption and instinct. Some operators that had been involved in projects and felt that it was easier to influence decisions taken by DB, thus indicating that involvement needed not be in the direct strategy development process, but could be achieved through participation in concrete ventures.

4.8 Challenge for improved performance

As argued in Chapter 3 and demonstrated in this chapter, the process that is underlying for the development of marketing strategies for a destination is significant in achieving an effective marketing effort. The case study showed that DB has, taken its limited resources in consideration, been successful to a certain degree. DB has achieved an increase in turnover by 221% over 9 years and the number of shareholders by 85%. At the same time the amount of subsidy for public sources (national as well as regional and local government) has decreased and was by the end of the financial year 2000/2001 as low as 18%, which means that the industry's contribution has borne the increase in turnover. Beyond these positive figures is an indication amongst key informants within the trade that there is some dissatisfaction with DB's performance and that future support might be endangered. Additionally there are general indications of an increase in global competition alongside the challenges posed in light of the recent global events, if not so as to thrive on an image of security and peacefulness.

The major challenges for DB can therefore be summed up as follows:

- An increased focus upon the support by the tourism industry in Bornholm to secure its basis for operation, to be achieved by:
    - Realisation of the industry being both owners and customers of DB.
    - Preparation of strategies for shareholder and stakeholder support retention and subsequent increase of shareholders through thorough investigation of the industry's needs and wants.
    - Increased focus upon tourism multiplier effects on Bornholm in order to receive even wider support.
- An increased effort in supplying the industry with necessary knowledge on the market place to act jointly, through:
    - Market research and information on relevant results.
    - Documentation of effect of campaigns in order to demonstrate DB's 'right of existence' and proof that joint efforts matter.
    - At the same time, increased market intelligence will enable DB to increase campaign effectiveness.

After having investigated the case study, the next chapter will focus on the readjustment of the theoretical aspects in destination marketing based upon the findings of the case study.

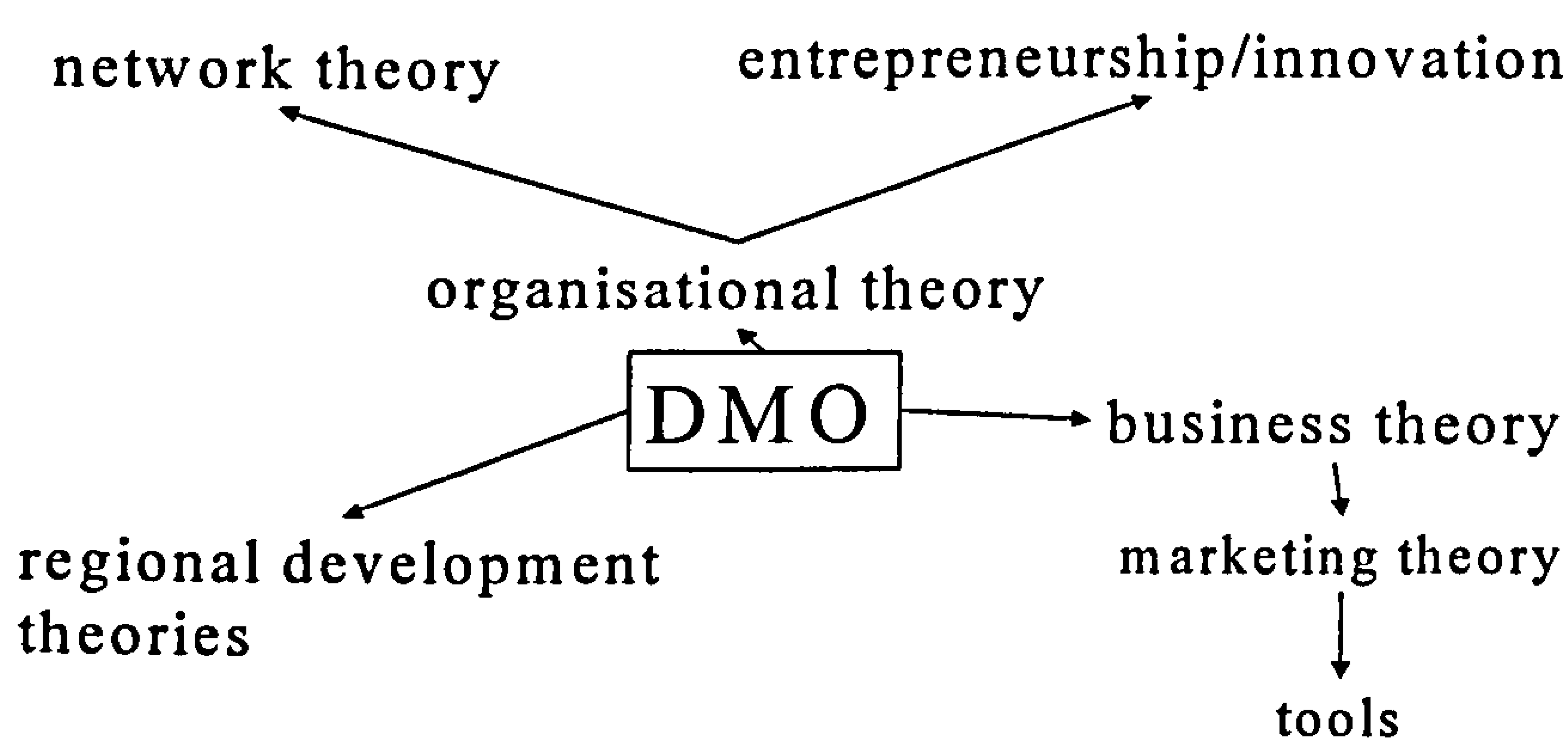
5 Theoretical impacts on destination marketing planning

This chapter sums up the case study presented in the previous chapter and relates it to the presented theory as well as what consequences arise from the case. Additional to that the chapter relates to lessons that could be learned for other destinations, based on Rose's theory on lesson drawing (Rose, 1994). Rose (1994) assumes that findings can be transferred from one case to another; in particular, when cases share similarities. For obvious reasons lesson drawing is therefore easiest between case studies collected within the same country. However, lessons can be transferred, when cases share contingencies and thus are not unique in their elements, have a similarity in resources, consist of a relatively simple causal structure, imitation is possible and is further enabled by the existence of some kind of interrelationship between the regions as well as similarity between political conditions. Thus, bearing in mind that applicability is limited if these conditions are not or only partly fulfilled.

As presented in Chapter 4, the main focus of the case study was on the DMO in Bornholm and its relation to tourism businesses as well as the wider context of tourism in Denmark. Figure 5-1 illustrates the different theoretical approaches that relate to DMOs, but as was demonstrated in chapters 3 and 4, these are seldom fully applied when managing DMOs. Often the main weight is put on marketing and related terms, despite the fact that the full range of marketing tools cannot be applied by the DMOs.

In particular, the DMOs' role in the regional development process is underrated, leading to a poorly developed view on the DMOs' ability to on the one hand invoke innovation and on the other to improve business performance through network creation and management. Thus, increased attention should be given by DMO managers to considerations of interorganisational behaviour. At the same time, tourism is based to a large extent on common property resources (e.g. nature, landscape, environment), which could suggest the application of co-management principles (Vedsmand, 1998; Berkes et al., 1991), involving closer cooperation between DMOs and governmental institutions. Also, the application of ethnographic techniques in the planning process could enhance the understanding of the destination as a whole (Sandiford and Ap, 1998). The case study further illuminated organisational structures within the tourism industry of the island, alongside with barriers that these structures impose on the strategic planning process. Finally, the case study indicated a need for theoretical development within the field of destination marketing. This chapter will thus, consider possible measures on how to revise strategic marketing planning means in order to improve the effectiveness of marketing strategies for tourism destinations.

Figure 5-1 Theoretical impacts on a DMO



5.1 Difficulties in developing a destination marketing strategy

In Chapter 3, it was stated that the DMO is not only responsible for the management of the destination; it is also responsible for the management of its own business (Bieger, 1996), however, it might be necessary with a renewed approach to the management of its own business, to view the strategy to be supported by the businesses at the destination as one of its products to which marketing principles should be applied. As can be seen from the case study, several problems occur when developing a destination marketing strategy that are not customary to any other strategy formulation process.

Typically, DMOs apply a pull-strategy to the destination it represents, thus attempting to propagate knowledge about the destination in the market place by producing promotional material and undertaking promotional activities. This is also the case for DB. Other DMOs, that are more market-driven, apply a push-strategy by using price and sales instruments for an increase in direct sales. Nonetheless, both strategic approaches are difficult to carry through as a tourism destination differs from any other product, service or non-profit entity that marketing strategies are designed for. This is so, because a tourism destination is an amalgam of various organisations, groupings and individuals. As demonstrated in Chapter 3, destinations usually comprise both private businesses and unit(s) of public administration that have to be consulted, when developing the strategies. Even the local population is affected by tourism, which needs to be reflected, in the strategies developed. As such, there are a variety of stakeholders who will be affected by the strategy, when it is carried out. As far as possible, these stakeholders need to be heard in the strategy formulation process. However, whilst their input into the destination marketing strategy may call for a compromising strategy in order to carry out cooperative marketing, they will still have their individual strategies to follow. These individual strategies need not necessarily, and are not, as seen in the case study, congruent with the destination's strategy as a whole. At some level, they even proved to be conflicting with the overall strategies suggested by the DMO.

The role of the DMO is typically reduced to being a facilitator for the destination marketing strategy. In some cases, the DMO can also be the administrator, who carries out what has been decided in the strategy. However, the DMO, if it is a non-profit organisation, will usually not be the direct beneficiary when the strategy is put into action. On the contrary, it is for the benefit of the individual businesses and on a generally indirect and induced level of benefit to the local population.

Although the marketing strategy for the tourism destination, and thus the strategy formulation process may borrow structures and tools from 'common' marketing theory, it is a necessity to note that the complicated organisational structure has to be taken into consideration.

Figure 5-2 Stakeholders' role in destination marketing strategy development

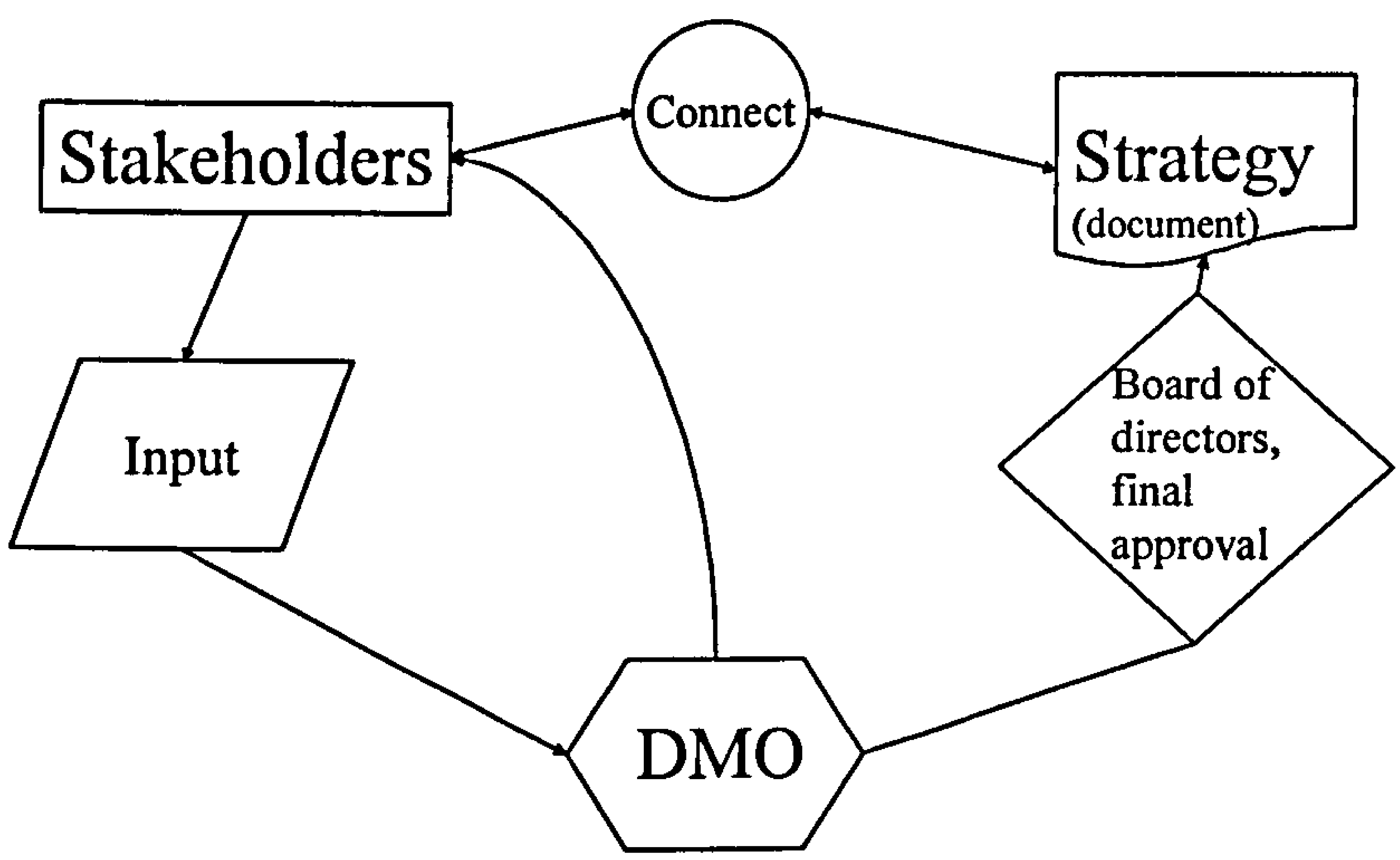
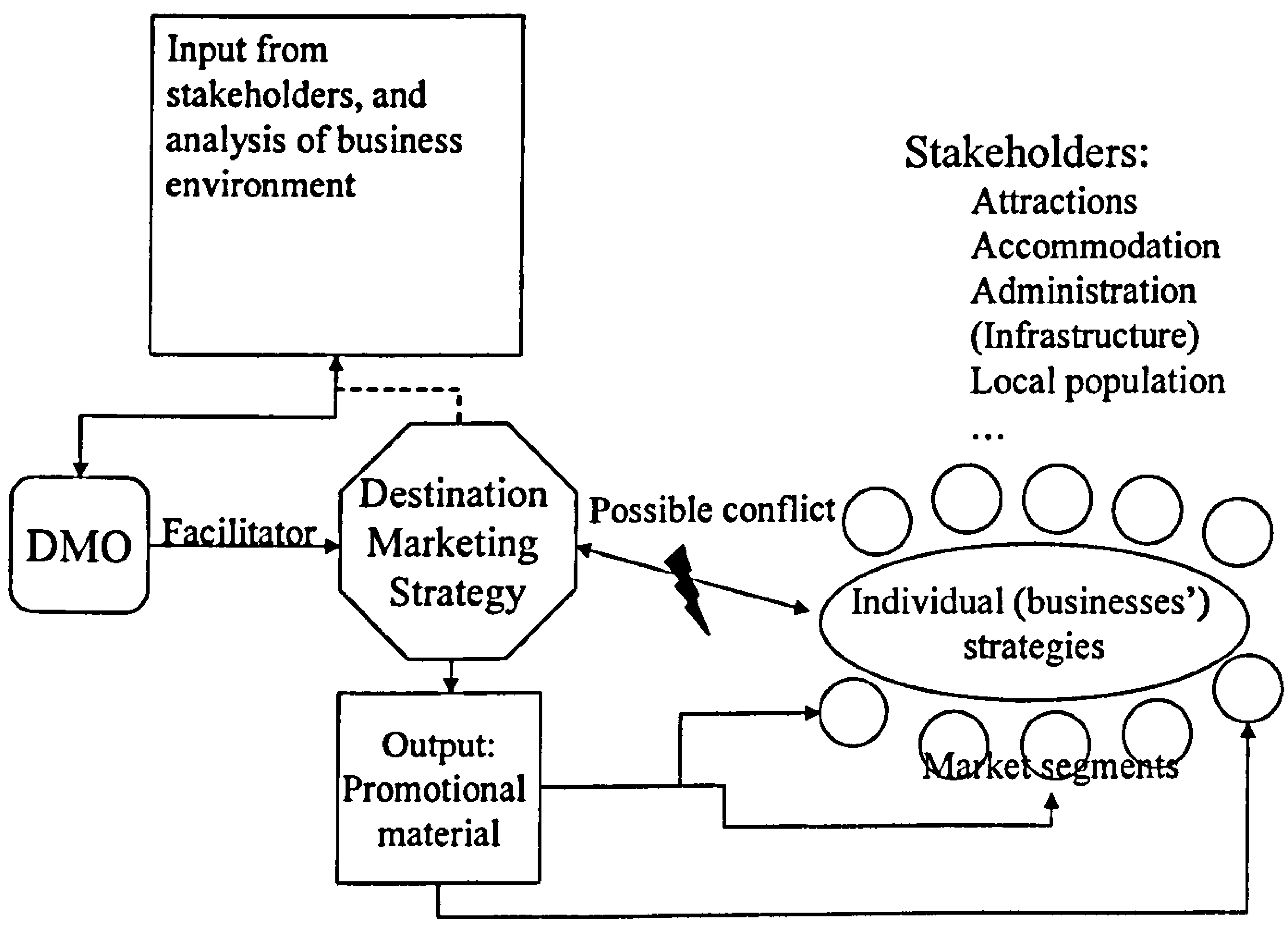


Figure 5-2 shows a simplified process for the development of a destination marketing strategy, indicating that the stakeholders – upon initiation from the DMO – give their input to the staff of the DMO that prepares a strategy document, for approval of the board of directors. In order to optimise the strategic process there needs to be a connection between the strategy and the stakeholders, enabling them to comment and give new input or feedback to the DMO, which subsequently has to reformulate accordingly, and thus create a continuous process. Stakeholders should also take ownership of the strategy, hence supporting it.

Figure 5-3 illustrates the converse in the problems that occur in the strategy formulation process. As stakeholders are many and varied, it can be difficult to receive representative input. Apart from participating in the process described in Figure 5-2, stakeholders have their own strategies, which may be in conflict with the destination's strategy. Although the DMO is facilitator of the destination's strategy, they work independently on market segments that are partly or completely different from the destination's current segments as recognised by the stakeholder.

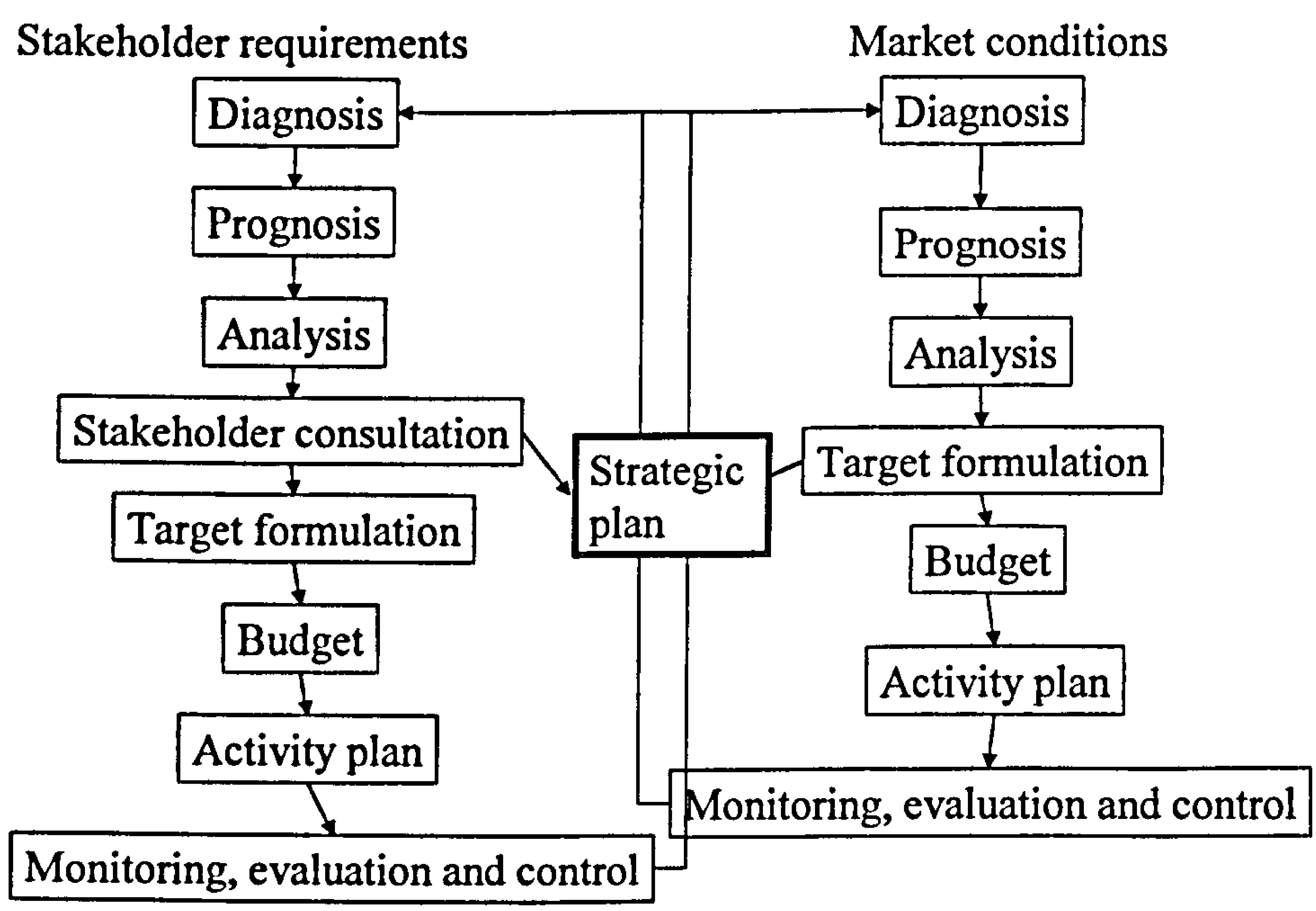
Figure 5-3 The marketing process for a destination



It would be advantageous to apply the concept of strategizing (cf. Chapter 3), for the development of the strategic plan for a destination. However, it is not uncommon that plans are developed as deskwork and there is a failure in communicating the strategic plan to the target audience. At the same time, the strategy is eventually a 'product' of the DMO and realising exactly this could enhance the development of the plan. On this basis, the application of marketing principles should account for the fact that stakeholders need to be convinced of the benefits in order to support the objectives of the strategic plan. In the case of DB, this has a financial connotation, as the support to the strategy is realised in payment of contributions to DB's work. Thus equalling contributors with customers.

Paradoxically, many of DB's 'customers' are also company shareholders, and it is an aim for DB to acquire as many shareholders as possible. Despite the fact that there exists a potential close relationship between DB and its owners, this is not exploited, as the general conception on the stakeholders' side was that there was too little involvement and that they had no general knowledge of the strategic plan for DB. Neither had DB realised the role of the strategic plan in gaining support. It is by and large recognised that DMOs need to prove their effectiveness, but this is often done retrospectively in terms of economic impact assessment through data collected by NTOs or increases in overnight stays and improvements in market share. However, there is seldom proven relationships between the efforts of DMOs and the measured effects are not easily transparent, because of the many other factors that affect tourist flows.

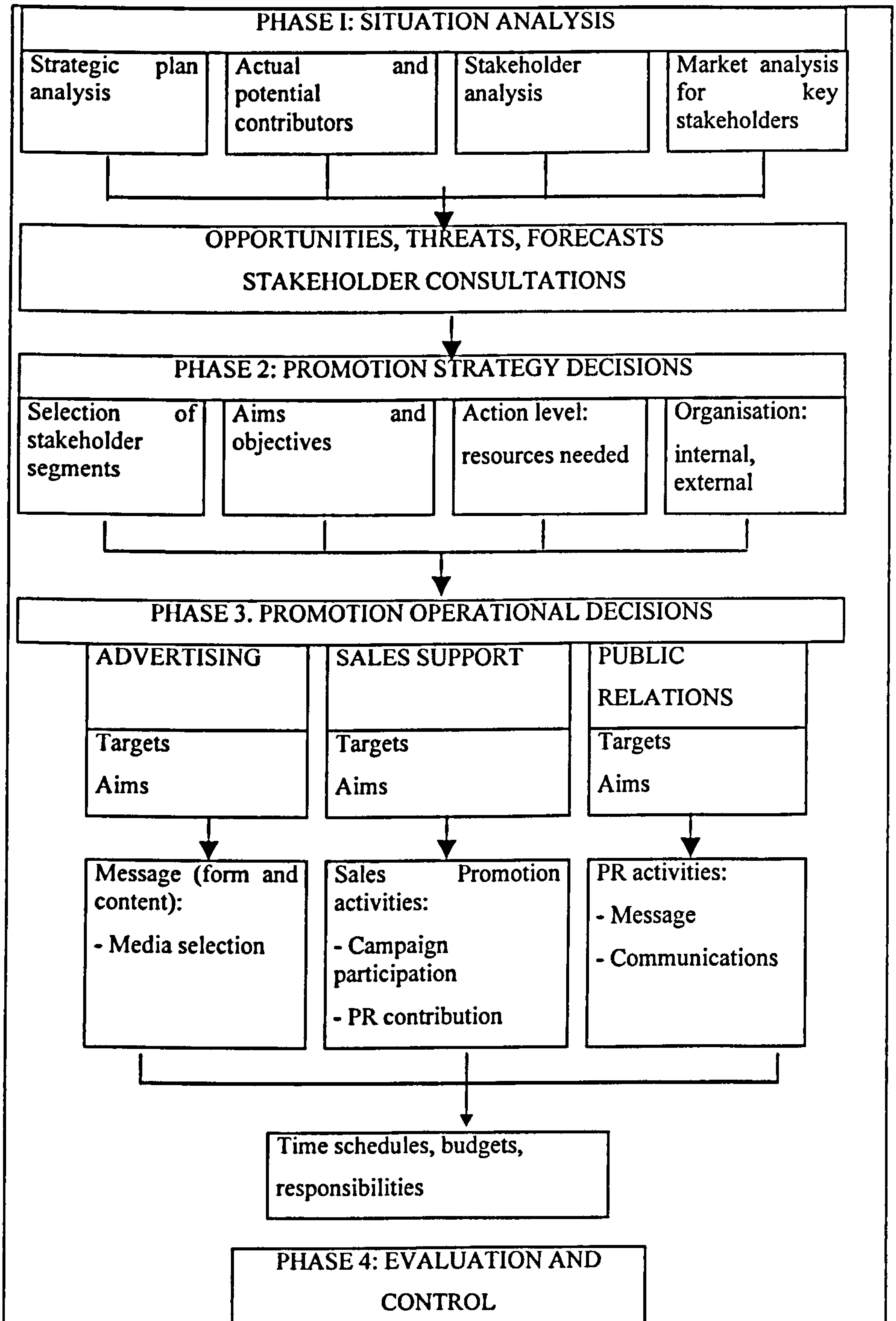
Figure 5-4 The dual strategic planning process



Based on: Figure 3-5

Figure 5-4 illustrates the dual strategic planning process for a DMO, based on Figure 3-5 presented in Chapter 3. The figure underlines the importance of two parallel sequences of analysing stakeholder requirements on the one hand and matching as well as relating these to market conditions on the other.

Figure 5-5 Revised framework for the development of a promotional strategy and plan



Source: based on Figure 3-8 Framework for a promotional plan

This is then taken further to a more detailed context in Figure 5-5, illustrating how this is related to the promotional plan for the DMO, based on Figure 3-8 in Chapter 3.

5.2 Analysis of the wider context of DMOs

It became apparent that it was the policy of the Danish Government to create larger units to take care of tourism marketing and development in Denmark. Although it was the original intention to increase the level of professionalism of the Danish tourism industry and through this to create customer oriented destinations, it appears that cooperation today is mainly based on the ability of various minor units to work together rather than the customers' perceptions. An exception is Bornholm, which is perceived as a holiday destination in its own right and in DB has created the overall DMO for the island.

However, with the intervention of the government, the organisational structure that developed became more concentrated by necessity in order to receive government money rather than by trusting relationships. This means that the problem of conflicting strategies is not solved; on the contrary, it could mean that businesses, which on the one hand are involved in the DMO's work because 'they have to', on the other hand intensely pursue their own interests, thus wasting funds.

In order to create trust amongst the players at a destination, a bottom-up process might be the best solution. However, this is seldom the case. For at a destination like Bornholm, the trade is mainly composed of small and micro businesses that jealously guard their positions. Husband and wife partnerships run many of the accommodation establishments. Given that the season is very short, they typically have the equivalent of a year's business within three or four months. They lack expertise in marketing and organisational skills and view marketing solely as the equivalent of selling and activity to be handled by DB. Many feel that they do not have the time to participate in working groups, committees etc. Therefore, it is typically a small number of enthusiasts or the 'big players', who take part in DB's activities for strategy development.

DMOs claim they do marketing, which they do not; they carry out various tasks related to marketing, with a focus on image and promotion. SMEs request that DMOs provide customers for their businesses, but they seldom understand the mechanisms of how to do this in a context that goes beyond their conception of the destination. Additionally they equal marketing with advertising and sales.

Knowledge about DB's activities in general and for strategy development in particular is disseminated through a newsletter that is sent out to shareholders and stakeholders at irregular intervals. It is not obvious to shareholders how participants for working groups are selected, but it is assumed that this happens by invitation. This means that the number of players involved in the process also is limited through this selection.

As described in the case study, DB has developed a model to ensure that as many stakeholders as possible take part in the financing of the marketing activities. Although they realise the necessity of *selling* their annual marketing plan to stakeholders, their sales activities towards the stakeholders are of minor importance compared to their promotional activities towards the prospective visitors.

5.2.1 Lessons from other destinations

The case of Tyrol, Austria, was presented at a conference at the ITB in Berlin in 2001. Margreiter (2001) claimed, that the only necessary policy for destinations had to be based on networking, and networking alone. In order to make the brand for Tyrol a success, the following industries and branches of industries participate in various networks, initiated by *Tirol Werbung*, the DMO for Tyrol:

- Tourism businesses,
- Manufacturers,
- Farmers and agricultural producers,
- Energy providers,

- Financial sector,
- Events,
- Public institutions etc.

This selection reflects the sectors involved as supporting industries in relation to new tourism (Poon, 1993).

According to Margreiter (2001) a logo was a much less important part of expressing the brand, as he considered it to be much more a question of bringing out, what was written between the lines. Although destinations might achieve a certain level of fame and thus create awareness, this was not enough to develop a successful strategy for the marketing of the destination.

It was necessary to realise that image was a combination of different attributes related to the local population, destination mix competencies and associations created in the minds of the customers. Therefore, they had decided to bring out typical expressions of their culture (or stereotypes) and added to this current events and experiences, to produce their selling concept. The following elements were considered an important part of the concept:

- Subsidies for film productions that featured the area;
- Sponsoring of sports events;
- Events held out of place in order to create customer awareness (e.g. skiing on a beach on the North Sea);
- Testimonials;
- Merchandising (produced for or purchased by Tirol Werbung in order to re-sell).

Another case regarding Germany in general, was presented by Brysch (2001). Broadly speaking, German consumers are spoilt by an extremely wide range of products and services for any product or service range. They are therefore difficult to satisfy, as they are characterized as being 'reckless, smart, picky, egoistic, and individualistic'. On the other hand, the German tourism industry faces complications of overcapacity and lack of market transparency alongside with the fact that the industry offers easily substitutable services. Brysch (2001) described the competitive situation for the German tourism industry as one of a declining market share for holiday journeys on the domestic market. Therefore, it was noted that tourism businesses (i.e. especially large companies) aimed at brand strategies (e.g. TUI and Steigenberger). The application of such a strategy helped them to clarify the product promise and make it emotionally loaded. However, as far as destinations within Germany were concerned, he claimed that positive examples were rare, but that major cities had advantages over other destinations, because of their homogeneity and 'perspicuity', as well as being a geographically defined area. Branding for Berlin was thus based upon a high degree of knowledge amongst the potential visitors (very important); that it was the capital city (representing a USP in Germany) and that the image could be loaded through opposites/antonyms (e.g. dynamic-historic, urban-'green lungs'). Another example was the island of Sylt, which had also used the high degree of knowledge it enjoys in Germany, together with the well-known fact, that the island was 'famous with the famous' (*'Prominenteninsel'*).

These two cases, although somewhat brief, confirm some of the lessons learned from the Bornholm case in this thesis. Tyrol is being considered as one of the most successful mature destinations in Europe, having fought off an image of an old-fashioned tourism product. One of the success factors is attributed to the fact of broad cooperation going beyond the normal conception of tourism businesses. Another factor of success is the ability to brand the destination not through conventional marketing tools of promotional material, but through creating an image with the help of non-traditional means. Through inclusion of the second case, some features of the German market functions are demonstrated. Additionally, this second case refers to the use of USPs for the branding of destinations, arguing that fashionable resorts can be created through features that are either exclusive or rarely found elsewhere.

5.2.2 The influence of peripherality

In recent years, Denmark has experienced a 'central focus' policy, which favoured the establishment of public institutions, mainly in the capital area of Copenhagen, with most key economic and political institutions being placed in the centre regions, as well as headquarters of major companies. Most decisions regarding the country's economy and social well-being are taken at the centre, although these decisions effect the peripheral regions of Denmark likewise. Thus, giving the inhabitants of Bornholm the feeling that 'Copenhagen decides anyway, so there is not much we can do about our own destiny!' However, there can from time to time be a feeling that despite this fact (or may be because of this fact), politicians on Bornholm seem to think, it is the Danish Government's task to solve development issues on Bornholm, by initiating and helping to finance development projects.

As mentioned in Chapter 3 '*internal economic linkages tend to be weaker at the periphery than at the core*' (Owen et al., 1999). This is very true for Bornholm; often development projects are started with subsidies from the Danish Government funds supported by matching EU-funds. However, hardly ever are these projects taken beyond their subsidy period, as they fail to create their own support system, as well as being extremely focused on delivering goods and services to the centre region, which can often be supplied more efficiently and at lower cost within the centre region.

There has been a clear tendency of migration from Bornholm to its centre region, Copenhagen. It is not only young people, who aim at higher education, who move to Copenhagen, but often people find better and more varied career prospects in the capital area, and thus move, whether this being of own free will or being forced, when facing unemployment in Bornholm.

Despite various efforts to place innovation centres and other institutions in Bornholm, the number of inventions and innovations having their origin here, has been extremely scarce. Thus, the renewal of products and ideas as well as technologies, typically comes from imports to the peripheral area than from within. This can generally be explained by the concentration of productive and managerial resources at the core.

Information from the core to the periphery is typically stronger than vice-versa, the same goes for information flow within the periphery, thus people in Rønne may be well informed about what is going on in Copenhagen, whereas they only have little knowledge of what is happening in Hasle, just 15 km north of Rønne. On the other hand, Copenhageners will often have no or only very limited information about what is happening in Bornholm. This has been changing in the recent years, as the Internet has evolved and made communication and information search global. Still, the interest is typically not there for the inhabitants of Copenhagen to search for information about matters other than the core and places of particular interest to them. As a rule, Danes are not used to commuting considerable distance to work or attend meetings. Even though Bornholm is only 35 minutes by air from the capital, it is perceived as far away.

However, something has been happening in the recent years in Denmark in order to change the Danes' perception of distances, as an increasing network of bridges and fast ferries connects the centre region much more closely to the country's peripheries. Air travel within Denmark has been reduced from nine routes in 1990 to only five in 2001 as alternative travel is competitive after the opening of the Great Belt Bridge and faster train connections have been established, as well as new motorways.

The Danish Government has developed several schemes in order to promote economic development in peripheral regions. For example, Bornholm in 1993 became subject for a specific help programme called *Bornholmerpakken* or the Bornholm package, which was a long-term programme in order to relieve the effects of the fisheries crisis in the early 1990s. The same is true for the EU, where the programmes related to Objective 1-6 were created in order to help backwards regions within the whole of Europe.

There might be a greater need for strategic alliances and cooperation in Bornholm, and thus, a demonstration of solidarity between the tourism players in Bornholm, but those in Copenhagen have larger (and stronger) units in the first place. The need for network creation is greater in an island location and therefore the strategy process needs to be more compromising. This does not really corroborate with what currently is happening in Copenhagen, with the critique WoCo has experienced, on the other hand the recently agreed new cooperation between the tourism organisations in Frederiksborg and Roskilde Counties means that WoCo will take over the others, and thus get rid of the competitors or more correctly, those who have been against the new strategy. Also, for Copenhagen, the central government has an interest in the development of the capital, and thus took action in order to ensure strategy formulation in 1991 when WoCo was established. This would never happen for any peripheral region, it would be solely the responsibility of the regional and local authorities to undertake these tasks.

Table 5-1 lists some general issues that tourism businesses in peripheral areas have to face and relates these to Bornholm. As can be seen from the table, all the issues described are also problems for Bornholm, thus demonstrating the need for improved planning and better employment of scarce resources for the promotional efforts of the island. It also reveals that although the establishment of DB has helped to improve the structure for the development of marketing strategies for Bornholm, this has not fully solved the difficulties.

Table 5-1 Issues for tourism businesses in peripheral areas

General issue	*Issue for Bornholm?*
The alternative is usually an extractive (primary resource) economy with a small manufacturing base.	The main other industries are based on fisheries and agriculture. The largest employment sector is the public sector.
Limited market opportunities or markets have declined, as in the case of many Northern European resorts, some Mediterranean destinations and Alpine resorts.	The current markets are linked to Bornholm by proximity and thus limited to the neighbouring countries. The number of tourists and their distribution has remained very stable since the 1960s. However, travel intensity has increased on these markets, but not for Bornholm. Recently, there has been an increase on the home market because of improved infrastructure.
Delivery of the product is usually through SMEs, with their attendant difficulties.	Bornholm has many micro businesses and SMEs in the tourism industry.
Lack of tourist infrastructure or obsolete products	The tourism infrastructure in Bornholm is well developed, however, products might need renewal and a number of weather independent product offers could be added.
Weather restrictions on the length of the season, as in Northern Europe	Despite the fact that efforts have been made to increase the number of visitors and overnight stays in the shoulder season (April-May and August-October), the uncertain weather conditions contribute to the impediment if not complete failure of such efforts.
Remoteness and strong natural environments as a product plus	The BVS showed that the main pull factors for Bornholm are: the nature, the landscape and the atmosphere.
Environmental threat to undisturbed wilderness	In general, this is dealt with in a positive way in Bornholm, i.e. tourists in large numbers are kept away from the most vulnerable areas.
Social impact on small, close-knit communities	The general impression is that this is not a great problem in Bornholm. Tourism and tourists are viewed as a welcome asset to the island; both as far as economic benefits and socio-cultural impacts are concerned.
The community lacks education, training, capital (public and private) and entrepreneurship, which mitigates against business formation.	There is hardly any education beyond secondary school (college) level, and no university education. Constantly seeking for public subsidy. Little entrepreneurship.
Limited organisational structures, lack of planning directions and little statistical information.	The organisational structures could be improved. Statistical information available through BVS, but not fully exploited.

Source: General issues based on Wanhill, 1996, p. 212

In terms of strategy development, community based tourism should be built around a medium term strategy, i.e. up to five years' planning horizon, based upon the strengths and weaknesses of the destination community. The indicators for this are given in Table 5-2, where they are related to the Bornholm case study.

Table 5-2 Indicators for medium term strategy development

Indicator	*Related to the case study*
Size of the community	The community in Bornholm is of such a size that full involvement in the strategic planning process is not possible.
Socio-cultural profile, particularly in respect of any linguistic differences	Bornholm is a well-functioning society, but problems can be experienced in relation to new markets, say, Polish visitors meet a language barrier.
Economic status – rural, industrial and resort areas lagging behind or in decline	Bornholm is considered 'backward' in a way that attracts customers, who express the wish that the island should not be changed. Bornholm residents do not feel inferior to visitors.
Existence of 'leaders' or entrepreneurs, both from the private sector and local authorities	There is a need for strong leadership. This can be both in the private as well as in the public sector, if there are several strong leaders. There is a need additionally for extremely good communication, as shown in the case study.
Availability of financial assistance	Difficulties have been experienced in obtaining finance for tourism investments in Bornholm.
Organisational or administrative support	There is a need for further improved cooperation, especially in respect to the structure of the industry with small and micro businesses.

Source: based on Wanhill, 1996, p.216

5.3 Sub-conclusion

It became apparent that a bottom-up process for developing a tourism destination and its marketing strategy would be the optimal process. However, because of the structure of the industry and a lack in expertise amongst the business owners such a process is highly unlikely to be initiated by any group from the industry. It should therefore be the DMO's task to ensure a broader involvement of the industry through realising that not only are the trade and other members of the business environment stakeholders and possible shareholders, but they should be treated as *customers*, this means that the strategy becomes a *product* that is to be sold to the industry. This could help DMOs to more effectively develop marketing strategies and ensure a better employment of scarce resources. It should also provide increased expertise to develop business strategies for the individual firms.

It may be possible for a DMO to treat the destination as a single product from a macro point of view. However, the DMO neither fully nor partly owns the destination. It has therefore no or only little control as to how the product is priced, distributed or developed. In order to be able to influence how the 'players' at a given destination behave, it should re-focus its strategy even more on cooperation with the local tourism industry and business environment for increased competitiveness.

The application of tools from other disciplines than marketing might enhance the effectiveness of DMOs especially at peripheral locations. A strategy is based on analysis as opposed to immediate action or reaction based on impulse. Thus, it is possible to conclude that many SMTEs do not use strategic planning in their businesses, as many act on impulses. It is proposed that a DMO should put more focus upon the analysis of their what could be termed 'cooperative customers'. Cooperative customers are those stakeholders that support the strategic plan from the DMO through participating in the promotional activities. By giving weight to these stakeholders as customers, the promotional activities could be improved thus reducing the waste of DMO and industry resources. In this way, the DMO would support good practice and encourage the other to follow exemplars. In other words, by demonstrating success with the examples the DMO proves its effectiveness and encourages the laggards to join.

6 Conclusion

The thesis aimed at demonstrating the current theoretical limitations in relation to destination marketing, which is often conceived as being equivalent to the marketing of services or tourism products in general. It also aspired to show that different approaches are needed for the development of marketing strategies for peripheral destinations in comparison to centre regions, because of the varying framework conditions and the difference in the industrial structure. The view was taken that the work of DMOs was primarily focused upon promotion and subsequently on the offer of a facilitation strategy to the stakeholders at the destination. Finally, it was assumed that destination marketing needed to take aspects, such as networking and relationships into consideration, when developing strategies.

It was demonstrated that current destination marketing theory does not often distinguish between specific approaches for destinations as opposed to single products or services. Despite the fact that destinations are realised as being amalgams of various aspects (the five As), the actuality that DMOs are seldom in charge and control of all the aspects (and therefore in general only are able to apply some parts of the marketing mix fully), has not been addressed. It was therefore suggested that DMOs should re-focus their objectives, realising that they should aim for the widest possible support for their strategy and treat the strategic plan as a product for sale to the tourism industry. Additionally, the process of developing the strategic plan for peripheral destinations could be enhanced by investigating the needs and wants of life-style businesses, thus achieving better and more cost-effective application of scarce funds.

As described in Chapter 1, the study had to answer a number of research questions. First of all, it was investigated how the strategy formulation process functioned and how could it be improved. The case study showed that the strategic process for the DMO was based on desk research with limited communication to the industry. The industry respondents appeared to have little or no knowledge of the process and the existence of a strategic plan as a result of the efforts of the DMO. There was a request for more open forum discussion in order to reach consensus about major issues regarding the tourism development in Bornholm. Undoubtedly, the process could be enhanced by a wider approach and improved two-way dialogue. Additionally, increased awareness of the importance of the strategic plan for continued industry support, would improve the process further.

Secondly, as the focus was on a mature destination, it was important to investigate how tourism had developed over time, and what influence had this had on the way the tourism industry functions. It was evident from the case study that the development of tourism in Bornholm had led to the establishment of DB, which today is an important factor in the further progress of tourism. Nevertheless, the early establishment of TAs in Bornholm has also had an effect on the willingness to support DB, as prior bonds to the established system had led to some resentment towards DB in the beginning.

Thirdly, the question of how the application of marketing terminology would affect the communication between DMO and industry was raised. Chapter 4 demonstrated that most interviewees equalled marketing with sales and promotion and that they expected the DMO to provide just that, some expressed the view that DB's efforts should go beyond this, but were uncertain whether this was possible, as they related the role of the DMO closely to what they perceived as marketing. In other words, a change in applied terminology could ensure an improved perception of the role of the DMO, not just as a provider of promotion, but an important agent for tourism development in general.

The final question was related to the preceding subject, as it investigated how the presence of many life-style businesses affected the attractiveness of participation in the strategy development process. The case report showed that life-style enterprises have, in general, a very low incitement to participate in strategy development, as they usually act upon impulse and do not plan on a long- or medium-term basis. It is believed that they can be persuaded to participate more than they do today, if they can see that their living conditions can be improved through participating in the planning process or at least supporting the outcome of the process.

Summing up, in order to be able to formulate a strategy for a destination as such it is necessary for the businesses at the destination to agree upon a strategy and follow this strategy. This means that there is a need for a high level of communication amongst all 'players' at the destination. There is also a demand for strong leadership; otherwise, the destination will never reach the point of actual strategy formulation.

On the theoretical side, it appears that one has to stop viewing destinations as if they were single products or services. This means that commonly used marketing theory has to be re-designed to fit the special needs of tourism destinations, such as applying marketing theory to the strategic plan of the DMO instead of the promotional work of the DMO. The promotional work of the DMO at a peripheral destination needs at the same time to incorporate elements of general regional development issues. In general, it can be stated that developing joint marketing strategies is a long-term achievement, however, this does not necessarily have to conflict with the short-term planning horizons for the businesses and the need for short-term results and effectiveness.

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Note: For those entries that start with a Danish letter Æ, Å or Ø these are placed as they would be in the Danish alphabet at the end of the list in the stated sequence.

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Material from www.em.dk respectively www.oem.dk; the website of the Danish Ministry of Industry and Trade regarding the development of the national strategy for tourism, speeches made by the Minister on tourism subjects etc.

Appendix A The interviews

As the interview excerpts of the thesis are to be kept confidential upon the requests and for the protection of the persons interviewed, these have been removed from the final/public accessible version of the thesis.

Introduction to the interviews

Two rounds of interviews were carried out; the first took place in autumn 1999, the second in spring 2002. Originally only one sequence of interviews was planned, as thesis submission was postponed, it was nevertheless decided to make a second round, in order to include a number of significant changes that had their bearing on tourism on Bornholm in the period. The first interviews were conducted as semi-structured consultations. Thus, for the first round an interview guide was prepared, in order to ensure that the same main areas would be discussed with each interviewee. These areas would be widened and adapted according to the interviewee's role and/or position. For the second round of interviews, the same areas were discussed, and special attention was given to the issues of the changes that had taken place, i.e. the improved infrastructure for getting to the island of Bornholm and the change in administrative structure in the island's public administration as of 1 January 2003.

For both sequences, the interviews were recorded on tapes and subsequently transcribed in full length by the author. All interviews were conducted in Danish and consequently transcripts are in Danish, too. The author purposefully translated those excerpts used for the thesis.

When updating the interviews, it was attempted to speak to the same person in the same position for a second time. However, some of the interviews in the second sequence were conducted with another person, now being employed in the position. Table A-1 below gives an overview of the interviews that were carried out and with whom. The language in the summaries reflects the informality of the interviews.

Purpose of the interviews

It was the purpose of the interviews to discover relations in terms of cooperation amongst the tourism industry of the island and public authorities, the DMO (Destination Bornholm) and between the individual businesses. The interviews attempted to shed light on the need of trusting relationships in order to be able to formulate and carry out a joint goal and strategy in order to reach that goal. It was also attempted to illustrate through the interviews, how the individual businesses take part in the planning process and thus, be able to present a concept of how the planning process on the island takes place. At the same time it was attempted to gain insight in the respondents view on whether the planning process and the cooperative relations were different in Bornholm, being a peripheral area) than in other – centrally located – destinations. Further below, examples of the interview guides are given, first, a general interview guide for all interviews of the first sequence, thereafter, two more specific interview guides for the interview with the elected mayor of Nexø and the regional planner employed with the planning authority at the County of Bornholm are given. All interviews started with an introduction to the project and a brief orientation about the interview structure, or lack of structure, however, it was mentioned which were the main areas of interest, network/cooperation, marketing, strategy and Destination Bornholm.

Table A-1 Overview of interviews

Sector within the industry	*Grouping within the sector*	*Interviewee*	*1st interview*	*2nd interview*
Accommodation	Hotel / Guesthouse	Hotel Balka Søbad, Manager Karin Olsen	6 Sept 99 09.30	3 Jun 02 10.00
	Holiday homes	Novasol, Branch Manager Per Allan Hansen	14 Sept 99 15.00	6 Jun 02 11.00
	Camping / Holiday homes	Lyngholt Camp Site and Booking Agency, owners Pia and Werner Pass	21 Sept 99 0830	n/a
Transport	Ferry	Bornholmstrafikken, Marketing Manager Eddi Ørpe Passenger Manager Niels Kreutzmann	28 Sept 99 0830	18 Feb 02 1030
Attractions	Public	Natur Bornholm, managing director Hans Christian	22 Dec 99 1400	

Sector within the industry	*Grouping within the sector*	*Interviewee*	*1st interview*	*2nd interview*
		Holmstrand Managing director Svend Erik Jensen		7 May 02 0745
Public authorities	County	Regional planner Ida Kragstrup	7 Sept 99 1400	Quit, position not filled again
	Municipalities	Nexø, mayor Annelise Molin	14 Sept 99 1100	n/a
		Rønne (Destination 21), manager Henrik Nowak	15 Sept 99 1100	Quit, D21 pilot project discntd.
Coordinators	Destination Bornholm	Managing director Niels Feerup	16 Jul 99 0830	08 May 02 0830
	Tas	Nexø-Dueodde, manager Kristian Kragh Manager Søren Petersen	22 Sept 99 1100	28 May 02 1730
	Counsellor for new entrepreneurs	Peter Paldan Sørensen	23 Sept 99 1000	n/a
Players outside Bornholm	Wonderful Copenhagen	Marketing manager Henrik Kahn	12 Oct 99	n/a
		Director of strategy, Eskild Hansen Director of development, Peter J. Hansen	10 Nov 99	22 Mar 02 0930
	Danish Tourist Board	Brand manager Lars Schaldemose	n/a	18 Mar 02 1100

Interview guide

Introduction:

1. Information about the company:

Own position (if unknown or uncertain)

Number of employees (if relevant)

All year or seasonal (if unknown or uncertain)

2. Network

Which organizations is the company a member of?

Which organizations is the respondent member of?

Formalised cooperation?

Informal cooperation?

How would you describe your relation with your colleagues in the industry?

What has the greatest importance when entering into cooperation? What could be a reason for ending cooperation?

How do you keep yourself informed about the development with the tourism industry in Bornholm, Denmark, and probably elsewhere?

3. Strategy

How do you plan in the company?

Are you trying to influence strategic planning? If yes, in which areas? Destination, municipality, county, others?

Which frustrations or positive experiences have you/your company gained in relation to any attempts of trying to influence strategies for tourism on Bornholm?

In what way would the planning process be different if your business was located in a large city or other centrally located destination instead of on Bornholm?

4. Marketing

What does marketing mean to you and your business?

How does that affect your daily work?

5. Destination Bornholm

Why did you choose to join (not to join) Destination Bornholm?

What could make you join DB?

Do you pay interest or marketing contribution to DB?

What works well for DB and which areas could be improved?

Interview guide - municipality

Strategy:

Does the municipality have a tourism strategy?

How high prioritised is tourism in the municipality? What does tourism mean for the municipality?

How do you communicate this (lack of) strategy to the tourism industry?

Are you trying to influence the tourism strategy for the island?

Do you think that processes are different in a small municipality, situated in a peripheral area from a centrally situated municipality?

Network:

Does the municipality own a share in DB? (I know that *all municipalities* do, but does the respondent know that they do?)

Which other organisations is the municipality/mayor a member of, where tourism policy and other tourism issues are being discussed?

Who do you communicate with within the tourism industry?

Marketing:

What does marketing mean for the municipality?

Does the municipality apply (the basic ideas of) marketing? På hvilke områder?

Destination Bornholm

Why did the municipality choose to join DB?

What contribution does the municipality make to DB?

How do you perceive the performance of the municipality?

Interview guide – Ida Kragstrup, regional planner, County of Bornholm

General information:

Own position and area of work

How many others work within the same field here?

Network/Cooperation

Membership of Destination Bornholm? – and others?

How large a contribution to DB?

Who represents the County on DB's board of directors?

The process of regional planning – in general and specifically for tourism.

Who is being involved and at what time/stage? How is it ensured that the whole process takes place democratically?

What is the relation between visions that are the background for the regional plan and the visions industrial organisations have for their area? How detailed is the involvement by the county in particular projects? Physical/spatial planning, but also the maximum number of tourists to the island – how is that monitored?

Wolfgang Framke's interviews

Framke (1998) collected interviews from three types of businesses, accommodation establishments (hotels and guesthouses), TICs and transport providers. The interviews were semi-structured; the following interview guidelines are based on the interview transcripts.

Interview guidelines

Background information: product, markets, target (customer) groups, season

How do you define your product?

What are your major markets (geographically)?

Any particular customer segments, e.g. associations etc.

Any changes over season in customer segments?

Cooperation, type of company, number of employees:

Is this enterprise part of a chain or do you cooperate in any other way with other businesses?

What is the type of company?

How many people are employed in the business?

Use of Information Technology (IT):

To which extent do you use IT?

To you screen the development in the IT sector?

Has this development meant any changes in regard to your internal organisation?

Do you work with any reservation systems, booking systems, information systems? For example through tour operators, travel agents, direct connection to Smart, Gallileo?

Do you use the Internet? Do you know how many of your customers make use of the Internet? Do you think this development will accelerate? Do you think that the Internet will have an influence on the tourism industry, e.g. organisational or distribution of businesses?

Seasonality:

How is your distribution of customers over the year? How does this relate to your internal organisation, e.g. number of employees?

Education / training for your employees

Do you take initiative for training or education?

Does your administrative staff have any particular (theoretical) education?

Do you have a permanent core staff?

Do you use young people who are still at school or students?

Organisational changes and future plans:

Have any organisational changes occurred during the last 3-5 years?

Do you have any ideas of where you will be in 5-6 years time?

Cooperation:

Do you cooperate with other businesses in order to produce a 'complete product'? For example a cycling holiday?

Who is in charge of such cooperational agreements?

Are you part of formalised network cooperation?

Would you have participated without any public subsidy?

Which catalogues are you featured in?

Does that include foreign tour operators?

Do you communicate with other outside your branch of industry? Do you communicate with the public authorities?

Do you outsource any tasks?

How do you choose such sub-contractors?

Competitive situation:

Can you explain why foreign visitors are underrepresented in Danish hotels?

Who are your most important competitors?

Do you think that a shift towards more home market guests will take place?

Any important changes to your competitive situation in the recent years?

List of enterprises interviewed by Framke

Action Tours, Ole Andresen

Bornholms Sommerhusudlejning, Christian Goertz

Bornholms Velkomstcenter, Birte Jacobsen

BornholmsTrafikken, Svend Torben Jensen

Dams på Bakken (hotel), Holger Dam

DanCenter (holiday home agency), Anne Dorthe Hansen og Jørn Jensen

Hasle Turistbureau, Lis Thomsen

Hotel Abildgård, Jens Fiil

Hotel Balka Søbad, Bing Kofoed

Hotel Balka Strand, Kaj Kragh

Hotel Fredensborg, Birthe Jensen

Hotel Friheden, Conni Kofoed

Hotel Griffen, Henrik Petersen

Hotel Romantik, Carsten Kristensen

Hotel Sandkås, Bill R. Hansen

Maersk Air, Erik Sjøberg

Nexø Turistbureau, Kirsten Juni

Nordbornholms Turistbureau, Annemarie Frigaard

Novasol, Mette Hansen

Pension Blomstergården, Marianne Rasmussen

Pension Gretha, Kurt Nielsen

Pension Holiday, Mette Jensen

Pension Lis, Lis Jensen

Pension Mary, Elsebeth Fermann

Sydbornholms Turistbureau, H.H. Kjøller

Appendix B The Bornholm Visitor Survey

Questionnaire for **SEA DEPARTURES** in 2001/2002

Thank you for participating in our survey. Where indicated, please complete by crossing the boxes so ☒ . If you wish to change your answer then alter the previous response in this manner ☒. Any information given in this questionnaire will be treated strictly private and confidential.

Q1 Please give the name of your home town (where you have your current permanent address)

Q2 Which County/Municipality is that in?

County/Municipality

Own Postcode

Q3 On what date did you arrive in Bornholm?

Q4 In total, how many days have you spent in Bornholm?

Q5 Which of the statements below *best* corresponds to the composition of your personal party?

(1) Travelling alone
(2) Husband/wife only
(3) Family group with children under 15 years
(4) Family group with grown up children
(5) Family group/relations with...
(6) Friend/friends
Other (please specify)

Q6 What is the *main* purpose of your visit?

(1) Business conference/meeting/exhibition
(2) General business - buying, selling, installation or other
(3) Holiday
(4) Holiday/visiting friends or relatives
(5) Visiting friends or relatives solely
(6) Sporting event
(7) Education/school event
(8) Cultural event
Other (please specify)

Q7 Is this your first visit to Bornholm?

(1) Yes
(99) No

Q8 Have you ever lived (i.e. had a permanent address) in Bornholm?

(1) Yes
(99) No

Q9 How often have you visited (holiday, business trips, visits to friends and relatives etc.)? Bornholm before? Please give the number of times:

Q10 Did you ever come to Bornholm as a child?

(1) Yes, with my family/relatives/friends
(2) Yes, visiting family/relatives/friends
(3) Yes, with my school
(4) Yes, with my sporting club
Yes, in another way (please specify)
(99) No

Q11 When was the last time you visited Bornholm?

(1) Earlier this year
(2) Last year
(3) Within the last 2 years
(4) Within the last 5 years
(5) More than 5 years ago
(99)First visit

Q12 How did you find out about Bornholm as a holiday destination?

You may choose as many possibilities as you wish.

(1) Always known/been before
(2) Family/friends/relatives on Bornholm
(3) Recommendation of family/friends

(4) Saw a guide book/brochure
(5) Read about Bornholm on the Internet
Other (please specify)

Q13 How important were the following aspects of Bornholm in making your decision to visit the island? *Please look at all aspects.*

	Very important	*Im-portant*	*Less important*	*Un-important*
Beaches				
Landscapes				
Cycle routes				
Walking routes				
Fishing villages and towns				
Nature				
Golf courses				
Fishing				
Cultural history				
Restaurants				
Craft/art workers				
Atmosphere				
A variety of activities				
Family/friends/ relatives in Bornholm				

Q14 Booking arrangements - please look at the following statements and indicate as appropriate:

	Yes	No
Transport		
I booked transport directly with the carrier		
I booked transport through a travel agent		
I booked transport through the Internet		
My company took care of my bookings		
Family/friends in Bornholm took care of the booking of transportation		
Accommodation		
I booked accommodation directly with the landlord/proprietor		
I booked accommodation through a travel agent		
I booked accommodation through the Internet		
I am staying with friends/relatives, so I did not have to book		
Family/friends in Bornholm took care of the booking of accommodation		
Other		
I bought a package/inclusive tour, e.g. one price for transport and accommodation, from a travel agent		
I used a travel agent near my home		
I used a travel agent in Bornholm/Bornholm tourist office to make my bookings		
I booked through a summer house booking agency in Bornholm		
I booked through a summer house agency elsewhere		
I travel with a club or an association		
Apart from the above regarding bookings, I did the following:		

Q15 Have you visited any of the Tourist Information Centres listed below? Please indicate for all whether you visited or not.

	Visited	
	Yes	*No*
Bornholms Velkomstcenter		
Gudhjem Turistbureau		
Hasle Turistbureau		
Nexø-Dueodde Turistbureau		
Nordbornholms Turistbureau		
Svaneke Turistbureau		
Sydbornholms Turistbureau		

Q16 Type of accommodation used during your stay: Please state all places of accommodation and the number of days spent in each.

Accommodation	*Days*	*Nearest towns or villages*
Hotel/Guesthouse/Pension, please give name		
Youth hostel		
Rented summer house through agency		
Rented summer house through other than agency		
Borrowed summer house from friends etc.		
Own summer house		
Stayed with family/friends		
Farmhouse		
B&B/private home		
Camp site:		
* Tent/camplet		
* Cabin		
* Own caravan		
* Rented caravan		
Holiday Centre		
Other (please specify)		
None / on a day visit		

Q17 In terms of the features listed below, what did you think of the quality of your place of stay? *Please look at all aspects.*

	Excellent	*Good*	*Average*	*Not good enough*	*Poor*
Service					
Accommodation					
Food and beverages					
Cleaning standard					
Price level					
Facilities					
Location/situation					
Decor					
Overall value for money					

Q18 Do you have any other comments on your accommodation? Please state

Q19 Which of the attractions mentioned below did you visit? *Please look at all aspects.*

Attractions	*Visited this trip*	*Visited before*	*Not visited*	*Unknown*
Hammershus Castle				
Hammershus Exhibition				
Østerlars Round Church				
Other churches				
Joboland Brændesgårdshaven				
Natur Bornholm				
Medieval centre				
Christiansø				
Fish smoke house				
Glass factory/shop				
Ceramic factory/shop				
Art galleries				
Textile workshop				
Bornholm Art Museum				
Oluf Høst Museum				
Farm Museum				
Other museums				
Paradisbakkerne				
Ekkodalen				
Rytterknægten				
Helligdomsklipperne				
Jons Kapel				
A lighthouse				
Other (please specify)				

Q20 Which of the activities mentioned below did you participate in? *Please look at all activities mentioned.*

Activities	*Participated this trip*	*Participated before*	*Not participated at all*
Going to the beach			
Swimming			
a) in the sea			
b) in a pool			
Cycling			
Guided coach tour			
Guided walks			
Walks on my/our own			
Boat trips			
Fishing			
Golf			
Eating out			
Shopping			
Just relaxing			
Driving around			
Day visit to _____			
Other (please specify)			

Q21 What were the main methods you used for travelling around Bornholm? Please choose the *three* most important. Max. three options

(1) Public bus
(2) Taxi
(3) Own car
(4) Hire car
(5) Private car provided by firm or friends/relatives
(6) Own bicycle
(7) Rented bicycle
(8) Coach tour
(9) On foot
Other (please specify)

We would now like to ask you about your expenditure on this trip.

Q22 Including travelling to and from Bornholm, how much did you and your personal party spend on Bornholm? Please don't forget any expenditure by credit card or personal cheque.
Total amount DKK ____
If you have been on a day visit please give the price of that tour (excl. transport expenditure) DKK ___
If you are on a package tour/inclusive tour please give price of that tour DKK ___
Just checking: How many people do this cover?
Number of persons ________________

Q23 May we have your estimate of the breakdown of this expenditure (excl. any expenditure on day visit)? *Please state all amounts in Danish kroner (DKK).*

		DKK	incl. in package
1	Ferry payments to and from Bornholm		
2	Accommodation on Bornholm to cover room, any meals, tips and taxes included in the bill. Don't forget any deposit prior to arrival		
3	Eating and drinking		
4	Entertainment		
5	General shopping		
6	Souvenirs		
7	Transport on Bornholm		
8	Purchase of fuel, repairs and other items at garages		
9	Expenditure at attractions (include entrance fees, cafe-meals and shop purchases)		
10	Other travel expenditure such as insurance		
	Total amount		

Q24 Does this relate solely to your trip to Bornholm?
(1) Yes
(99) No
Q25 Are you able to make an estimate of the amount of your package tour attributable to your trip to Bornholm (including travel to and from the island)?
(1) Yes Total amount DKK ________________
(99) No
Q26 Overall, what is your opinion of Bornholm as a destination to visit?

	Excellent	*Good*	*Average*	*Not good enough*	*Poor*
For holidays and recreation					
Value for money					

Q27 How likely would you be to return to Bornholm for a holiday in the near future?
Certain *Likely* *Maybe* *Unlikely* *Certainly not*

Q28 If you were likely to return, how soon would this be?

	Certain	*Likely*	*Maybe*	*Un likely*	*Certainly not*
This year					
Next year					
Within next 2 years					
Within next 5 years					

Q29 Will the new bridge between Denmark and Sweden and/or the new fast ferry between Ystad and Ronne mean that you travel more often to Bornholm?

	Yes, certainly	*Yes,probably*	*Uncertain*	*Probably not*	*Definitely not*
More short stays in general					
More weekend trips					
More trips this time of the year					
More trips other times of the year					

No, not more often, because________________________

Q30 Has the new bridge between Denmark and Sweden and/or the fast ferry between Ystad and Ronne influenced your decision about this trip to Bornholm?
Yes, a major influence
Yes, to some extent
No, the new transport opportunities have had a negligible influence on my/our decision, because________________ ____

Now we would like to ask you something about yourself

Q31 What is(was) your occupation (and that of your spouse/partner)?
Own occupation: Job title________________
Occupation of spouse: Job title________________
Q32 Are you retired?
(1) Yes
(99) No
Q33 Which age group do you belong to?
(1) 16-24 years
(2) 25-34 years
(3) 35-49 years
(4) 50-59 years
(5) 60-69 years
(6) over 69 years
Q34 Which of the following best describes your *full-time* education?
(1) Up to 9 years
(2) 9-12 years
(3) 12 years + vocational education
(4) 12 years + academic education

Q35 Which of the following best describes your total family/household income?[1]
(1) Less than 200,000 DKK per year
(2) 200,000-400,000 DKK per year
(3) 400,000-700,000 DKK per year
(4) More than 700,000 DKK per year
Q36 Is there anything you want to say about Bornholm that has not been covered?
What, if anything, did you particularly *like* about the island?
Was there anything *outstanding* or extra that you did not expect?
Q37 Equally important: what, if anything, did you particularly *dislike* about Bornholm? Was there anything *unsatisfactory*? Was there something missing from what you expected to find?
Q38 Would you like us to communicate your *likes* and *dislikes* to the Tourist Bureau? They may want to get in touch with you. If so would you please PRINT your NAME, ADDRESS, POST CODE and TELEPHONE NUMBER here?

THANK YOU VERY MUCH FOR YOUR COOPERATION - YOUR HELP IS HIGHLY APPRECIATED.

[1] DKK 100 = US$ 20 = UK£ 10 = HLG 30 = FF 90.

Ways to improve Bornholm

Coded comments from the survey of visitors to Bornholm 95-96, question 48 – 'In what ways could Bornholm be improved as a holiday destination?' The comments made by the respondents have been grouped by the author, coding has been carried out by the interviewers, however, alterations (both in terms of correction of linguistic misunderstanding and extension of the coding) have been made by the author on the background of an analysis of all individual statements made in the questionnaires.

Code		Frequency	%
	Comments on cleanliness, pollution – natural environment		
122	Take better care of nature	3	0,22
52	Avoid rubbish in nature: e.g. through campaigns or more dustbins	12	0,88
190	Remove dogs excrement	2	0,15
54	Ban low-going aircraft	1	0,07
	Agriculture		
132	Avoid over fertilisation	3	0,22
89	Put an emphasis on ecological farming, green tourism	5	0,37
	Cars/traffic		
91	Make some parts of, or all of, Bornholm car free	8	0,58
	Baltic Sea and beaches		
1	Keep beaches free from seaweed, other pollution and cars	58	4,24
92	Sea must be cleaned, better water treatment/sewage plants	3	0,22
244	Better sewage plants	1	0,07
237	Clean the Baltic Sea	1	0,07
55	Better beaches (without reference to what should be done).	1	0,07
	Crowding		
18	Avoid that all tourists are in the same area	6	0,44
59	Do not allow too many tourists, preferably even fewer, introduce a tourist quota	26	1,9
	General comments – esp. Bornholm must not be changed		
2	Bornholm must not be changed, keep the spirit, is good as it is	109	7,96
22	Do not be too commercial, keep the character of Bornholm, focus on quality	21	1,53
66	Do not know	13	0,95
153	Keep the idyll	3	0,22
131	Bornholm must stay a place for "the chosen ones"	1	0,07

Code		Frequency	%
156	International feeling	1	0,07
217	Aim at quality tourism	1	0,07
228	Avoid discount prices, as it will be followed by mass tourism	1	0,07
	Comments on attitude		
104	More personal service; better service	6	0,44
45	Don't favour tourists too much – be less money-focused	5	0,37
219	People in tourism business ought to be more obliging	1	0,07
	Specific comments on ferry transportation		
60	Cheaper ferry tickets	90	6,57
71	Cheaper transport	36	2,63
3	Better departure schedule Rønne-Mukran-Rønne (more departures).	17	1,24
4	More as well as cheaper departures Rønne-Ystad-Rønne, better ferry connection to Sweden in general	16	1,17
70	More ferry departures in general	12	0,88
5	More as well as cheaper departures Rønne-Sassnitz-Rønne	10	0,73
88	Ticket booking poor, was told that the ferry was sold out even though there were still spaces left on board the ferry	3	0,22
105	Better service at BH lines especially for bicycle tourism	4	0,29
119	Make BH lines some competition, start another company	4	0,29
129	Alternative ferry routes e.g. Rønne-Travemünde	4	0,29
63	Better service on Bornholmstrafikken	3	0,22
107	Peder Olsen (specific ferry): poor service and stabilizers - no berths	3	0,22
6	Cheaper bicycle tickets on the ferries	2	0,15
7	Lower price in ferry cafeteria and tax-free-shops	2	0,15
206	Dogs ought to receive free ferry tickets, like cats	2	0,15
189	Catamaran for cars on Rønne-Copenhagen	2	0,15
223	Co-ordinate the arrival time of ferries	2	0,15
97	Bad that the price of a ferry ticket for a 'camplet'[2] and a caravan differ	1	0,07
106	Lack of play facilities for children on Bornholmstrafikken's ferries	1	0,07
149	Do not increase the number of ferry departures/arrivals	1	0,07
169	Bad luggage transport in Ystad	1	0,07
225	Improve the ramp at the ferries	1	0,07
227	More seats on the ferries	1	0,07
242	Possible to bring dinghy with the ferry for a reasonable price	1	0,07

[2] A 'camplet' is a trailer containing a tent, which can be unfolded from the trailer, and using the trailer as part of the construction on site.

Code		Frequency	%
252	Better Bus service from Sassnitz to Mukran harbour	1	0,07
200	Make departure schedule better for people who come from Jutland	1	0,07
231	Longer season for the Allinge-Simrishamn-route	1	0,07
	Public transport on Bornholm		
8	Cheaper, better public transport, more departures, handicap-friendly busses	66	4,82
96	More, better coordination of public bus transport (e.g. connection between ferries and busses)	3	0,22
115	Bus drivers must be more considerate to passengers	1	0,07
194	Too far between bus stops	1	0,07
222	More handicap buses	1	0,07
	Specific comments on price level, economic issues		
24	Poor overall value money, make it better	118	8,62
261	Lower the price level	1	0,07
9	Lower price on cigarettes, alcohol	2	0,15
11	Cheaper air tickets, and thus competition with Bornholmstrafikken	14	1,02
15	Cheaper summer houses, better quality, decor	14	1,02
158	Reduce VAT	2	0,15
254	Make Bornholm tax- or VAT-free	4	0,29
79	Bornholm ought be tax-free	3	0,22
12	Cheaper camp sites	8	0,58
69	Combination of renting a holiday homes + travel expenses make the visit too expensive	5	0,37
171	Bornholm is more expensive than Southern Europe	1	0,07
40	Devaluate the Danish currency	13	0,95
271	Better possibilities for using/paying in own currency	1	0,07
16	Tax from summer houses hiring out should only go to Bornholm	1	0,07
	Shopping		
84	Better selection of fruit and/or vegetables the in shops	1	0,07
76	More shops where one can use credit cards	4	0,29
67	Too many souvenirs are out of taste; cheap trash	3	0,22
80	Longer opening hours	7	0,51
195	Better opening hours	2	0,15
98	Handicraft workshops and artists ought to have a longer season	1	0,07
123	Too few fish shops with a large choice	2	0,15
128	Not too many souvenirs at attractions	2	0,15
145	Later closing time	3	0,22

Code		Frequency	%
175	Sell snuff	1	0,07
196	Lack of souvenir shops	1	0,07
49	Lack of characteristic Christiansø souvenirs	1	0,07
46	Move artist workshop inside the shops	1	0,07
99	Changed regulations about selling beer vine	1	0,07
213	Cheaper alcohol	1	0,07
137	The ceramic factory ought to make ceramic not stoneware	1	0,07
141	There are no petrol stations selling lead-free 92 octane petrol	1	0,07
159	24 hour's service stations	1	0,07
230	Lack of a 24 hours kiosk in Rønne	1	0,07
205	Reopen the kiosk at Stampen	1	0,07
	Specific comments on seasonality		
10	Extend tourist season, more open shops and sights	74	5,41
	Comments on accommodation		
68	Cheaper, better accommodation in general	21	1,53
147	Better standard at north Bornholm	2	0,15
148	Hotels and cottages need to be improved	4	0,29
186	Better standard for schoolchildren	1	0,07
239	Always hot water in the tap	1	0,07
253	Establish huts in the forest where one can stay overnight	2	0,15
154	More romantic accommodation offers	1	0,07
	Camp sites		
13	Introduce time, when it must be quiet at camp site	1	0,07
157	More camp sites and cheaper	2	0,15
160	Introduce parking areas outside camp site for those who stay at the camp site	1	0,07
14	More frequently cleaning of camp site facilities	1	0,07
	Hotels		
17	Small, nice hotels, no big boxes, more cosy, comfortable	3	0,22
258	Lack of a 5 star hotel	1	0,07
	Summer cottages		
75	Better declaration of summer cottages	1	0,07
93	Better, more summer houses fitting into nature	3	0,22
133	Other days for changing summer houses not only Saturday	2	0,15
201	Shift day in rented house must not be Sunday	1	0,07
152	Bigger, longer beds	1	0,07
134	Less TV's in summer houses	1	0,07

Code		Frequency	%
224	Introduce small summer cottages for rent, e.g. for 2 persons	1	0,07
249	More small summer houses, e.g. just next to Hotel Griffen in Rønne	1	0,07
	Youth hostels		
78	Bathroom to each room at youth hostel – renovation/refurbishment	3	0,22
260	More, better facilities at youth hostels	1	0,07
229	Open a youth hostel at Christiansø	1	0,07
	Comments on food/restaurants		
248	Better food	1	0,07
51	Good restaurants too expensive, lack of better and cheaper deals	34	2,48
73	Quicker and better serving in cafes, restaurants etc.	3	0,22
64	More cafes, restaurants with atmosphere	7	0,51
41	Entertainment in pubs, restaurants	2	0,15
42	More evening entertainment e.g. by artists, night life, movies	19	1,39
140	Make the food better, change it	3	0,22
146	More diversified menus fx ecological/bio-dynamic, vegetarian	3	0,22
209	Hot meals at lunch time	1	0,07
215	Less fast food shops	2	0,15
65	Restaurant ought to be open at 11 am	2	0,15
135	The smoke houses may turn into cafeterias; keep the atmosphere	1	0,07
180	Gudhjem smoke house; it is unhygienic	1	0,07
	Comments on attractions + activities/events		
87	Most attractions do not live up to their reputation	1	0,07
142	Brændesgårdshaven ought to be more prepared for children	1	0,07
247	Improve opening hours at Sandvig public swimming pool	1	0,07
109	Baby pool in public swimming pool	2	0,15
226	Longer open hours at public swimming pools	1	0,07
39	Horse show at Hammershus was too expensive	1	0,07
126	Hammershus exhibition ought to be open until 5 pm	1	0,07
136	More performances at Hammershus	1	0,07
179	The medieval performance at Hammershus was too expensive	1	0,07
170	Avoid fairs and/ or markets like the Wild West Show in Rønne	1	0,07
	Marketing and Sales + Information services		
257	Better booking possibilities from abroad	1	0,07
199	More info to the tourist while staying in Bornholm	1	0,07
207	Advertise less	2	0,15
19	Joint marketing, effective tourism association, activity advertising	18	1,31
20	Better advertising for Bornholm in DK	1	0,07

Code		Frequency	%
21	Better advertising for Bornholm abroad, e.g. on TV	5	0,37
82	Be sure that tourists get some information about Bornholm	3	0,07
85	More coordinated effort for the sake of tourism	1	0,07
245	Abolish one days tourism	1	0,07
124	The book "Bornholm" ought to describe sights better	4	0,29
125	Free sights brochure, Bornholm this week	2	0,15
151	Cheap offers for families, e.g. ferries and stays	1	0,07
177	Less German tourists	6	0,44
188	Too many - families with children and pensioners, need more young people	1	0,07
187	Better marketing of culture and art, because of quality focus	1	0,07
192	Learn Swedish	1	0,07
203	More understandable German signposting, brochures etc	2	0,07
47	Lack of a map with all arts and crafts workshops marked	1	0,07
114	Lack of map with all nature camp sites marked	2	0,15
176	Better town maps	1	0,07
	Suggestions for new facilities and activities		
43	More action, more activity possibilities	11	0,80
61	More fun, entertainment and advertising about it	5	0,37
62	More possibilities for shopping, also evening and weekend	11	0,80
94	Info meetings about Bornholm	3	0,22
44	Let tourists be on their own, don't be too helpful	1	0,07
212	Lack of diving possibilities	1	0,07
26	German newspaper is difficult to get, more German info	3	0,22
268	Law about climbing	1	0,07
214	More lovely women	1	0,07
233	Air-conditioning in buses	1	0,07
236	Reopen Hammer lighthouse	1	0,07
241	No crime	1	0,07
256	Less waiting at casualty department	1	0,07
	Entertainment		
144	More places playing rock'n'roll, more concerts	2	0,15
262	Music festivals	2	0,15
86	More, better movies in the cinema	1	0,07
263	Cultural events	1	0,07
	New attractions		
167	More water worlds (aqua parks)	1	0,07

Code		Frequency	%
117	More amusement parks	2	0,15
	Improvements at attractions		
25	Display, signs at attractions in German, English	5	0,37
53	Make Ekkodalen (a valley where there supposedly should be an echo) and the rocking stones (a monolith that used to rock, but does not any longer) work	4	0,29
	Things for hire		
36	Hiring out surf items etc. at Dueodde	3	0,22
208	Roller skates hiring	1	0,07
174	Hire of mopeds/scooters	1	0,07
204	Hire of golf carts	1	0,07
143	More baby sitters	1	0,07
32	More possibilities for hiring a bicycle	3	0,22
90	Lend out bicycles for free (Copenhagen City Bike-concept)	1	0,07
111	Possibility to rent push chairs at tourist bureaux	1	0,07
	Financial services		
23	More automatic teller machines	4	0,29
161	More exchange possibilities	1	0,07
	Activities		
234	Guided walks in nature	2	0,15
27	More guided tours in German and/or English	3	0,22
246	Arrange angling, bicycle and walking tours	1	0,07
193	More sports activities	2	0,15
221	Offer Danish lessons to tourists	1	0,07
	Maps		
191	Sight map marked with coach tour	1	0,07
	Cycle paths		
28	More cycle paths, all ought to be separated from road	27	1,97
29	Better maps and better signposting of bicycle and foot paths	11	0,80
30	Bicycle paths ought to be tarred	8	0,58
33	Ban bike riding on foot paths, more real foot paths (for hikers only)	3	0,22
74	More bicycle paths on scenic coastal roads	13	0,95
108	Kiosks by bicycle paths	1	0,07
31	No gates at cycle path because of trouble with cycle trailer	1	0,07
118	Better info to cyclists, easiest way around Bornholm	1	0,07
130	Let cyclist use the foot paths too	1	0,07
	Foot paths		

Code		Frequency	%
138	Set up signs that tell whether paths are accessible with prams or not	2	0,15
269	Better safety precaution in nature, protection for walking paths	1	0,07
57	Better, more foot path in the woods	3	0,07
120	Better conditions for walking people	1	0,07
	Angling		
56	Better angling possibilities, also for professional fishermen	2	0,15
58	Lessons, guided tours for angling	1	0,07
255	Ban fishing with net	1	0,07
	Towns and landscape		
173	Clearance of shrubbery, take care of historic attractions	2	0,15
240	Towns/villages in the middle of Bornholm must be made more attractive	1	0,07
102	Careful restoration of towns, moderately upkeep, colours	4	0,29
127	Keep town atmosphere, more town/landscape preservation	1	0,07
273	Plant more trees along the roads	1	0,07
	Roads and traffic		
113	Fewer cars / less traffic, more pedestrian streets in towns	16	1,17
243	Better safety for traffic e.g. *more level crossings*	1	0,07
235	Abolish the pedestrian streets	*1*	*0,07*
210	Better roads / road connection, motorway all over Bornholm	2	0,15
238	Better road connections	1	0,07
211	Speed restrictions	1	0,07
34	Small roads are very bad, too narrow	6	0,44
155	More parking spaces	1	0,07
72	More picnic areas, roadside stops, areas with views	3	0,22
	Harbours		
250	Bigger harbours	1	0,07
182	More yachting harbours	1	0,07
38	Improvement of sanitary conditions at harbours	1	0,07
150	Pier improvement at Nørrekås	1	0,07
216	Marina in front of Hotel Griffen, Rønne	1	0,07
168	Harbour master must show where to moor	1	0,07
198	No or lower harbour dues from sailing boats	1	0,07
	Signposting		
112	Better, more detailed signs	22	1,61
116	Better signs at attractions	4	0,29
197	Better signs at Rønne harbour	2	0,15

Code		Frequency	%
	Beaches		
35	Lack of - bathing jetty, or a paved foot path to the beach	6	0,44
185	Drink, food stall on the beach	2	0,07
178	Fewer dogs on the beach	1	0,07
101	More quality and less discount e.g. set up blue flags by beach	4	0,29
37	Lack of life guards on the beach	1	0,07
	Children		
50	Lack of playgrounds in general	2	0,15
110	Better baby facilities in general	2	0,15
95	More entertainment, arrangements for children	1	0,07
	Dogs		
172	Forest for dogs	1	0,07
259	More places where dogs are permitted	1	0,07
	General infrastructure		
183	More casino's, and entertainment places	5	0,37
48	Reopen the railroad	2	0,15
139	Close down the foghorn at Dueodde	2	0,15
265	No ugly shops fronts or signs	2	0,15
181	Close all water worlds (aqua parks)	1	0,07
162	Bridge to Christiansø	1	0,07
202	Lack of garages	1	0,07
251	Stop granite quarrying	1	0,07
264	Collect rubbish more frequently	1	0,07
266	All year ferry to Christiansø	1	0,07
270	Better air connections to Germany	1	0,07
272	Very bad roads to the ferries in Rügen	1	0,07
184	Give the fishermen a chance, let them register in Poland	1	0,07
	Weather		
103	Warmer climate	4	0,29
218	Better weather forecast	1	0,07

Appendix C Bornholms Erhvervsknudepunkt

(direct translation: The Bornholm industry and trade nodal point)

Objective:

- to form a framework for strategic industry and labour market related discussions and through coordination to enable a joint effect of the regional industrial and labour market policy effort.
- And thus to function as a forum for discussion and information on subjects of general interest in industrial policy.

Members:

- The county mayor (chairman) and additionally one other representative from the county council.
- The mayors from the five municipalities in Bornholm.
- Chairman and vice-chairman for BER.
- Chairman and vice-chairman for the regional labour market council.

Secretariat: County/Regional administration.

Meeting frequency: Approximately every other month (6 meeting p.a.).

In October 2002 it was decided that the committee would continue its activities beyond the structural changes to take place as per 1 January 2003, as it was considered important to have the possibility to discuss matters important for the development of Bornholm and to have a committee that can make contact and discuss with the national government institutions in order to receive better support for the regional development. Additionally, the committee's role in carrying out and developing the *Perspective plan for the development of Bornholm, 2001-2005* was considered important.

It was decided that in the future the committee should have:

- 6 members from the Regional Municipality,
- 2 members from BER,
- and 2 members from the regional labour market council,
- and possibly the chairmen of LO / DA, if they are not amongst the members mentioned above.

Regional plan 2001

The county council of Bornholm accepted the *Regionplan 2001 for Bornholms Amt* on 20 December 2001.

The plan outlines the overall framework of development in Bornholm for the years of 2002-2005. The plan contains aims, guidelines for administration and planning and a report of the development to date as well as the state-of-the-art of development in Bornholm.

The plan is divided into sections on:

- The Øresund region
- Health
- Social matters
- Education
- Culture
- International activities
- Population, towns and country districts
- Industry and trade
- Nature, open air life and environment
- Large constructions
- Infrastructure

It is expected that the coming regional and local plans will be joined together in one plan.

Appendix D Glossary of terms

These explanations are not seen as precise definitions, but as a guide designed to minimise the risk of confusion simply on the basis of semantics, in those cases where varying definitions exists, this list also states the definition of terms as used in the thesis.

General terms

This list contains the key factors of the thesis:

Destination	A geographical defined area, which may take different shapes depending on whether it is demand- or supply-side defined. Often administrative boundaries determine a supply defined destination, whereas the movement radius of the individual visitor may define the destination from the demand-side. This thesis focuses mainly on the businesses and organisations that make up the destination.
Destination Marketing Organisation	An organisation, which takes care of promotional and other activities to increase and improve tourism to a given destination.
Peripheral area	A geographical defined area that is detached from larger urban centres. Additionally such an area will have certain socio-economic characteristics (low income, low level of education, low representation of age group 19-35 etc.), an industrial structure based on primary industries. Peripherality can be perceived where it is not necessarily real. Peripherality is also relative, e.g. we can have peripheral areas within counties, nations or continents.
Stakeholders	Here, the various 'players' at a destination, who are involved in or have an interest in tourism planning and development.
Tourism business	In this thesis there is a broad approach to the term of tourism businesses, in the sense, that also the businesses own viewpoint is taken into consideration, e.g. arts and crafts are very much considered tourism businesses in Bornholm, where they might not be considered as such elsewhere. As this thesis does not intend to measure economic impact it is not important to have a finite definition. Therefore, a very broad range of stakeholders is included in order to underpin, that tourism businesses and others at the destination gain from tourism, due to the multiplier effect (if there are no major leakages).

Marketing terms

This list contains the most generally used marketing terms:

Corporate plan/strategy	The expression of fundamental business policy involving long term plans, which are based on decisions to which marketing considerations will be a relevant but not the only input
The Marketing Concept	A business philosophy relevant to a climate of mass production and mass consumption, based upon consumer orientation, and a systematic coordination of all business processes in the system.
Marketing System	All stages involved in carrying on a business from the point at which a corporate strategy has been expressed, to the point of purchase by the final consumer
Marketing Plan	A formal document detailing the processes by which an organisation has arrived at its marketing objectives and stratagems and proposes to achieve them, and monitor the results. The plan will embrace every aspect of the system.
Marketing Functions	The means whereby marketing objectives and stratagem are achieved - involving approaches directly to the consumer, and indirectly to the wholesaler and/or retailer - in circumstances where the product and its price are already determined.
Consumer Promotion	The means of influencing consumers whether by advertising media (above the line), by PR, premium offers or other direct consumer influences (below the line).
Sales Promotion	The operation of the sales force and the means of influencing wholesalers and /or retailers whether by advertising media, by PR, merchandising or other influences aimed at the intermediaries.
Marketing Objectives	A precise and comprehensive statement of what the objectives of a company are, relevant to the already formulated corporate plan. The marketing objectives will typically cover a time span of from 1-3 years.
Marketing Stratagems	A precise and comprehensive statement of how the marketing objectives of a company will be achieved. Typically, each marketing objective will involve more than one stratagem.
Marketing Mix	The *decided configuration* of price, sales promotion and consumer promotion and distribution channels *in relation to the* product formulation.

Above/Below the Line Expenditure	Expenditure *out of the* marketing budget, which covers purchases of space in newspapers, TV, cinemas, posters, radio, and direct mail, is *typically referred to as* 'above the line'. Expenditure out of the marketing budget which covers premium offers (fights), premium discounts (money-off offers) coupons, merchandising, personality promotions, competitions, trade marks, and corporate identity is typically referred to as 'below the line'.

Promotion activities explained

	Broad definition
Promotional events: Point-of sale promotions Group invitations (e.g. taking travel agents to the destination) Social events (e.g. Embassy balls, or a cocktail-party on board a new ferry) Film shows Seminars Joint promotions with intermediaries Exhibitions Inaugurals (e.g. Concorde's first flight)	The message or hospitality are aimed at know opinion-formers (except for point-of-sale promotions)
Media activities: Press releases Press conferences Clipping and photo services Slide and film library	The message is aimed at known mass media for clarification and redirection to unknown consumers.
Public relations: Personal contacts (intermediaries, media and social leaders) Invitations to travel journalists Personal gifts	The message is based on personal persuasion aimed at known individuals; the final recipient though, is typically unknown.

Advertising: Daily or weekly press Magazines and periodicals Radio TV Hoardings and posters Window displays Trade press	The message is directed at unknown potential buyers.
Direct mailings: Letters Brochures Catalogues	The message is sent to selected potential buyers who may be known or unknown personally
Publicity items: Brochures (at point-of-sale) House magazines Souvenir gifts	The message is sent to selected intermediaries, who may be known or unknown personally. The brochures are there given to interested customers.

Promotional activities through DMOs

Promotional activities and communications channels	*Cooperative marketing partners*
Target: Potential Customers	
• General media advertising (Press, TV, radio, cinema)	In cooperation with the trade referring to place products or image advertising without direct partnership.
• Outdoor advertising (posters)	Image advertising.
• Direct mail or distribution of catalogues, brochures etc. upon request	Distribution of image catalogues or catalogues produced by the DMO in cooperation with place product providers, or distribution of trade catalogues against payment.
• Showing of travel films	Provision of video material to the media, image activity independent of product providers.
• Participation in travel exhibitions and travel fairs	In cooperation with the trade presenting the available place products.

• Enquiry and information service	Provision of pre-visit information, either general travel information or specific product information.
Target: Travel Markets	
• Trade press advertising	In cooperation with place product providers to obtain direct sales or offering mediation for buyers and sellers
• Newsletters and press releases	In cooperation with the trade, a DMO can inform about events and activities etc. taking place at the destination.
• Distribution of publicity materials (catalogues, brochures, audio-visual shows, provision of photo material)	A measure that is on the decline as tour operators and travel agents prefer material that is completely free for place product provider reference. Support for the production of agent's/operator's own material, e.g. through the provision of photographic material, is still welcomed.
• Familiarisation visit and seminars, workshops for sales staff	In cooperation with selected place product providers, a presentation of the destination is provided.
Target: Visitors/actual customers	
• Welcoming and reception service and local tourist information service	Welcoming and reception activities have hitherto been mainly associated with tour operators destination services, however, the introduction of Welcome centres in Denmark has transformed this to be an activity that lies within the DMO or TIC.
• Visitor surveys	Many larger tourism businesses carry out their own customer surveys, however, it is a sensible idea to let a DMO coordinate overall activities and collect information on the destination in general.
• Visitor assistance	Seldom carried out at the national level by the NTO, but often a part of local or regional DMOs. Some DMOs take the role of mediator between dissatisfied customers and the involved tourism business.

Target: General and travel media	
• Press conferences, press releases	Often in cooperation with the trade to create product awareness, but also in order to create general destination awareness.
• Providing editorial material	General information about a destination to the media, no direct cooperation with the trade necessary
• Familiarisation and media visits	In cooperation with the trade the positive aspects of the destination are presented on site.

Based upon Gartrell (1994) and own experience.