

Marketing strategy development

A company can outperform rivals only if it can establish a difference that it can preserve.

Porter (1996, p. 62)

Aims

The aims of this chapter are to enhance understanding of:

- the purpose of the DMO vision, mission, goals, and objectives
- a strategy design framework
- sources of comparative and competitive advantage.



Perspective

The increasing competitiveness of tourism markets, cluttered with the offers of substitute products and countless destinations promoting similar benefits, forces DMOs at all levels to develop effective differentiation strategies. Strategic marketing planning is a proactive attempt by the DMO to shape a positive future by establishing a differentiated, meaningful and accurate position in the minds of target consumers. In Chapter 1 it was proposed destination marketing is (1) a forward thinking discipline, which (2) involves matching organisational resources with environment opportunities. These two concepts underpin strategy design. Ultimately, the ability to implement strategy is as critical as the quality of the strategy. One of the main shortcomings in strategy implementation is the failure to translate strategic goals into a practical guide about those factors that are critical to the achievement of the targets. While later sections of the text focus on implementation and performance measurement, this chapter provides a framework for developing effective strategic goals and articulating these to stakeholders. Central to the framework are three tools: the SWOT Matrix, STEEPL analysis, and VRIO Resource Model.

Vision and values

Much of marketing planning is about finding opportunities to meet unmet consumer needs. Marketing is therefore a forward thinking exercise, and it is often useful for DMOs to articulate an envisioned future as a way of rallying and motivating stakeholders. A destination vision has been described as an 'inspirational portrait of an ideal future that the destination hopes to bring about at some defined future' (Goeldner et al., 2000, p. 445). Table 8.1 highlights a number of DMO vision statements which tend to articulate aspects of future destination competitiveness.

Following Collins and Poras (1997, p. 87), it is important to understand that vision statements should essentially be verbalising what the organisation already stands for, rather than an attempt to calculate what would be the most pragmatic or popular. An important element in the vision design is therefore an understanding of the organisation's values, which are a small set of deeply held and enduring beliefs. Collins and Poras found visionary organisations tended to have between three and six simply stated core values, but that there was no single common ideology:

Our research indicates that the authenticity of the ideology and the extent to which a company attains consistent alignment with that ideology counts more than the content of the ideology.

Some firms feature customers at the core, others feature staff, some feature services, some feature risk taking, while others feature innovation. The core values of three tourism service-related firms from an extensive list compiled by Collins and Poras (pp. 68–71) is shown in Table 8.2.

Table 8.1 DMO vision statements

NTO	Vision
Tourism Australia	Tourism Australia is a leverage marketing organisation that has adopted the vision to become and remain the best DMO on the planet (www.tourism.australia.com)
Canadian Tourism Commission	Canada will be the premier four-season destination to connect with nature and to experience diverse cultures and communities (Smith, 2003, p. 131)
Tourism New Zealand	New Zealand is known as the ultimate destination for interactive travellers (TNZ, 2004, p. 5)

Table 8.2 Examples of core values

Firm	Values
Walt Disney	<ul style="list-style-type: none"> • No cynicism allowed • Fanatical attention to consistency and detail • Continuous progress via creativity, dreams, and imagination • Fanatical control and preservation of Disney's 'Magic' image • 'To bring happiness to millions' and to celebrate, nurture, and promulgate 'wholesome American values'
Marriott	<ul style="list-style-type: none"> • Friendly service and excellent value (customers are guests); 'make people away from home feel that they're among friends and really wanted' • People are number 1 – treat them well, expect a lot, and the rest will follow • Work hard, yet keep it fun • Continual self-improvement • Overcoming adversity to build character
American Express	<ul style="list-style-type: none"> • Heroic customer service • Worldwide reliability of services • Encouragement of individual initiative

Mission

While a vision statement serves as a motivational aspiration, a mission is a statement about what is expected to be achieved and measured. Management and directors are held accountable to the mission. Even though mission statements are often criticised as being bland, it is important to

Table 8.3 DMO mission statements

Organisation	Mission statement
Canadian Tourism Commission	Canada's tourism industry will deliver world-class cultural and leisure experiences year-round, while preserving and sharing Canada's clean, safe, and natural environments. The industry will be guided by the values of respect, integrity, and empathy (Smith, 2003, p. 130).
Tourism New Zealand	To motivate interactive travellers to come now, to do more, and to come back (TNZ, 2004, p. 5).

clearly articulate to stakeholders the overall purpose of the organisation (Johnson & Scholes, 2002). Given the political dynamics of tourism destination marketing, and the often divergent interests of stakeholders, a succinct and clear mission is important for DMOs. There should be no confusion as to the DMO's reason for being. The structure of mission statements varies, and might range from a narrow focus to one that includes the vision, values, activities, and target market. Examples of DMO mission statements are listed in Table 8.3.

Goals and objectives

Ultimately, organisations are established to achieve goals. Goals are general statements of intent, related to the mission, and are usually qualitative (Johnson & Scholes, 2002). That is, they provide broad indicators of how the mission will be achieved, but are not necessarily quantifiable. Collins and Poras (1997, p. 94) promoted the concept of a big hairy audacious goal (BHAG) as a way of capturing the attention of stakeholders.

A BHAG engages people – it reaches out and grabs them in the gut. It is tangible, energising, highly focused. People 'get it' right away; it takes little or no explanation (Collins & Poras, 1997, p. 94).

Henry Ford's BHAG was to democratise the automobile. Bill Gates held a similar aim for computers. The BHAG of a famous soft drink brand was once to have their beverage on tap in every home, in the same way as water. While such a BHAG might seem impossible, it can stimulate increased creativity. For example, a state-of-the-art car suspension system was designed in the USA by a team of designers who were challenged to design a vehicle that could operate with square wheels. What is a suitable BHAG for your destination?

In practice

Tourism Australia's 'Game Plan' section of their 2005/2008 Corporate Plan lists the following broad goals, for which quantifiable measurements would be complex (http://www.tourism.australia.com/content/About%20Us/Corp_plan0506_0708.pdf):

- Maximise competitiveness
- Target the ideal visitor
- Affirm brand perception
- Increase brand salience
- Realise segment and market opportunities
- Ensure effectiveness
- Engage stakeholders.

Since the key argument for government funding of destination marketing is the potential economic benefits, it would be expected that DMO goals will be related to achieving this. Investigations during the 1990s certainly support this proposition at NTO (see Akehurst, Bland & Nevin, 1993; Baum, 1994), STO (see Hawes, Taylor & Hampe, 1991) and RTO (see Sheehan & Ritchie, 1997) levels.

Whereas goals are broad statements about how to achieve the mission, objectives are the quantifiable targets of the goals, and should clearly describe specific outcomes. Ideally, objectives should be SMART (Tribe, 1997, p. 32):

- specific
- measurable
- agreed with those who must attain them
- realistic
- time-constrained.

A strategy design framework

A major element in striving for competitive advantage in crowded tourism markets is the development and implementation of tourism strategies, since destinations endowed with natural attractions have been forced into competition with places that have developed attractive built environments. In the pursuit of destination competitiveness it has only been relatively recently that DMOs have begun to develop coordinated tourism strategies. The need for an industry-wide tourism strategy has been called for in most parts of the world in recent years, including, for example: Scandinavia (Flagestad & Hope, 2001), Canada (Go, 1987), New Zealand (NZTP, 1989; OTSP, 2001), USA (Ahmed & Krohn, 1990), Central and Eastern Europe (Hall, 1999) and Australia in the federal government's 2004 \$235 million white paper (see <http://www.atc.net.au/aboutus.asp?sub=1twp>, accessed 24/4/04). (*Note:* The new Australian tourism strategy was launched in

March 2006 – see www.industry.gov.au/tourisminvestment). Leslie (1999, p. 40) was particularly critical of the then Northern Ireland Tourist Board for a lack of long-term strategic planning, which had resulted in the destination losing touch with changing patterns of demand:

For those involved, to consider publicly that the troubles have masked attention to significant underlying trends counteracting demand for the province would not only bring into question their personal role and job but also that of the value of the organisation.

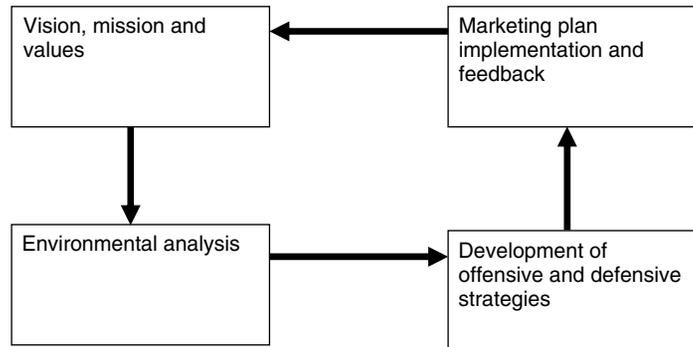
In practice

In considering the strategy development stage, it is worth considering the approach used by Tourism Vancouver, which is characterised by five basic principles (Vallee, 2005, pp. 238–239):

1. **Consultative** From client advisory boards to membership input sessions to stakeholder consultations, the intention is for many people and organisations to contribute to the plan.
2. **Dynamic** The annual business plan is focused and directed, but it is not set in stone. The ever-changing nature of business dictates that the plan must be responsive to new opportunities that arise.
3. **Performance-driven** Monthly tracking of some seventy measures and quarterly reporting to the industry were introduced in 1993, featuring the investment effectiveness index that analyses the accomplishment of goals against investment made.
4. **Long-term** The initiatives laid out in the plan have a minimum three-year horizon. Tourism Vancouver's approach was to ensure continuity to both sellers and buyers in the marketplace.
5. **Team-oriented** Initiative teams develop, deliver, and evaluate their initiatives with support from management and the board of directors. The successful execution of the plan is predicated on the basis of highly-qualified and motivated teams delivering superior service to customers.

Figure 8.1 presents a framework for the challenge of formulating strategy to achieve the goals, remembering that the fundamental purpose of the DMO is to enhance destination competitiveness. The approach is based on the philosophies of (1) a future orientation, and (2) matching organisational resources with environmental opportunities. Organisational resources are those assets within the direct control of the DMO that represent potential strengths and weaknesses. Environment opportunities represent factors in the macro-environment over which the DMO has no control, but which represent potential opportunities and threats. The framework facilitates undertaking an environment analysis to identify sources of strengths,

Figure 8.1
Strategy framework



weaknesses, opportunities, and threats, in a manner that leads to the development of offensive and defensive strategies, which will in turn guide the development of the promotional tactics.

Opportunities and threats

A DMO does not operate within a vacuum. The best-laid plans will come unstuck because of events in the environment over which the DMO has little or no control. Determinants of tourism and travel comprise exogenous factors and market forces. Exogenous factors are those that are not directly related to tourism, but have the potential to influence the extent and nature of demand for tourism activity. It is a useful starting point therefore to consider the range of macro-environment influences with the potential to impact on the tourism industry either positively or negatively, and which of these are likely to be most important in the future (Johnson & Scholes, 2002).

As shown in Figure 8.2, it is useful to visualise the environment in the shape of a donut. The outer layer is representative of the macro-environment, the source of opportunities and threats over which the DMO has no control. For example, weather-induced seasonality is a key macro-environment issue affecting Canada's competitiveness (Smith, 2003, p. 125). The macro-environment which surrounds the organisation's internal environment consists of sociocultural, technology, economic, environmental, political, and legal forces. The internal operating environment consists of sources of strengths and weaknesses, over which the organisation has varying degrees of control, such as stakeholders, competitors, and customers. While it can be argued that a DMO does not have control over the actions of customers or competitors, destination marketers do have some control over which segments to target, and in doing so which competitors.

The ideal is to implement strategies, which are not used by existing rivals, that will exploit strengths, neutralise threats, and avoid weaknesses. The desired result is to build a source of sustainable competitive advantage, or a defensible position.

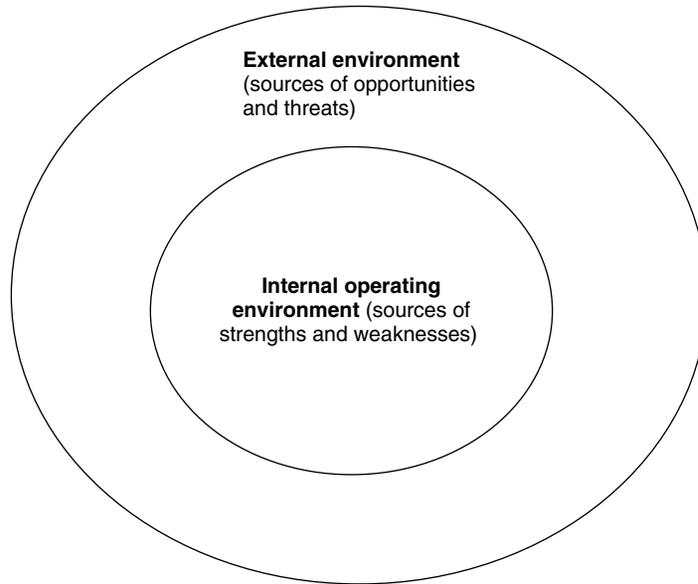


Figure 8.2
Macro-environment and internal environment

The SWOT matrix

An effective tool for designing and communicating strategic objectives, by matching organisation resources with environment opportunities, is the SWOT matrix as shown in Figure 8.3. The SWOT matrix extends the practical value of the traditional SWOT analysis, which is often not used effectively. Many marketers carefully prepare a bullet point list of strengths, weaknesses, opportunities, and threats, and file it away in the appendices. The SWOT is then usually not explicitly referred to in terms of shaping strategy. The SWOT matrix encourages thinking about offensive strategies that will maximise strengths relative to opportunities, and defensive strategies that will minimise weaknesses in relation to threats.

	Strengths	Weakness
Opportunities	↓ Offensive strategies	
Threats		↓ Defensive strategies

Horizontal arrows point from the 'Opportunities' row to the 'Offensive strategies' cell and from the 'Threats' row to the 'Defensive strategies' cell.

Figure 8.3
SWOT matrix

Forward thinking

Marketing is as much a forward thinking exercise about unmet consumer needs as it is about catering to current needs. Hamel and Prahalad (1994) argued for the importance of devoting time to thinking about the future. They urged organisations to develop a view about the future as an ongoing project sustained by continuous debate, rather than a massive one-time effort. While it would be futile to attempt to predict the future (Drucker, 1995), it is critical that emerging megatrends, which have the potential to shape the future of the tourism industry, either positively or negatively, are identified. In examining the historical time lag from technological invention to market use and acceptance, Drucker suggested that the future is already here, and that we look at the fringes of society to observe future applications that are currently in the design stages. Everything that will be in common use in 30 years time already exists in some form today, perhaps tucked away somewhere in the fringes of society. There exists a rich resource of views offered by futurists. A sample of futurists' thoughts offered over the past 20 years, which may have tourism implications, is provided in Table 8.4.

Table 8.4 Views of the future

Futurist	Trends
World Futurist Society (2007, see www.wfs.org)	<ul style="list-style-type: none"> • Hydrogen fuel cells will be cost-competitive by 2010 • The era of the Cyborg is at hand • By 2015, New York, Tokyo and Frankfurt may emerge as hubs for high-speed, large-capacity supersonic planes • Schools based on classrooms and a human teacher will dwindle over the next 25 years • Speculation in hydrogen energy stocks could create an investment bubble, as happened with the Internet • Ocean currents may surpass wind as an energy source • A snail may save your life • Weapons of mass destruction will be even easier to obtain over the next 15 years • The convergence of genetic engineering, nanotechnology and robotics will allow humans to change their bodies in profoundly new ways • Robots and smart environments will improve care and independence for the elderly

(Continued)

Table 8.4 (Continued)

Futurist	Trends
Trendwatching.com (2007)	<ul style="list-style-type: none"> • Status lifestyles • Transparency tyranny • Web N+1 • Trysumers • The global brain
Drucker (1992)	<ul style="list-style-type: none"> • Decreasing labour requirement • Decreasing raw material cost • Increasing knowledge requirement • Increased consumer spending on leisure, health, education, and retirement savings • Not-for-profit organisations • Decreasing half life of skills • Eroding political power base • Demise of large-scale war • Knowledge as capital • Decreasing management structures • Knowledge society the most competitive ever
Naisbett (1994)	<ul style="list-style-type: none"> • Booming global economy • Arts renaissance • Free-market socialism • Global lifestyles • Privatised welfare state • Rise of Pacific rim • Rise of women • Age of biology • Religious revival • Triumph of the individual • Global paradox – tribalism • The Asian way • Market-driven economies • Rise of networks • Supercities
Handy (1994)	<ul style="list-style-type: none"> • Discontinuous change: • Shift from manufacturing to service provision • Knowledge workers versus manual workers • Fewer skilled young • More women in workforce • Longer life span, more aged • Demise of the career path • End of capitalism • Changing structure of organisations • Accounting for intangibles • Uncertainty • Portfolio workers • Need for a new order to replace capitalism

Table 8.4 (Continued)

Futurist	Trends
Popcorn (1996)	<ul style="list-style-type: none"> • Cocooning • Clanning • Fantasy adventure • Pleasure revenge • Small indulgences • Anchoring • Egonomics • Female think • Mancipation • 99 lives • Cashing out • Being alive • Down-ageing • Vigilante consumer • Icon toppling • Save our society
Kennedy (1993)	<ul style="list-style-type: none"> • Technology as cure for exploding demography • Shrinking national sovereignty • Increased illegal immigration • Environmental damage • Demise of empires • Rise of women • 18th century as a metaphor for today's challenges • Widening gap between rich and poor countries • Rise of multinationals • Robotics • Knowledge explosion • Integration of science and communication • Transnational alliances
Toffler (1991)	<ul style="list-style-type: none"> • Static nature of agriculture and manufacturing • Demassification • Knowledge as wealth • Tribalism and conflict • Global market • Electronic cottages • Knowledge gap • Real-time voting • Demise of economies of scale • Acceleration of change
Glenn (1989)	<ul style="list-style-type: none"> • Humans integrated with technology • Extra-terrestrials • Cyborgs • Communication with plants

(Continued)

Table 8.4 (Continued)

Futurist	Trends
Schwartz (1996)	<ul style="list-style-type: none"> • Rise of global teenagers • Science and technology shaping the future • Migration waves • Cultural diversity • Ecological issues • Shuffling politics of alliances • Increasing importance of education • Global pragmatism • Global information economy

STEEPL analysis

The STEEPL analysis provides a structure for environment scanning. While a full analysis of key issues, trends, and drivers that confront global tourism is beyond the scope of this chapter, an example of a STEEPL summary is shown in Table 8.5, when 10 key issues are highlighted for each category. The STEEPL provides a systematic approach to the identification of forces that have the potential to impact on tourism in the future, either positively or negatively. These therefore represent environment opportunities and threats for inclusion in the SWOT matrix. (*Note: An opportunity is not a tactic, as is so often seen in SWOT analysis, but rather a force over which the DMO has no control*).

Table 8.5 STEEPL analysis

Sociocultural	<ul style="list-style-type: none"> • Population growth and aging population • China • Mega-rich • Nostalgia • Busier lives • Increasing growth in travel • Exercise movement • Westernisation of Asia • Changing work and workforce patterns • Consumer sophistication • Virtual shopping and demassification
Technology	<ul style="list-style-type: none"> • Internet • Rates of obsolescence • Virtual reality • Artificial intelligence

Table 8.5 (Continued)

	<ul style="list-style-type: none"> • Real-time global media • Robotics • Nanotechnology • Mobile communications • Sub-orbital travel • Medical tourism
Economic	<ul style="list-style-type: none"> • Business alliances, mergers, and acquisitions • Lessening political control of interest rates and currency exchange rates • Value of information • Virtual networks • Increased competition • Foreign direct investment • Disposable income • Retirement income • Costs and availability of resources • Low cost airlines
Environment	<ul style="list-style-type: none"> • Climate change • Environmental protection • Recycled water • Renewable energy • Biotechnology • Eco-tourism growth rates • Responsibility of citizenship • Green movement • Recycling • Overcrowding and pollution
Political	<ul style="list-style-type: none"> • Terrorism • Regional trading blocs • Community-based tourism planning • Government stability • Increasing democracy • Demise of communism • Tribalism • Demise of large-scale war • Decentralisation • Indigenous peoples' land rights
Legal	<ul style="list-style-type: none"> • Visas and passports • European Union • Illegal migration • Deregulation • Safety standards • Information privacy • Intellectual property • User-pays taxes • Increasing bureaucracy • Insurance liability

Strengths and weaknesses

An important question raised by Ritchie and Crouch (2000a) was whether destination 'stars' are made or born. They offered the example of Russia, well-endowed with natural resources but lacking in deployment, in comparison to destinations such as Singapore, Las Vegas, Branson, and San Antonio, all of which had developed successful tourism strategies with limited endowed resources. Ritchie and Crouch suggested that an understanding of success drivers was of fundamental importance, and categorised these into resources that would represent sources of either comparative or competitive advantage. Endowed resources inherited by a destination, such as climate and scenery, are categorised as sources of *comparative* advantage. However, resources created by the destination, which includes the way in which endowed resources are deployed in the market, represent sources of *competitive* advantage. A practical example of this was provided by Dascalu (1997), who cited comments from a former Romanian Minister of Tourism concerned that his country had enormous tourism resources but that the tourism industry was under-performing. These resources may represent sources of comparative advantage but were not being used to achieve a competitive advantage. Other examples of sources of comparative advantage that perhaps do not yet represent competitive advantage include:

- Ethiopia's Simien Mountains, with spectacular gorges up to 1000 metres deep.
- The world's oldest paintings at Cantabria's Altamaria Caves in northern Spain, which date back 14,000 years.
- Some of the most complete dinosaur remains can be found in the Fossil triangle, which links to outback towns of Winton, Hughenden, and Cloncurry in Queensland, Australia.
- The spectacular terraced Goddess Lake in China's Jiuzhaigou Nature Reserve.

Sustainable competitive advantage

Competitive advantage is expressed in terms of competitors and customers. Porter (1980, 1985) suggested a competitive strategy was one that positioned a business to make the most of strengths that differentiated the organisation from competitors. A firm's success is ultimately achieved through 'attaining a competitive position or a series of competitive positions that lead to superior and sustainable financial performance' (Porter, 1991, p. 96). A sustainable competitive advantage (SCA) is gained when consumers perceive a performance capability gap that endures over time (Coyne, 1986).

Barney (1991, 1996) developed the VRIO model as a tool for determining the competitive status of resources controlled by a firm. The model is based on the assumption that resources are heterogeneous and immobile across firms. Heterogeneity means organisations are not created equal and will vary in terms of the resources they control. Immobility refers to

the difficulty of buying resources from the marketplace. To achieve SCA, the VRIO model firstly requires a resource to be valuable (V) to the firm for either increasing revenue or decreasing costs. Secondly, the resource should be rare (R) among competitors. Therefore, resources must be analysed in comparison to the competitive set of destinations. Differentiation alone does not lead to meaningful advantage over others. Exploitation of such organisational strengths must first be converted into (Day & Wensley, 1998): (1) benefits, (2) perceived by a sizeable customer group, (3) which these customers value and are willing to pay for, and (4) cannot readily be obtained elsewhere.

Thirdly, it should be costly for competitors to imitate (I) the resource. Finally, the firm must be organised (O) in such a way that it is able to exploit the resource in the market. An example of the VRIO resource model is provided in Table 8.6. The table shows how answering yes to each denotes that a resource is a source of sustainable competitive advantage. Answering yes to the first two or three qualities indicates a source of temporary competitive advantage. A resource that is valuable, but not meeting the other criteria, represents a source of competitive parity. Finally, a resource that is not valuable represents a source of competitive disadvantage. The VRIO model determines which strengths should be included in the SWOT matrix.

A tourism resource may be viewed as anything that plays a major role in attracting visitors to a destination (Spotts, 1997). Sources of competitive advantage are essentially assets and skills (Aaker, 1991). An asset is a resource that is superior to those possessed by the competition, and a skill is an activity undertaken more effectively than competitors. A resource audit is therefore a key component of marketing planning. However, Ferrario (1979a, 1979b) suggested that the availability of tourism resources was often taken for granted by both practitioners and academics. More recently the process of auditing a destination's resources has received increased attention in the literature (see, for example, Faulkner et al., 1999; Pearce, 1997; Ritchie & Crouch, 2000a; Spotts, 1997). A categorisation of DMO resources representing sources of comparative and competitive advantage is suggested in Table 8.7.

A DMO must then showcase the destination in a way that offers benefits sought by travellers, represents the interests of tourism suppliers, and does not commodify residents' sense of place. Communicating matches

Table 8.6 VRIO resource model

Strength	Valuable?	Rare?	(Un)imitable?	Organised?	Status
Resource A	yes	yes	yes	yes	SCA
Resource B	yes	yes	yes	no	TCA
Resource C	yes	no			CP
Resource D	no				CD

Notes: CP = competitive parity; TCA = temporary competitive advantage; SCA = sustainable competitive advantage; CD = competitive disadvantage.

Table 8.7 DMO sources of comparative and competitive advantage

Sources of comparative advantage	Sources of competitive advantage
<p>Natural resources Location, landscape features and climate</p> <p>Cultural resources History, language, cuisine, music, arts & crafts, traditions, and customs</p> <p>Human resources Skills and availability of the region's labour force; industrial relations; industry service standards; and attitudes of locals</p> <p>Good will resources Travellers' ancestral links to the destination; friends and/or relatives; novelty or fashionability of the destination; ToMA levels; levels of previous visitation and satisfaction; and perceived value</p>	<p>Developed resources Accessibility, infrastructure, and the scale, range, and capacity of man-made attractions and other superstructure</p> <p>Financial resources Size and certainty of the DMO budget; private sector marketing resources; influence on government fiscal policy such as taxation, investment incentives and capital expenditure on infrastructure developments; size of the local economy; access to capital for product developments and ability to attract new investment</p> <p>Legal resources Brand trademarks, licenses and visa policies</p> <p>Organisation resources Governance structure and policies; staffing levels, training, experience, skills and retention; organisational culture; innovation; technology adoption; and flexibility; customer service orientation; fast, flexible and creative response capability</p> <p>Information resources Marketing information system, specialised knowledge of segment needs</p> <p>Relationship resources Internal/external industry integration and alliances; distribution; stakeholder cooperation; and political influence</p> <p>Implementation resources Sustainable tourism development planning; brand development, positioning, and promotion; ease of making reservations; consistency of stakeholders' delivery</p>

	Strength Range and diversity of accommodation	Weakness Small regional airport not serviced by major carriers
Opportunity Increasing level of short breaks by consumers	<i>Offensive strategy</i> (matching strength with opportunity) Assist accommodation businesses develop initiatives to keep in touch with previous visitors from the city, to stimulate repeat visitation	
Threat Proliferation of low-cost airlines offering city consumers affordable short-break air packages to new destinations		<i>Defensive strategy</i> (matching weakness with threat) Proactively commission feasibility study to identify benefits for low-cost carriers to service the destination

Figure 8.4
SWOT matrix example

between destination resources and travellers' needs is the focus of DMO promotional activities. Figure 8.4 illustrates how the SWOT matrix might be used to develop offensive and defensive strategies for the marketing plan. In this case the examples are drawn from a beach resort area located close to a major city. This matrix provides a simple example of the potential value for guiding stakeholders on the rationale for the DMO's marketing strategies.

Key points

1. Vision, mission, values, and goals

The core purpose of DMOs is enhancing destination competitiveness. Since marketing requires a forward thinking orientation, a vision statement is used to articulate a motivational aspiration. The mission is a summary statement of the purpose of the organisation. The role of goals and objectives is to articulate how the mission will be achieved, and in doing so provide motivational targets, by which the success of the organisation can be monitored.

2. Strategy design framework

The SWOT matrix provides a useful framework for designing strategic goals and articulating these in a practical way to guide stakeholders. The SWOT matrix is based on the philosophy of marketing as matching organisation resources with environment opportunities. A fundamental role in the SWOT matrix development is the macro-environment analysis, which comprises

those exogenous forces over which the DMO has no control, but which represents sources of opportunities and threats. The STEEPL analysis provides a structured approach to environment scanning, by systematically identifying those forces that have the potential to impact on tourism, either positively or negatively.

3. Sources of comparative and competitive advantage

A successful strategy achieves a point of difference against competitors on an attribute deemed important by the market. A DMO's resources consist of sources of comparative and competitive advantage. The VRIO resource model helps to identify those resources that represent potential sources of competitive advantage.

Review questions

- What other trends could you add to the STEEPL analysis in Table 8.5?
- Identify what you believe to be the three trends in each STEEPL section that have the potential to impact the most on your destination in the future, either positively or negatively.
- Prepare a SWOT matrix for your destination.
- What is the vision and mission of your DMO? Do the goals adequately address the mission statement?
- Brainstorm possible BHAGs for your DMO.