

Conference Communication

Managing Change in Tourism Destinations: Key Issues and Current Trends
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Marketing and Management, 2014

Abstract

This paper illustrates the major outcomes emerging from the EIASM Conference on Tourism Management and Tourism Related Issues held in Nice (France), September 20-21, 2012. While a number of managerial issues pertaining to the tourism field were dealt with, this communication in particular covers three specific areas of interest for destination management and marketing: (1) the increasing competition among tourism destinations and the rise and consolidation of BRIC countries as outbound travel markets; (2) the modification of the target markets for established tourism destinations; (3) the increasing importance of collaboration and especially cooperation not only within a tourism destination but also among destinations.

Keywords: tourism destinations, destination management, destination marketing, EIASM conference

1. Introduction

This article is a conference communication related to the *2nd International Conference on Tourism Management and Tourism Related Issues* organized by the European Institute for Advanced Studies in Management (EIASM) has been held in Nice, France, September 20-21, 2012. The conference, hosted by the University of Nice Sophia Antipolis - GREDEG CNRS, was attended by a large number of academics, representing 17 countries. It has gathered papers at the cutting edge of contemporary research in tourism, with topics ranging from destination management and marketing to strategies and performance in the tourism sector, to social responsibility and sustainability in the tourism sector, to ICT applications in tourism. The conference has proved to be a forum for the advancement of knowledge within the tourism field in general and the destination marketing and management field in particular. More specifically, in the article we illustrate several key issues and current trends that have been discussed during the short wrap-up session conducted by the chairs of the tracks and sessions related to destination management and marketing:

1. the increasing competition among tourism destinations and the rise and consolidation of BRIC countries as outbound travel markets;
2. the modification of the target markets for established tourism destinations;
3. the increasing importance of collaboration and especially cooperation not only within a tourism destination but also among destinations.

Each of the aforementioned issues and trends were identified as they appeared to be very relevant for a number of papers, in terms of their managerial and policy implications and their contribution to the development of tourism destinations

Consistently with the outcomes of the first edition whose best papers made it possible to publish a Special Issue of the journal *Anatolia* titled "*Managing Tourism in a Changing World*" (Eds. R. Baggio & M.M. Mariani), Volume 23(1) and an edited book with Routledge (Eds. R. Baggio, W. Czakon & M.M. Mariani, 2013), also this

second edition has attracted a number of high-quality submissions that are being organized into two further books titled “*Tourism Management, Marketing and Development: The Importance of Networks and ICTs*” and “*Tourism Management, Marketing, and Development: International Perspectives on Performance, Strategies, and Sustainability*”, which will be published by Palgrave Macmillan respectively in September 2014 and September 2015.

2. Key Issues and current trends

The key issues and current trends analyzed during the conference are three:

1. the increasing competition among tourism destinations and the rise and consolidation of BRIC countries as outbound travel markets;
2. the modification of the target markets for established tourism destinations;
3. the increasing importance of collaboration and especially competition not only within a tourism destination but also among destinations.

In what follows we scrutinize each and every of the aforementioned issues and trends:

2.1 The increasing competition among tourism destinations and the rise and consolidation of BRIC countries as outbound travel markets

The increasing competition among tourism destinations is a major trend that seems to become more and more relevant over time (Mariani & Baggio, 2012). According to the UNWTO forecasts included in *Tourism Towards 2030*, international arrivals in emerging economy destinations are expected to keep growing at double the pace (+4.4% year) of advanced economy ones (+2.2% a year). As a consequence, the share of international tourism to emerging economies will surpass in 2015 that to advanced ones, and many of the new arrivals will be to destinations in Asia, Latin America, Central and Eastern Europe, Africa and the Middle East.

In this framework BRIC countries are consolidating as outbound travel markets. A clear understanding of the evolution of the aforementioned markets is pivotal to develop actions to meet BRIC customers’ demand, adjust tourism policies and fine-tune the strategies of interested destination managers. A robust methodology has been worked out in the specific context of the Russian market (Furmanov, Balaeva & Predvoditeleva, 2012). More specifically the resulting forecasts indicate that Mediterranean countries are among those countries with the highest growth rate in three years ahead, with Tunisia, Egypt and Israel leading the ARIMAX ranking with expected growth rates of 42,2%, 31,3% and 31,1% respectively over the period 2012-2014 (Furmanov, Balaeva & Predvoditeleva, 2012). While not taking explicitly into account new phenomena of future political instability, the forecasts carried out can point to several interesting trends of the Russian demand for travel and tourism.

On the other side, the attractiveness of Italy as a tourist destination for Russians has been explored by measuring the unstructured images held by Russian travel intermediaries for such an established European destination as Italy (Mariani, 2012). Italy as a tourism destination displays several major strengths such as the variety of its offer (featuring history and culture as well as eno-gastronomic assets) and the lifestyle and hospitality of its people. Moreover it appears that after their first Italian experience with package tours including the “classic” Italian arts cities (and the Emilia-Romagna region as well) most of Russian tourists prefer to go back to Italy and either buy a tour featuring different destinations or construct their trip by themselves. Major weaknesses of the Italian supply (the scarce proficiency in the foreign language, the delay in replying to e-mail and inquiries, the inadequacy of

websites, the unreliability of Italian standards of hotel classifications) have to be coped with to match this growing demand, particularly for the Southern part of Italy. Accordingly it appears that more effort should be directed towards the construction of effective educational tours for prospective buyers.

The methodologies developed in the aforementioned papers for the specific cases of Russia (as a growing outbound travel market) and Italy (as an established tourism destination) can be leveraged in order to fruitfully analyze how established tourism destinations can tap the potential of growing outbound travel markets.

2.2 The modification of the target markets for established tourism destinations

Juxtaposed to the increasing competition among tourist destinations, we can identify a further trend: the modification of the target markets for established tourism destinations. Indeed classical target markets are changing and at the same time new target markets are emerging. Their perception of the destination's image variables, in relation to the importance they attach to them, is vital for the marketing and management strategies of Destination Management Organizations (DMOs).

According to Dolnicar (2008, p.147), who has offered a comprehensive record of the approaches and developments in segmentation "a wide variety of alternative techniques can be used to identify or construct segments. Approaches range from simple commonsense segmentations (where tourists are split on the basis of a predefined personal characteristic) to multidimensional data-driven approaches where a set of tourist characteristics is used as the basis for grouping. Of course, managers may be interested in exploring combinations of simultaneously constructed market segments". The study conducted by Vitouladiti on an established island destination in Greece (Vitouladiti, 2012) combines one of the simple commonsense approaches (demographic characteristics) with a data driven approach (important benefits sought by the visitors) in order to create market segments and achieve a deeper understanding of the various segments characterizing today's competitive and evolving business environment. Firstly, the research points to a change of needs and desires of the classical target markets, as well as an evolution in their profile, making them more demanding. At the same time new and currently unidentified target markets are emerging, which have never been targeted. Therefore, the study confirms that improvements in education and welfare in European countries have diversified the profiles of the consumers, their wants, motives and preferences and have increased the quality standard demanded.

Secondly, the perceptions of these target markets (the classical and the new ones) were used in order to separate the naïve from the reevaluated destination image. The research conducted reveals the positive and negative modifications of the image variables, in relation to their importance for the visitors, and proves that experience has an extensive research interest and can guide the destination marketers.

This innovative approach indicates that the most important variables for destination choice are the ones modified more negatively: indeed the emerging target markets have expressed the more negative comments. This is an issue of great importance since these segments are the more likely to be targeted by the competition. As a consequence, destination marketers should combine the marketing mix variables in order to approach the new segments and satisfy the evolved demands of the classical clientele. The study offers several implications for a series of immediate actions which concern targeted policies in infrastructure, superstructure and projects aimed to enhance the natural and cultural environment and to strengthen the offered product.

Moreover, it offers guidelines for product differentiation and suggestions for the best allocation of declining marketing budgets to effective advertising campaigns.

2.3 The increasing importance of collaboration and especially co-competition not only within a destination but also among destinations

While competition among tourism destination is increasing significantly, competitive advantage is typically sustained on a shorter and shorter span of time. This makes collaboration and cooperation within a tourism destination and among destinations a relevant strategy for a destination to achieve a competitive advantage in the longer run (Buhalis & Cooper, 1998; Fyall, Garrod, & Wang, 2012).

On one hand, collaboration between the public sphere and the private sector is crucial for destination marketing and management.. As underlined in one of the conference papers (Piotrowski & Czernek, 2012), Destination Management Organizations (DMOs) should coordinate the efforts of private companies in order to instill them a culture for cooperation and get them to cooperate towards the shared aim of better destination marketing (Fyall & Garrod, 2005).

Accordingly tourism businesses will both compete and cooperate simultaneously with other companies and build a complex and dense system of inter-organizational relationships (Wang, 2008; Fyall, Garrod, & Wang, 2012) whose nature can be explained only by adopting the theoretical perspective developed in co-competition literature. Co-opetition has been described by Mariani and Kylanden (2012) with a study of several business cases in tourism resorts and theme parks in both Italy and Finland, where competing, co-located companies also collaborate (Kylanen & Mariani, 2012; Mariani & Kylanen, 2012). They find that cooperation and co-competition among tourism businesses often shift from a prevalently short-term basis to a long term one when public and private stakeholders understand the benefits accruing to cooperation in terms of enhancement of the brand image of the destination and attraction of a higher number of visitors, by leveraging the destination's multifaceted assets. These findings are in line with the idea that the achievement of "collaborative advantage" is sometimes more relevant than the achievement of "competitive advantage" (Chen & Paulraj, 2004). However they seem to suggest that "co-competitive advantage" has remained relatively unexplored and confined so far to a black impenetrable black box.

On the other hand collaboration between destinations can be instrumental to improve the value of a supra-national territory. This is portrayed in a case study exploring the role of transnational transport connections in enhancing the accessibility of cities in the Eastern Baltic Sea Region (Paajanen, 2012). The case taken in consideration (Rail Baltica) is an example of supranational promotion of multimodal transport in the Baltic Sea Region in order to improve accessibility of cities, regions, countries and the whole Region for the benefit of its residents and visitors. The supranational nature of the endeavor has had an effect on its political visibility and social importance also because improving rail connection is an important part of reconnecting Eastern Europe to the EU, thus laying the bases to build a regional identity for the region and in constructing a BSR brand that might enhance the global competitiveness of the supra-national area under consideration.

3. Critical reflections

Several major reflections on the three aforementioned trends and issues have been carried out by the authors and presenters of the conference. They are hereby illustrated:

3.1 Investing more in those countries which are growing faster in terms of outbound tourism is a good starting point but does not automatically guarantee competitive success.

Indeed in many of the cases analyzed by conference participants (Mariani, 2012; Majewska & Truskolaski, 2012) operational marketing at the destination level is not effective as it is scarcely based on careful strategic analyses and forecasts of the market potential of emerging outbound travel markets such as the Russian Federation (see Furmanov, Balaeva & Predvoditeleva, 2012; Mariani, 2012) but rather based on secondary data which are not necessarily collected on the basis of a research protocol developed by the individual destination management organizations. Additionally, more attention should be paid to the role that ICT might play in promoting for example artistic destinations in Italy or post-industrial sites in Poland (Mariani, 2012; Majewska & Truskolaski, 2012) especially in a period characterized by a profound change in public sector support for tourism and overall austerity measures (Coles, Dinan, & Hutchison, 2012; Hays, Page, & Buhalis, 2013). However, while investing on ICT applications represents a cost effective way to promote a destination, it does not guarantee automatically a competitive advantage. In fact, in many cases the rhetoric of ICT applications and the buzzwords related to “social media” and the “Web 2.0” (Leung et al., 2013) overshadows the importance of a critical understanding and far-seeing analysis of the different and diverse digital cultures of emerging markets: a very interesting example in this sense is represented by the Russian market (Fotis, Buhalis & Rossides, 2011). As a consequence, both established and emerging tourism destinations should be able to interpret the aforementioned ongoing changes and modify their market strategies and tourism policies in light of the different digital cultures, and with the aim to develop tourism products/destination more in line with the changed and ICT-driven tourists’ wants and needs for information (Gursoy & McCleary, 2004; Buhalis & Law, 2008). In conclusion, identifying the countries with the highest growing perspectives should be the end result of an accurate process involving in depth research involving strategic analyses and forecasts carried out on the basis of reliable primary data subsequently elaborated through sound statistical tools and techniques.

3.2 Understanding how the target markets evolve is an irreplaceable step to successfully capture the business opportunities that they bring about.

Globalization, technological development and increasing competition among destinations are leading to fast changes in the markets and destination management organizations should be able to anticipate these changes through more market research (Vitouladiti, 2012). Attention should be paid to the change of target markets’ needs triggered by technologic innovations (Buhalis & Law, 2000) and specifically to a new feature of markets: *mobiquity*, i.e. mobility and ubiquity allowed by the spread of smartphones, the emergence of NFC (or QR codes) which contextualize the mobile applications and services and increase the strategic role of the destinations. Moreover, the huge development of free access to local public data (Open Data) increases the ways target markets make sense of the destinations (Longhi, Titz & Viallis, 2012). The emergence of the disruptive technologies under *mobiquity* combined with the aforementioned data revolution are profoundly changing the whole industry, bringing along new technologies, new knowledge bases,

new roles for the different stakeholders. Moreover, a potential risk of “data divide” could emerge. More research has to be done in order to gain a better understanding of this renewed tourism industry, and to adapt public policies and managerial strategies to face these new challenges. Overall, it appears that the process through which data is collected and elaborated – in light of the new technologies – is bringing about differentiated outcomes in terms of their overall interpretation and use for destination marketing.

3.3 Collaborative and especially co-competitive attitudes both within destinations and among destinations can generate positive benefits for all of the actors involved. In a hyper-competitive tourism sector, pure competition is not the only way to achieve a sustainable competitive advantage at the destination level, but in many cases collaborative and cooperative logics should be undertaken by decision makers both within destinations (i.e., between public and private stakeholders) and among destinations (e.g., between NTOs or relevant DMOs). As pointed out in the most recent literature by Fyall, Garrod & Wang (2012), to be effective in highly dynamic and turbulent environments, destinations need to perform well in the three collaborative dimensions of organic, mediated intra-destination and mediated intra- and inter- destination, “if they are to maximize their “collaborative” advantage” (page 23). According to Mariani and Kylanden, this state of affairs is making co-competitive strategies and relationships more and more suitable for the current economic environment because they allow both destinations and individual tourism companies to strike a balance between cooperation and competition that can be adapted over time according to the changed market conditions. As a consequence, destinations will be more prone to achieve a co-competitive than a competitive advantage in the near future trying to carry out differential cost/benefit analyses of different co-competitive solutions. More specifically, competing, co-located companies in a specific region typically have also to cooperate for destination marketing purposes, if they want to improve the attractiveness of the destination. On balance their overall performance will be highly dependent on their ability to leverage their co-competitive relationships. The same would apply – *mutatis mutandis* – to destinations simultaneously competing and cooperating. Generally speaking, both tourism companies and tourism destinations should carefully ponder the advantages and costs stemming from the specific co-competitive relationships they are engaging in and this process should be iterated over time as the way cooperation can mix with competition can be changing at any specific moment in time.

4. Concluding remarks

In this concluding paragraph we highlight what do the aforementioned issues and trends identified mean for policymakers, academics and future research.

First it seems that policymakers (at any level of government) should pay more attention to and financially support in depth research involving strategic analyses and forecasts carried out on the basis of reliable primary data subsequently elaborated through sound statistical tools and techniques: this could help not only identifying the most profitable outbound markets and segments but also to craft the most suitable

operational marketing tools to selectively target the most interesting segments. In other words analysis should always come before any action; additionally action based just on secondary data and/or collected with opaque research protocols often lead to biased marketing tactics for the destination itself.

Secondly, it appears that academics should be more involved in developing new techniques able to describe how target markets evolve over time and push their academic interest on innovative tools in the field of destination branding. Accordingly, techniques such as the separation of the naïve from the reevaluated tourism destination image should be devoted more attention in light of the crucial role they could play for destination marketers.

Last but not least future research might be directed towards the understanding of how different cooperative arrangements both within destinations and between destinations could affect the way destination can leverage their marketing strategies over time in order to gain a cooperative advantage.

Acknowledgements

The authors are extremely grateful to the colleagues who participated in the first two editions of the EIASM Conference on Tourism Management and Tourism Related Issues, while they are particularly thankful to Alan Fyall and two anonymous referees for their precious suggestions on earlier versions of this paper.

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