Chapter 4
Exploring Key Issues in Destination Branding

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ABSTRACT

In response to increased competition among destinations, destination marketing organizations (DMO) are required to effectively communicate the competitive advantage of destinations and market them as brands. Destination branding, unlike product branding, is a very recent concept. This chapter aims to study and analyze key issues in destination branding which makes it different from branding a product or a service and also identifies certain areas in destination branding where further research is required. The analytical framework of the chapter was developed by reviewing literature on destination branding and case studies in destination branding.

INTRODUCTION

A destination, by itself, is a very complex and unique product. Branding a destination, therefore, is not guided by a set of clearly laid down rules or frameworks, as in case of most products. To make things simpler for this initial discussion, a destination will be considered as a tangible product.

The travel and tourism industry, which is one of the biggest businesses in the world, is also the biggest purchaser of destination products. However, the destination products are also bought by
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investors, governments (policy-makers) and local residents. Now, the manager of a destination (similar to a product manager) is responsible for branding this unique product in a way so that the brand image is able to attract more visitors/investors/policy-makers.

In the light of above discussion, we can understand destination branding as an exercise that combines all the things associated with a destination in order to influence a customer’s decision to visit/develop/invest into a particular destination over the other. However, it’s not as simple as it sounds because a destination is an intangible product. Therefore, the brand elements and the positioning plank will differ from that of tangible goods. For example, according to Ritchie and Ritchie (1998) a destination brand should convey a unique travel experience.

Also, with varied group of stakeholders the complexity further increases. It should be added here that travel and tourism industry is the most important stake-holder in this process. Therefore it becomes imperative here to study the unique aspects about this industry.

Travel and Tourism Industry

The travel and tourism industry mainly consists of five sectors. The first is the accommodation sector like hotels, hostels, resorts, camp houses, etc. The second is the attraction sector which includes museums, theme parks, monuments, etc. The third is the transport sector which encompasses airline industry, bus/coach operators, railways, etc. The fourth sector is the destination organization sector. This sector includes countries, states, regions, cities, etc and the last sector is the travel organizers’ sector that represents tour operators, booking websites, agents, etc.

The above five sectors cover almost all the travel and tourism related products which are marketed in this industry. However, many a times, there is a combination of two or more products involved. The focus of this chapter will however remain on the branding aspect of the destination organization sector.

The travel and tourism marketing, although a part of the services marketing umbrella, has certain uniqueness attached to it (Middleton and Clarke, 2001). Firstly, there is a problem of seasonality (i.e., there are peaks and troughs). For example, there will be higher demand for family packages during the time when schools are on a break. Secondly, there is high fixed cost involved in the marketing activities of travel and tourism products. Lastly, there is heavy interdependence among different types of tourism products. For example, marketing of a cruise package might involve marketing of products from all the five sectors discussed above.

In travel and tourism marketing, like any other services marketing, the extended marketing mix can not be ignored. With its distinctive nature discussed above, the additional Ps namely people, physical evidence and processes gain further importance (Middleton and Clarke, 2001). These are discussed hereunder:

People

The employees are the most valuable resource to a tourism organization. Their appearance, behaviour, knowledge and attitude can have a powerful impact on customers’ perception of the tourism product. Also, from promotion point of view, employees are the walking billboards for an organization (Zeithaml, Bitner and Gremler, 2009). Thus all the organizations should ensure uniform grooming.

Process

In the consumption of a tourism product, various service encounters (or touch points) at each stage form the overall experience. Even a single unsuitable experience may lead to overall negative evaluation by the consumer. A proper feedback system can help rectify this issue.
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