Collaborative Approach in Destination Marketing and an Application Example

Yusuf Bilgin¹, Ali Çetinkaya²
¹Assist. Prof. Dr. Bartın University, Faculty of Economics and Administrative Sciences, Department of Tourism Management, Bartın, Turkey
²Res.Assist. Düzce University, School of Tourism and Hotel Management, Düzce, Turkey

Abstract: The aim of this study is to draw attention to collaborative approach in destination marketing and to introduce collaborative marketing practices which can be an example for destinations. The study population consisted of three, four and five-star hotels in Bolu. The data of study in which the qualitative method was used have been collected through interviews made with the managers of the hotels. The obtained data have been analyzed with descriptive analysis technique. As a result of analysis it was found that the hotels were practising collaborative approach in destination marketing with the activities they carried out, and that they felt collaborative approach in marketing was important from the aspects of increasing product variety, increasing destination competition, forming social capital and strengthening current relations. Collaborative marketing applications used by hotels in the particular context of Bolu destination has qualities to set an example for other destinations. On the other hand, it was found that the marketing collaboration carried out was seen insufficient in range by hotels and there were problems assessing the efficiency of collaborative activities.

Keywords: Destination marketing, collaborative marketing, Turkey, Bolu

I. Introduction

Today as people’s level of wealth increases so does the demand for tourism products. People who can meet basic needs and save travel around the world as tourists in order to travel, see, learn and feel excited. Tourism businesses and destinations compete to have a share in the social, cultural and economic outputs of these travels. This situation increases the competition among tourism businesses and destinations and they are made to realise new and effective applications in marketing activities in order to influence the perception of tourists and become preferable. One of the recent common practices in marketing tourism businesses and touristic destinations is collaborative approach in destination marketing. Collaborative approach in destination marketing is not typical marketing of products offered by businesses in a destination by individual retailers or businesses however it means the unification of the destination and the touristic product to be marketed as one product (Naipaul et al., 2009). Wang (2008) states that collaborative marketing activities in tourism sector refer to an interactive process of sharing experience and ideas as well as forming a pool of finance and human resources among stakeholders in order to solve a problem or fulfill a specific aim.

Collaborative approach in destination marketing which has a limited place in literature is theoretically based on approaches such as resource dependency, transaction costs and network analysis (Wang and Xiang, 2007). Another important theory which forms a basis for collaborative marketing approach is co-operation theory by Brandenburger and Nalebuff (1996). Co-operation theory is based on the assumption that businesses do not only compete but can also cooperate at the same time. In this regard there are many studies carried out to investigate benefits, opportunities and risks of collaborative approach in destination marketing for businesses (Selin and Beason, 1991; Selin and Myers, 1998; Fyall et al., 2001) and for destinations (Prideaux and Cooper, 2002; Wang and Xiang, 2007; D’Angella and Go, 2009; Naipaul et al., 2009).

In these studies, benefits of marketing collaboration to the businesses were identified such as risk sharing, lowering transaction costs (Wang and Xiang, 2007), lowering strength of competition (Selin and Chavez, 1995), providing information for tourists (Selin and Myers, 1998), and publishing brochures and maps collaboratively and lowering advertising costs (Wang, 2008). At the destination level benefits identified include widening variety of touristic products (Wang et al., 2013), increasing destination competition through image development (Wang and Fesenmaier, 2007) and reaching wider markets faster (Naipaul et al., 2009). On the other hand, collaborative approach in destination marketing has been found difficult to adopt due to factors such as competition, lack of trust (Palmer and Bejou, 1995), difference in aims and power balance (Wang et al., 2013). The services in tourism sector are provided by very different industries. Moreover, each destination has a unique structure due to services provided and touristic attractions. Therefore, studies which can set an example for application of collaborative approach in destination marketing are especially important.

The aim of this study is to draw attention to collaborative approach in destination marketing and to present a collaborative marketing application which can be an example for destinations. In this regard
Collaborative marketing application in destination marketing is discussed in the literature section. Then universe, sampling, data collection technique and data analysis technique are explained in the methodology section. The data gathered are presented in the findings section. In the final part results and recommendations are given.

II. Literature

Understanding the working relations among tourism businesses in a destination is a critical prerequisite for the success of destination marketing programmes (Wang and Krakover, 2008). The basic dynamic governing these relations among tourism businesses is the holistic nature of touristic product which makes all businesses in the sector directly or indirectly dependent on each other. The holistic nature of the touristic product makes the businesses in the sector directly or indirectly dependent on each other. For example, a lodging organization or travel agency cannot operate without a transport organization. However most of the service providers in the tourism sector are small and medium-sized businesses characterized by their strengths and weaknesses based on their independent nature (Buhalis, 2000). This fragmented structure of tourism industry necessitates cooperation and coordination among tourism players in marketing touristic products (Hall, 1999).

Moreover, tourists perceive the destination as a brand of the sum of suppliers and businesses providing services (Baloglu and Brinberg, 1997). That means a deceiving advertisement or a behaviour which can negatively affect the quality of the touristic product or customer satisfaction is not restricted to that business only but can directly impact on the tourists’ perspective of that destination. Therefore, in marketing a touristic product tourism businesses and other relevant businesses have important responsibilities (Palmer and Bejou, 1995). According to Baker and Cameron (2008) success in destination marketing depends on developing a strategic plan for the development of the destination and forming collaboration among stakeholders in the destination. Palmer and Bejou (1995) state that the complex nature of tourism sector and mutual dependence between stakeholders result in many local tourism marketing collaborations.

Collaborative approach in destination marketing dates back to the foundation of Convention & Visitors Bureau in 1896 to promote the city of Detroit, USA (Morrison et al., 1997). However collaborative approach in destination marketing can be seen in literature from 1990 onwards. Selin and Beason (1991) expressed that consensus, geographical proximity and mutual dependence are effective in forming marketing collaborations. Vernon et al. (2005) argue that collaborative activities in destination marketing include an interactive process of sharing ideas and expertise on a common problem by private and public stakeholders and forming a common pool of financial and human resources. According to Palmer and Bejou (1995) collaborative approach in destination marketing is important due to three main reasons. These are:

• In destination promotion gathering resources for marketing collaborations are more effective on potential visitors than individual promotion activities
• Marketing mechanisms are insufficient in supporting and sharing the marketing of a destination as a whole product
• The businesses in a destination realize the mutual dependence on each other and thus reach their goals more effectively.

The most effective structures formed to market destinations collaboratively are Convention & Visitors Bureaus and Destination Marketing Organisations (DMO). These structures can be formed by governments or by chambers of commerce and industry, non-governmental organisations, independent businesses and collaboration of some of these factors (Blain, 2001:10). Destination Marketing Organisations (DMO) and Convention & Visitors Bureaus play a significant role in forming marketing collaborations by coordinating tourism businesses in a destination (Kubickova and Wang, 2013). These organisations have taken on the roles of image development in destination marketing, planning marketing and sales attempts, advertisement design and promotion, coordinating destination-wide tourism activities and evaluating the efficiency of these activities (Masberg, 2000). The activities of these organisations are preparing maps and brochures, themed advertisements, visitor information cards, destination promotion and reservation websites that describe the main attractions, touristic opportunities and touristic values in the destination in order to reach generally specified objectives and promote the destination in national and international festivals and activities (Selin and Myers, 1998).

According to Wang and Fesenmaier (2007) the collaborative approach in destination marketing is important in developing destination image and brand, developing holistic tourism products and increasing destination competition by providing better customer services. Fyll et al. (2001) investigated the collaboration and competition among touristic attraction centres in Scotland. In the study, they found that marketing collaborations can provide advantages to businesses in pricing, marketing communication, distribution and reservation channels and research dimensions where they compete.

DOI: 10.9790/487X-1811038794

www.iosrjournals.org 88 | Page
Collaborative Approach in Destination Marketing and an Application Example

Wang et al. (2013) express that collaborative approach in destination marketing is effective in diversification of products in the destination. In addition, Naipaul et al. (2009) explain businesses in a destination can reach wider markets in a faster way through marketing collaborations. Wang and Fesenmaier (2007) argue that marketing collaborations can increase destination competition through brand and image development.

Fyll et al. (2003) studied the marketing collaborations in Stockholm destination. This collaboration was formed among Stockholm Information Service, Scandic Hotels and Scandinavian Airlines (SAS) in order to attract couples from Europe, mid-high income families and tourists who want to travel independently to Stockholm destination. As the target market European cities with direct connection to Stockholm as well as countries such as United Kingdom, Germany, France, Italy and Switzerland were chosen. In order to attract visitors’ attention many marketing themes including gastronomy, antique culture and Christmas for children were selected. For the project and the target market a special advantage card was designed with the objectives of improving customer relations visiting the destination, encouraging them to book in advance and forming loyalty. This card gave several benefits to the visitors such as free transport, free museum entry and discount in shops and restaurants. In the study it was found that despite its contribution to word-of-mouth marketing there was no clear evidence of its effect on tourist loyalty.

III. Methodology

In this research, it is aimed to present an application example related to collaborative approach in destination marketing. Due to the limited number of theories and applications on destination marketing in the literature qualitative method was used in this research. The research population is made up of 3, 4 and 5 star hotels operating in Bolu destination. There are 15 hotels in Bolu with 3, 4 and 5 star operating licence.

In the study purposive sampling method was used. There were two major factors in selecting 3, 4 and 5 star hotels in Bolu as the application field. The first of these is the activities on marketing collaboration among hotels in the destination which have been running under the project “Bolu, the Heart of Nature” since 2009. The second is the geographical proximity among businesses which affects application of collaborative marketing approach. Selin and Beason (1991), and Baggio (2011) both express that geographical proximity is one of the important factors affecting the formation of marketing collaborations among tourism businesses.

The data of this research was collected using semi-structured interview technique. The questions to the hotel managers were determined following a detailed literature review. In this regard the views of managers on this topic were taken into account in the following ways:

- What is the approach of hotels in the destination to other hotels?
- What kind of a process does the forming of marketing collaborations in the destination follow?
- What applications do the destination marketing collaborations include?
- What do the managers think of the outputs of the marketing collaborations?

In the data collection process fifteen 3, 4 and 5 start hotels operating in Bolu were contacted. Managers of 13 out of 15 hotels accepted the interview request. Although the appointments were confirmed one day before the interviews, two of the hotel managers were not present in the hotel and could not be interviewed. In this frame, research data were collected through interviews with 6 general managers and 5 sales and marketing directors. The interviews were conducted between 01.03.2015-01.04.2015, face to face, in the offices of the managers or the hotel lobbies that is in the natural work environment of the managers. In Table 1 details of the interviews with the managers are presented. Interviews were recorded using a voice recorder with consent from the managers. The data collected were transcribed and evaluated separately based on the questions asked to the managers.

<table>
<thead>
<tr>
<th>Organisation</th>
<th>Management Position</th>
<th>Date</th>
<th>Place</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abant Palace</td>
<td>Marketing Director</td>
<td>11.03.2015</td>
<td>Hotel Lobby</td>
</tr>
<tr>
<td>Buyuk Abant Hotel</td>
<td>Sales and Marketing Director</td>
<td>11.03.2015</td>
<td>Manager’s Office</td>
</tr>
<tr>
<td>Gazelle Hotel</td>
<td>Hotel Manager</td>
<td>01.03.2015</td>
<td>Hotel Lobby</td>
</tr>
<tr>
<td>Termal Hotel</td>
<td>Sales and Marketing Director</td>
<td>25.03.2015</td>
<td>Hotel Lobby</td>
</tr>
<tr>
<td>Kaya Palazzo</td>
<td>Sales and Marketing Director</td>
<td>10.03.2015</td>
<td>Manager’s Office</td>
</tr>
<tr>
<td>Bolu Soylu Hotel</td>
<td>Marketing Director</td>
<td>10.03.2015</td>
<td>Hotel Lobby</td>
</tr>
<tr>
<td>Koroglu Hotel</td>
<td>Hotel Manager</td>
<td>26.03.2015</td>
<td>Manager’s Office</td>
</tr>
<tr>
<td>Kasmir Hotel</td>
<td>Hotel Manager</td>
<td>25.03.2015</td>
<td>Manager’s Office</td>
</tr>
<tr>
<td>1943 Tarih Emniiyet Hotel</td>
<td>Hotel Manager</td>
<td>24.03.2015</td>
<td>Hotel Lobby</td>
</tr>
<tr>
<td>Gaye Hotel</td>
<td>Hotel Manager</td>
<td>07.03.2015</td>
<td>Manager’s Office</td>
</tr>
<tr>
<td>Abant Kartal Yuvasi Hotel</td>
<td>Hotel Manager</td>
<td>26.03.2015</td>
<td>Hotel Lobby</td>
</tr>
</tbody>
</table>

DOI: 10.9790/487X-1811038794  www.iosrjournals.org  89 | Page
IV. Findings

Findings from the interviews with managers of 3, 4 and 5-star hotels operating in Bolu destination were examined according to each question asked to the managers. Some of the managers asked their names and names of their businesses not to be disclosed. In this frame, in the presentation of the research findings attention was paid not to disclose names of managers and information which can identify managers and organisations they represent. The responses of the managers were presented using codes: manager A, B, C, D, E, F, G, H, I, J and K.

4.1 The Approach of Managers towards Other Hotels in the Destination

Before examining the collaborative marketing activities in Bolu destination, the approach of managers towards other hotels in the destination was examined. In the interviews it was seen that 3 managers saw other hotels as competitors, and 8 managers saw them as collaborators. There were no managers which perceived itself or others as followers. In Table 2 the managers’ assessment of other hotels in the destination is displayed.

<table>
<thead>
<tr>
<th>Table 2. Manager’ Assessment of Other Hotels in the Destination</th>
</tr>
</thead>
<tbody>
<tr>
<td>Competitor</td>
</tr>
<tr>
<td>Manager A</td>
</tr>
<tr>
<td>Manager B</td>
</tr>
<tr>
<td>Manager C</td>
</tr>
<tr>
<td>Manager D</td>
</tr>
<tr>
<td>Manager E</td>
</tr>
<tr>
<td>Manager F</td>
</tr>
<tr>
<td>Manager G</td>
</tr>
<tr>
<td>Manager H</td>
</tr>
<tr>
<td>Manager I</td>
</tr>
<tr>
<td>Manager J</td>
</tr>
<tr>
<td>Manager K</td>
</tr>
</tbody>
</table>

The managers who perceive other hotels in the destination as competitors stated that competition and individual interests were given priority in the destination. The managers also said the main factor that intensifies competition is activities focusing on price. Those managers who identified other hotels in the destination as collaborative expressed that the holistic structure of the sector influenced the relationship among businesses and this in turn avoided describing other hotels as competitors. A hotel manager said each hotel in the destination had a particular field of service and therefore businesses that don’t offer similar products and services cannot be competitors anyway.

4.2 The Process of Forming Collaboration in Destination Marketing

The notion of collaborative approach in destination marketing first appeared in 2009 when a hotel manager (Manager J) brought together the hotel managers in Bolu and indicated his desire to start a Congress and Visitor Bureau in the destination which he saw in other destinations. In this part of the research the stages of forming marketing collaboration in the destination and the activities in each stage are discussed. As a result of the interviews with the hotel managers three stages were identified including gathering, preparation and application.

The assembling stage: this is the stage where hotel managers come together and discuss the applicability of the matter. 8 hotel managers supported the aforementioned manager in this first stage. In the first meeting with participation from these managers the topics discussed were touristic values particular to the destination, the competitiveness of the destination and the benefits of these activities for the businesses. Then the hotel managers used their personal relations to encourage participation of other hotel managers to the meetings. Therefore, the second meeting occurred with participation of 12 managers and also managers from local government. As a result of the meetings it was agreed that activities towards destination marketing could be carried out collaboratively and this would positively influence the businesses.

Ordering stage: This is the stage where hotel managers discuss what activities can be done in destination marketing. At this stage, following the decision to collaborate, it was discussed how this would take place. In this frame, first of all, application examples in other destinations were investigated as well as how the process was managed. However, an ideal application example for the destination was not found. Therefore, the hotel managers decided first to identify touristic attractions of the destination. Then it was decided how these attractions were to be marketed. In this frame it was agreed upon to set up a non-governmental organisation both to function as a Congress and Visitors Bureau and to unite other hotels in the region. In addition to this, it was determined that there was a need to carry out activities to promote the destination in various radio, TV and digital media channels. Finally, it was settled to promote touristic values particular to the destination collaboratively in the fairs and events.
Application stage: Application stage is a stage where business roles and responsibilities are identified in the frame of the collaboration formed and collaboration programmes are put into practice. In this stage, hotels tried to fulfil identified responsibilities. The information on activities carried out are examined under the title applications that destination marketing collaborations include.

In the interviews with the managers it was observed that there was no application to assess the effectiveness of the collaborative marketing activities. A manager explained that it was difficult for these activities to result in short term and expecting concrete outputs in short term would result in disappointment. The manager said he expected to see the results of these activities in the next ten years.

4.3. Applications that Destination Marketing Collaborations Include

Hotels tried to carry out the activities determined in the preparation stage in order to implement collaborative approach in destination marketing. In the interviews with the managers it was sought to gather information about collaborative applications carried out in marketing of the destination. The findings from the interviews were analysed as a whole.

Firstly, for the activities to follow official process and procedures Western Blask Sea Tourism Businesses Foundation (BAKTOD) was founded which was aimed to function as a Congress and Visitors Bureau in promoting the destination. Hence the activities were saved from individual nature and gained an institutional structure. The managers (A, E and F) expressed that this provided an important service by voicing the common benefits of the hotels in the destination, protecting rights of businesses from violation and forming a common database. According to manager A, this foundation had the quality of social capital and a means of authority on other stakeholders in the destination.

In the frame of the activities determined earlier, the established foundation examined what touristic attractions can be brought forward in the promotion of the destination. Local government managers gave significant support to these activities. Accordingly, the values in the destination which can be used as touristic attractions and touristic activities necessary to turn these values into products were established. In Figure 1 the touristic attractions and activities which can be utilised in marketing of the destination are shown.

Figure 1. Touristic Attractions and Activities Which Can Be Utilised in Marketing of the Destination

After establishing the touristic attractions of the destination some activities were carried out to earn these products to tourism. Local government managers took on the duty of transport and infrastructure investments to the established touristic areas. In addition to this, in order to carry out the collaborative activities at the operational level such as planning the tours, managing the network with other agencies and to carry out these activities a travel agency called ‘MyOsvi’ was founded.

In the activities towards promoting the destination in radio, TV and digital media channels; a motto (Bolu, the Heart of Nature) was used to develop a specific identity for the destination. This was then turned into a website (http://tabiatinkalbibolu.com/). This website currently provides information about the attractions in the destination and tourism service providers.

With the aim of positively promoting the destination on radio and TV, activities such as ‘night flights on snow’ were performed. Another aspect of the collaboration was the promotion of destination in national and international events such as Eastern Mediterranean International Tourism and Travel Fair-EMITT and Feshane Events. Participation to these events were organised by BAKTOD. The costs were shared by the establishments and the local government jointly.
The final point in the activities reached by collaboration in destination marketing is very important in terms of providing concrete outputs to the businesses. Following these activities hotels were able to provide many products and services beyond their usual product and services scope. That is to say, with a stand in the lobby hotels can market activities in the destination (paintball, rafting, trekking etc.) and present these activities as if provided by the hotel itself. The hotel guests taking part in the organisation (for example 12 people from Hotel A, 9 people from Hotel K, 11 people from Hotel D, altogether a group of 32 people) are taken form their hotels and take part in the activities organised by the agency.

4.4 Views of the Managers on Outputs of Marketing Collaborations

In the research, as a final point, the value of collaboration in marketing of the destination for the businesses and the destination as well as the factors facilitating and inhibiting marketing collaborations were inspected from the managers’ perspectives. The perspectives of managers on marketing collaborations can be categorised in five ways including product oriented, market oriented, learning oriented, transaction cost oriented and social responsibility oriented.

Product oriented: Managers (E, H, D and J) expressed that collaboration contributed to gaining new touristic products in the destination. In addition to this, some managers (H and D) stated that the collaborations would positively influence the investors’ approach to the destination and these investments can further develop the product and service variety in the destination.

Market oriented: Managers (B and J) expressed that destination competition can be increased through developing marketing collaborations. Managers (J and H) asserted that with the increase in brand value of the destination hotels would be stronger against distribution channels such as travel agencies and tour operators.

Learning oriented: Managers (A, C, E, G, I and H) stated that they were planning joint training to their staff in order to learn through sharing knowledge, technology and ideas. However, some managers (F, D and K) expressed that the structure of the sector affected the turnover rate and therefore they were reluctant about views for learning programmes.

Transaction cost oriented: Managers (A, B, C and E) expressed that forming a financial pool for advertising and marketing activities can lower marketing costs for the businesses. Manager C on this subject has the following view:

“If a common ground for activities is found this will definitely lower the marketing costs. In this direction we have already done event promotion activities regionally at different times and really seen the benefits of these. The best example for this is the attendance to EMITT fair last year…”

Another issue the managers emphasised regarding collaborative approach in destination marketing is social responsibility. Manager A stressed that these activities carried out to develop tourism in the destination also benefited other stakeholders in the destination. Managers E and H stated that the marketing collaborations contributed to the preservation of the touristic values in the destination as well.

In addition to these findings the most important factor encouraging the managers to adopt collaborative approach in the marketing of the destination is the existing relationships among businesses. Managers of Hotels F, C, D, E, H, I, J and K stated that the existing relationships among hotels have a collaborative aspect and marketing collaborations played a significant role in strengthening these relationships and reducing the strength of competition. The difference in the target markets of the hotels operating in the destination is another factor contributing to the collaboration among businesses. In addition to this, managers have expressed that appearing of new ideas and gaining new products and services in the destination also encouraged them to form marketing collaborations.

The factors inhibiting forming marketing collaborations among hotels are viewing current activities and market as sufficient, dependence on travel agencies and viewing activities by hotels as inadequate. Managers (B, F and G) said they viewed the current market of the hotels in the destination as sufficient and therefore felt reluctant to collaborate. Managers (A, B, D, K, H and I) expressed that activities by hotels only were not adequate to market the destination and other stakeholders should also contribute to the activities.

V. Results and Recommendations

Collaborative approach in destination marketing is a recently popular subject in tourism marketing. In this study collaborative approach in destination marketing was examined in the particular applications of the 3, 4 and 5-star hotels operating in Bolu destination. As a result of the examination it was seen that hotels in the destination carried out extensive work in marketing collaborations. The activities by the hotels are especially important in terms of setting an example for other destinations about what activities can be done with collaborative approach in destination marketing.

The collaboration in destination marketing was formed under the leadership of a manager (J). Selin and Chavez (1995) and Palmer and Bejou (1995) both expressed that leadership played a critical role in developing collaboration among tourism organisations. The existing relationships among organisations and unity of aim had
a significant role in participation from other hotels to the collaboration. According to Selin and Chavez (1994) personal relationships, unity of aim and shared vision play an important role in developing collaboration among tourism organisations. Moreover, differences in the target markets of the hotels in the destination is another factor contributing to the collaboration among organisations. This view contradicts with the statements of the view by Naipaul et al. (2009) that similarity in target market facilitates collaboration and Wang et al. (2013)’s that differences in target market inhibit collaboration.

From the perspective of the hotel managers marketing collaborations were important in diversification of products and services, increasing destination competition, forming a common financial pool, decreasing marketing costs of organisations and preserving the touristic values of the destination. These results obtained overlap greatly with the results in the literature. Wang et al. (2013) express that marketing collaborations were important in diversification of products in the destination and decrease in the transaction costs. Similarly, Wang and Xiang (2007) state that financial resources collected in a pool can decrease marketing costs.

In this study two deficiencies in the collaboration for destination marketing draw attention. The first of these is the lack of investigations to assess the effectiveness of the collaboration. Making the results of the activities measurable is important in order to do more effective activities and to give right decisions for the future of the organisation. The long term approach of the managers to the results of these activities is the appropriate approach. In order to achieve this, managers can take into account the number of people taking the tours organised jointly and the tourist flux in the seasons following the promotion events. Secondly, the collaboration to market the destination includes only the hotels and local government managers. However, touristic product is the holistic result also with the support of other service providers. In this frame, as stated by some hotel managers, involving other stakeholders in the activities to market the destination will increase the efficiency of the activities.

In the future research studies the natural structure of relationships among tourism organisations in a destination can be investigated from the perspective of marketing collaborations. In addition to this, the tendencies of tourism organization managers towards marketing collaborations can be studied from the perspective of management styles and market views.

References


Collaborative Approach in Destination Marketing and an Application Example


Note
This paper was presented orally in the (ICBIT 2016) International Conference on Business, Information, and Tourism in Kuala Lumpur, Malaysia.