

# The effectiveness of destination marketing



Destination marketing plays an essential role for developing and preserving a location's popularity, and consequently it enhances sustained destination competitiveness. Overall, destinations use a combination of marketing communication tools to support their strategies in order to alter themselves from others. Such marketing strategies has been an effective mean in trying to attract and increase visitor numbers, and maintain stays within destinations. This paper is set in the context of small island destinations, focusing on the Seychelles Archipelago. Innovation in communication channels has improved marketing efficiency of small island developing states. However, these destinations face particular challenges when seeking to compete in the global market. Destination marketers have to proactively shape, adapt to, and inertly struggle through changes in customer preferences, fierce competitions, and technological progress. More recently, the prevailing global economic crisis has worsened these challenges when competing on the international market. This descriptive research attempts to provide an analytical insight into destination marketing activities in the Seychelles. The biggest challenge for such economies lies in the pooling of resources especially as they face pressure on already limited funds. Consequently, the study focuses on reviewing destination marketing activities and tools utilized in the Seychelles and measuring their effectiveness from both destination marketers' and visitors' perspectives. Primary data used were gathered using a survey based approach through self-administered questionnaires. The findings of the study revealed that although the marketing campaigns in Seychelles have proven to be relatively effective, marketers cannot neglect the minority of visitors who did not share the same opinion. Recommendation is thus made to continuously conduct

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market research so as to keep pace with the different needs and changing expectations of the targeted markets, and to adopt and implement strategic solutions to sustain positive arrival growth and customer satisfaction.

Keywords: destination marketing, marketing framework, Small Island developing States

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## Introduction

Island tourism has been a subject of increasing interest to researchers in terms of its contribution to social and economic development and resulting impacts (Conlin and Baum 1995; Lockhart 1995; Russell 2006). There has recently been debates about their sustainability also. (Weaver 2000; Bianchi 2004; Oreja-Rodríguez et al 2008. Tourism destination marketing is amongst the most prominent and influential means of inducing increasing visitation and maintaining stays within a destination, (Blum and Fallon, 2002; Cortes-Jimenez et al, 2009).

Ideally, destination marketing is conducted using a combination of marketing instruments with careful management of the four P's (Product, Place, Price, and Promotion), which is done in accordance with consumers needs to woo and capture the right audience, (Zupanovic, 2007). Destination marketing is usually the function of non-profit entities, so-called Destination Marketing Organizations (DMOs), (Blumberg, 2000) generally responsible for generating tourist visitation for a given area. According to WTO (2004: 10) '..... destination marketing covers all the activities and processes to bring buyers

and sellers together; focuses on responding to consumer demands and competitive positioning; and involves making decisions about the product, branding, price, market segmentation, promotion and distribution’.

Destination marketing involves a plethora of stakeholders who are responsible for creating the total offer (Wang, 2008). Given the complexity and interdependency among stakeholders, (Soteriades and Avgeli, 2007), destination marketing is increasingly being undertaken using a collaborative approach connecting the various public and private stakeholders while pooling on financial and human resources (Wang, 2008). The marketing tools that island destinations use depends on their types of the tourism product and their market characteristics (Buhalis, 2000; Wang and Krakover, 2008). Small island nations, have benefitted from developments and innovations in marketing tools and this has lead to an improvement in their marketing efficiency (Martin, 2008). The biggest challenge for SIDs lies in the pooling of resources as they already face pressure on limited funds (Gretzel et al 2006). Such constraints can however be overcome by designing effective strategies. (Sheldon, 1997). The aims of this study are hence to review and evaluate the effectiveness of destination marketing campaigns in the Seychelles Islands, identify the challenges and opportunities faced by destination marketers, measure the effectiveness of destinations marketing campaigns in Seychelles from both destination marketers’ and visitors’ perspectives and assess their responses to the radical changes taking place in the global environment so as to ensure future destination marketing success.

Destination marketers often use a myriad of traditional promotional sources. Owing to the intangibility of tourism products, promotional materials are deemed significant given that they represent the 'destination tourism product' (Sirakaya and Sonmez 2000). Advertising is the most visible activity of destination marketers and the most manifest form of promotion aimed at either consumers or the travel trade and includes use of prints, television, radio, outdoor and predominantly the internet. With the increasing trend in internet use (Gretzel, et al, 2000; Soteriades and Avgeli, 2007) and purchase of online holidays, the internet provides small island destinations to receive maximum visibility internationally. Personal selling is another prominent tool used in travel trade through trade shows, exhibitions and events, trade familiarization tours, training workshops, media trips, meetings and conventions, (Dore and Crouch, 2003).

Sales promotion technique is used by individual operators of tourism products whilst DMOs' use of such technique is limited to facilitating promotional partnerships among organizations. Direct marketing methods have also been given prominence in destination marketing, (Murphy, 2003) with increasing use of direct mail of destination brochures and visitor guides/magazines and the extensive use of global distribution systems and destination websites. According to Dore and Crouch (2003), publicity campaigns is useful in targeting and developing new market segments, capitalize on major events such as sporting events, soften or reverse adverse trends such as the decline in leisure traveling following the prevailing economic crisis, or to improve poor public relations.

Small island destinations also make use of intermediaries more particularly tour operators and travel agencies (Lopez and Baum, 2004). The latter further contends that tour operators have conventionally been an important figure in tourism distribution channels serving small islands such as the Balearics, Canaries, and Turkey. Being an intermediary looking at the demand and supply sides and having higher credibility and ability to reach mass crowds, island destinations depend on tour operators to sell the existing capacity of tourism facilities (Dore and Crouch, 2003).

A wide range of pricing techniques are also applicable when it comes to marketing SIDs (Kotler et al, 2010). Buhalis, (2000) discusses pricing can in essence deter or attract visitors, and thus pricing policies should be enforced on maintaining fairly standardized price structures. Due to their vulnerable economies, SIDs often overprice their tourism products in order to boost their profitability, (Buhalis, 2000). For especially long haul island destinations, pricing plays a vital role in determining the willingness and ability of travelers to visit. However, as Holloway (2010), argues destinations can only charge premium prices if they offer a unique experiences. To support this, certain destinations e. g. Mauritius, Seychelles, are branded and promoted as unique-exotic-exclusive and are regarded as offering a unique, 'one-in-a-lifetime' experience and thus promoted at premium prices, (Buhalis, 2000).

### **Marketing the competitiveness of small island destinations**

For small island destinations, the deployment of the mere basic traditional marketing mix is evidently not sufficient in face of a competitive market.

Unlike developed, mainland destinations, islands rely exclusively on external

markets for tourism given that their small size limits the potential for domestic tourism, (Reid and Reid, 1994). Thus, accessing these markets requires substantial capital, (Ogilvy and Mather, 1988), economies of scale, management and marketing skills, presence in the electronic marketplace, among others, (Furr and Bonn, 1998; Buhalis, 1999; Main, 2002) which are already lacking in such nations. However, several authors are in consensus that small island nations have features and characteristics which give them a distinctive status among global tourism markets, (Reid and Reid, 1994; Baum, 1998; Lockhart, 1997; Lopez and Baum, 2004; Sharpley, 2001; Conlin and Baum 1995; Martin, 2008). These dissimilarities have strong implications upon marketing initiatives which they must utilize using the aforementioned conventional marketing tools in order to attract visitors and thus compete in the global market, (Baum, 1998). Remoteness, perceived 'difference', smaller size, slower pace of life, distinct culture, exotic wildlife, and pristine environment are some of the basic distinctive attributes of islands (Baum, 1997; Lockhart, 1997). Such attributes have the potential to appeal to a particular spectrum of visitors, and often paradises like the Seychelles, Mauritius, Maldives predominates visitors' interests in search of distant and exotic locations. Small islands are also seen as more 'socially cohesive and as having a greater degree of political stability and social homogeneity which makes them very attractive to foreign investors' (Martin, 2008).

Overview of Seychelles and its marketing strategies as a tourist destination

Seychelles is a Unique Archipelago comprising of around 115 islands in the Western Indian Ocean. Till-to-date, tourism remains the pillar of the country's economy, through direct and indirect contributions to GDP and through

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inflows of foreign currency including tourism receipts and foreign direct investment.

Promoting tourism to the Seychelles was entrusted to the Seychelles Marketing Authority (STMA) established in June 1999 as the official destination marketing organization representing the local community. Since the year 2000, Seychelles had largely been marketed under a black and white campaign using the slogan 'as pure as it gets', with the focal point of Seychelles' 'untouched beauty and natural perfection'. A myriad of marketing tools was employed including magazine and website advertising as well as joint promotions with stakeholders, which featured highly evocative black and white imagery to portray Seychelles' Unique Selling Points (USPs).

In 2005, the destination marketing function was conferred to the Seychelles Tourism Board (STB) which in 2008 became a parastatal organization after it was handed over to the private sector whilst the government moved back to being the 'facilitator' of the industry. At the onset of its establishment, STB continued in pursuing the tasks of the previous DMO until 2007 where it unveiled a new tourism brand bearing the slogan, 'Not just another place, another world' with the aim of moving away from the traditional promotion of Sun, Sea, Sand, to reflecting the diversity of Seychelles. With this saw changes towards a fully-fledged e-marketing section, greater enforcement on Seychelles' USPs and the launching of the 'Affordable Seychelles Campaign' in March 2009 at the ITB trade fair in Berlin to help promote the country's smaller establishments under the brand name 'Seychelles Secrets'.

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## Methodology

## Result Findings and Discussion

### **Destination marketing activities**

To gather feedback for the effectiveness of the destination marketing campaigns in Seychelles, answers derived from the open-ended questions were analysed. Respondents being destination marketers grouped by type of tourism organization, is attached in Appendix A. The importance of collaborative marketing has been highlighted in the literature, (Baker and Cameron 2007).

Most organizations used the Internet, and this marketing tool as depicted from the responses shows that it generates destination awareness and attracts the masses given that customers are nowadays empowered through the use of technology to make their own travel decisions further argued by King (2002). Moreover, online tools help achieve printing and distribution cost savings and most importantly portray Seychelles' Unique Selling Points while enhancing the destination's competitiveness. However, one limitation of such tools as stated by the respondents is the increasing competition as almost all destinations indulge in internet advertising.

Despite increasing direct marketing to consumers via the internet, a large number of travellers to Seychelles prefer packaged holidays organized by Tour Operators(T. Os). T. Os play a significant role in influencing large number of customers thus educating them are critical. This argument is supported by Budeanu, (2005) who revealed that T. Os are recognized as holding a great power of influence for triggering essential changes in

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attitudes and actions of producers and consumers, towards more sustainable tourism practices. Media trips are also organized to attract international media with the aim of generating free publicity.

Other marketing tools used are joint trade promotions, presentation to travel trade, other types of advertising, e. g. banner ads, magazines, newsletters and different pricing strategies as practiced by airlines. Travel trade allows marketers to get into contact with trade partners and consumers directly and differential pricing is a way of attracting visitation and increasing yield. Sales figures and visitor statistics reports are the main measurement tools employed to indicate success. To a lesser extent, number of confirmed bookings, surveys and amount spent per TO are other measurement tools practiced by some organizations.

### **Effectiveness of marketing campaigns from destination marketers' perspectives**

A 5-point likert-scale questions was used to find out the effectiveness of marketing campaigns in terms of attracting visitors and financial expectations . The effectiveness of marketing campaigns in terms of attracting visitors had a mean score of 3. 88 and financial expectations 3. 94. The mean scores for each statement were calculated and presented in table 1. 1.

A t-test was carried out to investigate the reliability of the mean scores and the significance 2-tailed at . 000 demonstrates that the means were statistically reliable with no significant difference. As can be observed from the table, the responses lean towards the positive end of the spectrum with

the majority rating 'agree'. This suggests that marketing campaigns are relatively successful in meeting marketing objectives in terms of positive tourist figures having significant impact on return on investment not only for tourism businesses but for the overall economic growth of the archipelago. The main measurement tool used by destination marketers to measure tourist arrivals is visitor statistics, making it difficult in evaluating if and how the campaigns exerts influence on visitor behaviour. The factors which influence visitors' travel behavior are many and varied, making it rather complex to isolate the effects of marketing from a range of exogenous and endogenous variables as discussed by (Sirakaya and Woodside 2005).

Furthermore, as depicted from the table, the mean score for financial expectations is slightly higher than for attracting visitors which conveys the effectiveness of marketing efforts on focusing on increasing yield and expenditure per visitor rather than headcount. The upper end of the tourist market which is the prime market segment of the Seychelles is capable of generating the highest per person yield.

### **Effectiveness of marketing campaigns from visitors' perspectives: Seychelles' international tourist markets**

Raising awareness and visibility of Seychelles is crucial and with most respondents agreeing that they are aware of Seychelles marketing campaigns, shows that despite their travel behaviour was not influenced by these campaigns, they are aware such activities exist in their home country, thus confirming the campaigns are to some extent effective in raising Seychelles' destination visibility and awareness. Nonetheless it has to be noted that promotional efforts and campaigns to penetrate new markets are

relatively new which can thus justify the low response rate from other continents.

Cross tabulation analysis was used to identify the countries in which Seychelles promotes its destination and in which ones it does not.

Frequency of visit

### **Visitation frequency**

Fig 2. 1 shows the number of trips made to the Seychelles islands. 49% of the respondents were first-time visitors whilst 36% was on their second visit and 15% visited Seychelles more than twice. Although the graph shows a slump in visitation frequency, repeat visitor markets appear to be substantial with a total of 51% calculated from the last two categories. The adjacent graph (Fig 2. 2), illustrates a cross tabulation analysis of marketing campaigns' influence on visitation frequency. As depicted from the figure, the majority of respondents voted ' Definitely' and ' Probably'.

The high level of repeat visitation rating ' Definitely' indicates the effectiveness in Seychelles' marketing concentration strategies aimed at consolidating and strengthening of its existing core markets. This demonstrates Seychelles' ability in luring repeat visitors through marketing initiatives such viral marketing (word of mouth), relationship marketing, loyalty and reward campaigns to generate loyalty and promote referrals. The benefits of repeat visitation are substantial especially the economic benefits associated with it including lower investment as argued by Oppermann, (1998). Positive responses from first-time visitors convey the effectiveness of marketing campaigns in tapping new customers. However, we can also

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argue that marketing campaigns may not have been the main driving force behind visitation for first time visitors as evidenced by a large proportion of ‘Probably’. Visitors may have been influenced by a host of other factors such as VFRs. Nonetheless, as argued in the literature, whilst market concentration is highly beneficial to a destination, Seychelles should also increase commitment to market diversification, in order to attract new customers and strive to turn them into repeat visitors, (Yuksel, 2001).

### **Purpose of visit and destination selection**

Table 2. 1 shows a cross tabulation analysis of whether purpose of visit influenced decision to choose Seychelles as a vacation destination. Out of the 100 respondents, the majority claimed that marketing campaigns influenced their destination selection decision with ratings of 45. 8% for ‘Definitely’ and 33. 7% for ‘Probably’. As depicted from the table, the highest frequency of respondents which indicated that their visit was influenced by marketing campaigns is in the ‘Leisure’ category with 42. 2% voting ‘definitely’ and 26. 5 % voting ‘probably’.

Indeed, it has been argued by Buhalis (2000), that for both leisure and business markets, destination image is perhaps the most important criterion for destination selection. Nevertheless, what can be deduced from the responses is that leisure travellers are more likely to consult marketing materials to plan their trips as a good number of them seek assistance from marketing intermediaries. On the contrary, by its very nature business pursuits do not necessarily rely on campaigns. This explains why marketing activities in Seychelles are geared towards recreationally-oriented visitors.

## **Marketing campaign information and actual experience**

Fairweather and Swaffield (2002) argued, when visitors encounter settings and experiences that are in line with their expectations, their evaluations can be very positive owing to their satisfaction. Table 3 compares the quality of information provided by marketing campaigns with actual experience at the destination. The results show a positive response for the Seychelles destination which implies that there is equilibrium between perception and expectations of the destination resulting from communication of the proper and accurate information to consumers. However, we cannot disregard the minority of respondents (4.8%) who rated 'strongly disagree', suggesting to a small extent there is a mismatch. Information may be either lacking or exaggerated resulting in a gap between expectations and perceptions. In this context, there is the need to re-align marketing efforts in order to level the gap so as to ensure customer satisfaction and increase destination competitiveness.

### Actual destination experience and extended stays/ future trips

Cross tabulation analysis was employed to find the relationship between actual experience at the destination and the degree to which such influenced decision to stay extra days illustrated by Table 4. The responses were skewed towards the high end of the continuum with a total of 25.3% of 'agree/definitely'. The highest frequencies are slanted towards the positive end with 26.5% of 'agree/definitely', 21.7% of 'agree/probably', and 18.1% of 'strongly agree/definitely'. 10.8% was calculated for 'neither agree nor disagree/probably'

The above findings show that satisfaction arising from actual experience of the destination has enticed visitors to extend their stays and make future trips to the Seychelles. Tourist satisfaction represents a key measure of destination evaluation which relative to the prior evaluation may have stemmed from the information received prior to visitation and the actual experience of the destination. However we can also argue that decision may not necessarily have been influenced by marketing campaigns but rather driven by tourists' satisfaction arising exclusively from experience of the islands.

When visiting a destination, tourists interact with many different components of the destination product, including services and facilities, the physical environment, attractions, social encounters, etc. The quality of these interactions and experiences in the Seychelles with numerous encounters in the total holiday experience may have formed the basis for overall holiday satisfaction and impact on extending stays and future travel decisions. As suggested by Lockhart, D. (1997) future travel behaviour may be influenced by the nature as well as extent of past travel experience. Nonetheless, this finding correlates with the high level of repeat visitation discussed earlier which benefits the Seychelles through generating loyalty and stimulating positive word-of-mouth.

## **Conclusion**

Islands are of significance in tourism terms because of the inherent attractions they have for visitors (Budeanu, 2005). The current study using a qualitative and quantitative approach provides an analytical review of the effectiveness of destination marketing activities in the Seychelles islands.

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Cooperative marketing between the Tourism Board and other local tourism suppliers is being undertaken to promote the destination's image. Traditional marketing tools are exploited to communicate to the market about Seychelles unique characteristics. The research has also revealed that the effectiveness of marketing campaigns is positively skewed. For destination marketers, marketing campaigns are successful in terms of attracting visitors and having a positive return on investment whilst for visitors the campaigns were effective in terms of equilibrium between information provided with actual experience of the destination which subsequently encouraged longer stays and repeat visits. It was also found that the majority of the respondents were in consensus that Seychelles' marketing campaigns is effective compared to neighbouring islands. Despite efforts to diversify, Europe remains the dominant market for the Seychelles. Leisure travellers rather than Business travellers are also more inclined to be influenced by Seychelles marketing campaigns.

The research also provided a holistic view in exploring threats that compromise marketing efforts in the Seychelles and opportunities that are present. The main challenges confronting destinations marketers are the economic hurdles, stiff competition, changing customer expectations and needs and lack of resources namely limited funds. However, Seychelles's destination marketers are also witnessing numerous opportunities including new market potentials, technological advancements and innovation, the potential to be selected as the preferred destination due to sustainability approach and new offices and representatives overseas. Destination marketers hence still need to maintain and build on Seychelles' position in



the world and to continually develop its markets and diversify its propositions.