

CHAPTER 1: DESTINATION BRANDS

1.1 Introduction

In recent years it has become increasingly common for nations and other destinations to discuss themselves in terms of “brands”. These “brands” have been developed either solely to promote tourism, as in the case of Brand Australia, or as a part of broader national branding activities designed to instill common values in all of the country’s products and services. New Zealand and Britain are both undertaking this second type of national branding exercise. Tourism researchers and tourism marketing practitioners have adopted the term “brand” freely with few studies addressing the meaning of the word or the “constructs” or components of the “brand” concept.

Despite increasing interest in the topic of Destination Branding there still remain many aspects of this process that have not been closely examined in tourism or business research. This thesis has been designed to examine the phenomenon of destination branding, with particular emphasis on the creation of brand equity and the transference of the benefits to the destination’s component members. As such, the goals of this thesis are as follows:

- To clarify the role of National Tourism Brands (NTBs) in the development of successful and sustainable destination marketing programs;
- To understand the process of developing destination brands; and

- To understand the benefits generated by destination branding for the key stakeholders in the destination system.

It is important to note that “sustainable destination marketing programs” are defined as marketing plans that sufficiently address the needs and issues of key stakeholder groups, including consumers, so as to be acceptable and successful over an extended period of time. Marketing plans and brand positions that fail to meet these needs prove unsustainable and change frequently.

These goals are addressed in two ways. Firstly, they are addressed through examination of the roles and activities of National Tourist Offices (NTOs) operating in the United States. Secondly, an evaluation of the transference of value from Brand Australia to key stakeholders, including product operators, wholesalers, state tourist offices and airlines has been undertaken.

This study will examine branding, and in particular destination branding, to address four hypotheses:

- Destinations can be considered as a form of “Brand”,
- Destination Branding is an important activity for Destination Marketing Organizations, including National Tourist Offices,
- Destination Branding provides benefits to destination marketing organizations, and
- Destination Branding provides benefits to a destination’s constituent stakeholders.

Destination branding and in particular the branding of a nation, for the primary purpose of increasing tourism to a destination is the study's core focus. As such, the study considers National Tourism Brands (NTB) as a subset of Nation Brands. Nation Brands are brands developed to promote products and services of the country or nation. National Tourism Brands focus specifically on the associations of the consumer to the destination in the context of travel.

In examining NTB's particular attention will be paid to:

- The Nature of NTB's including an examination of how destination brands are defined, the similarities and differences between destination brands and other types of brands; and the relationship between destinations and their component products and features and destination brand architecture;
- An examination of the stakeholders in Destination Branding and their role in the Destination Branding Process;
- Brand Development processes and the value created for the destination and its constituents; and
- The benefits generated by destination branding and the value transference process from the brand to stakeholders.

Each of these areas of examination represents key aspects of the destination branding process. The study will also examine the future implications of current trends in National Tourism Branding for key stakeholder groups including

destination marketing organizations and product providers. These areas of examination are represented in Figure 1.1.

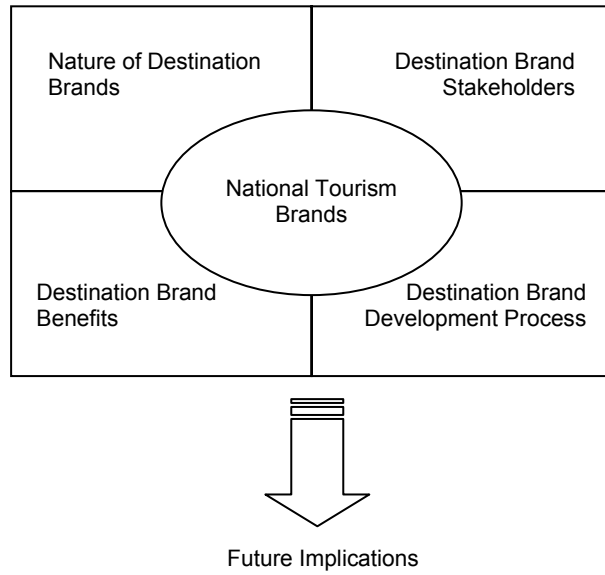


Figure 1.1: Thesis Issues – National Tourist Brands.

The study will then examine Australia’s Tourism Branding efforts using this framework. This process is represented by Figure 1.2.

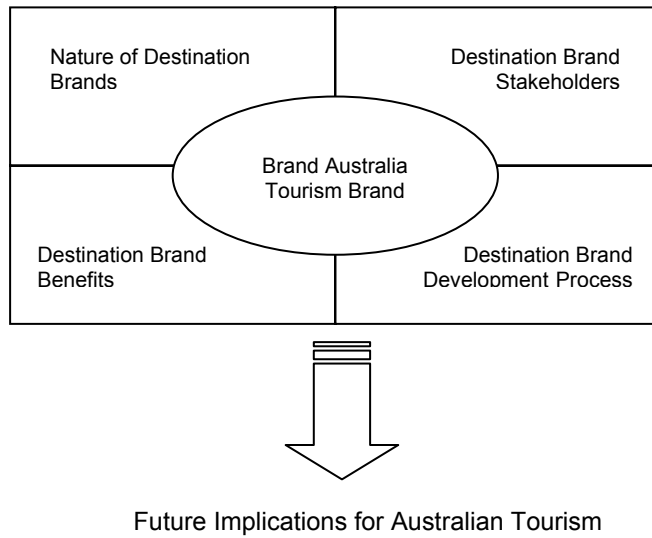


Figure 1.2: Thesis Issues - Australia

The study addresses these topics using the following format:

Literature Review

Chapter 1 Brands and Destination Brands

This chapter examines the nature of brands in the context of destinations. It examines brand equity, brand development processes and the architecture of brands and in particular destination brands.

Chapter 2 Brand Australia in the United States

This chapter examines Australia's branding activity in the United States, with particular emphasis on the period 1996 to 2004.

Studies

Chapter 3 National Tourist Offices in the United States.

This chapter includes a series of three related studies examining the marketing priorities of National Tourist Offices in the United States.

NTO Study 1: An examination of the status of National Tourist Offices and the key issues facing these organizations in the United States. Particular emphasis was placed on the marketing and branding activities of these organizations.

NTO Study 2: Interviews with a select group of National Tourist Office managers following up on the initial study and exploring branding issues more deeply.

NTO Study 3: Brand focused study conducted online with National Tourist Office senior management. This study was based on insights gathered from the previous studies.

Chapter 4

Australian Tourism Marketers Study

This chapter includes the results of two closely related studies. These studies were focused on;

- a. **Australian Product** marketing in the United States, and
- b. **US Based Travel wholesalers** selling Australian tourism product in the United States.

Brand Australia Content Analysis

This chapter also examines the application of Brand Australia to **marketing materials** produced by the Australian Tourist Commission in the period under review. It also examines the use of Brand Australia elements in **wholesaler's brochures** in the market.

In addition the chapter includes the results of a series of telephone interviews conducted with **State Tourist Office**

directors based in the Americas examining attitudes to Brand Australia and their own branding efforts.

Conclusions

Chapter 5 Analysis and discussion

This chapter summarizes the key findings of the thesis and synthesizes the information into a number of models for understanding National Tourist Brands.

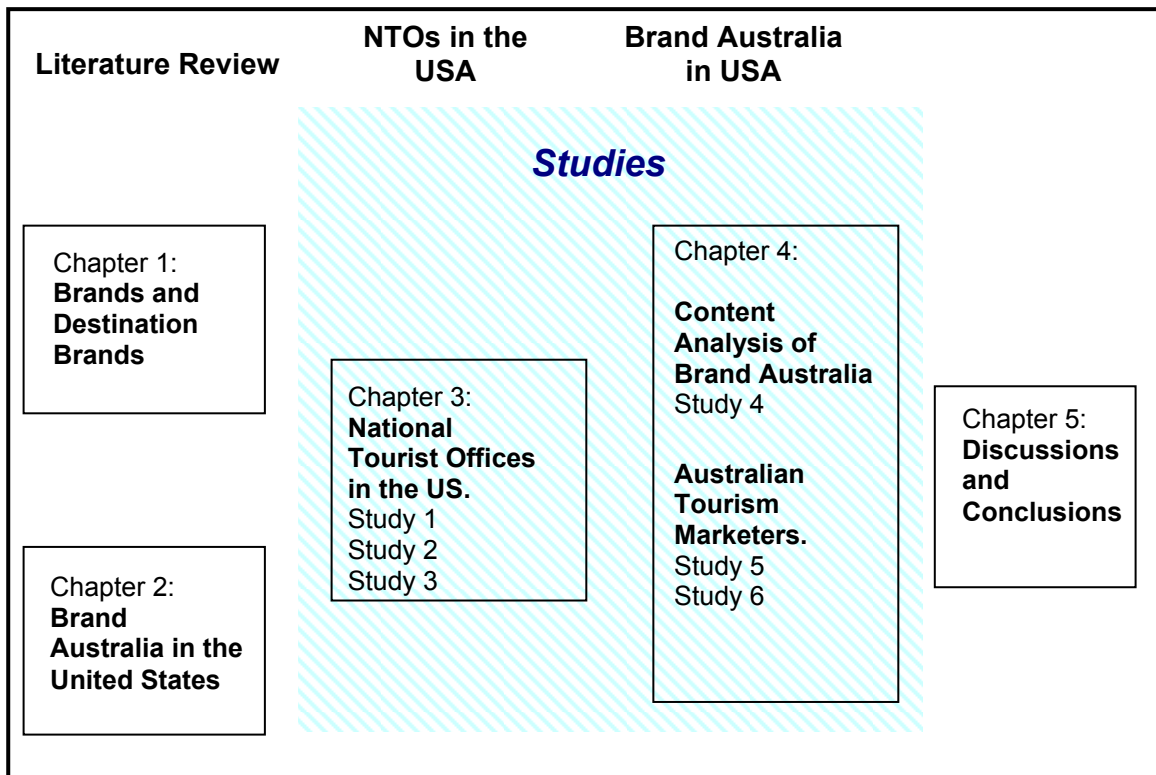


Figure 1.3: Study outline

Destination branding, particularly National Tourism Branding, is an emerging area of research in the field of destination management. Although there are a growing number of articles being written on the subject the topic has yet to be thoroughly examined. The thesis has been designed to examine key aspects of destination branding based on both a broad review of NTO practices and a specific examination of the Australia tourism industry's experience of the development of Brand Australia. As such, the style of this thesis is largely exploratory of the phenomenon of National Tourism Branding and descriptive of activities and perceptions of stakeholders in the process.

1.1.1 An Outline of the Chapter 1.

This chapter examines the current literature on brands and destination brands using the general framework, outlined in Figure 1.1, which includes the Nature of the Destination Brands, Destination Brand Stakeholders, Destination Brand Development Process and Destination Brand Benefits. The literature review examines each topic from the perspective of brands in general and then destination brands as a particular type of brand.

This chapter is organized as follows:

1.1 Introduction

1.2 The Nature of Brands

This section includes key definitions associated with the thesis and examination of the brand architecture and brand portfolio analysis as it relates to National Tourism Brands.

1.3 Stakeholders in Destination Branding

This section examines the stakeholders, both commercial and non-commercial with interest in the development of the National Tourism Brand. It pays particular attention to National Tourist Offices.

1.4 Destination Brand Development

This section examines the processes undertaken in the development of National Tourism Brands.

1.5 Benefits of Destination Branding

This section examines the benefits of Destination Branding to a variety of stakeholders, including the National Tourist Office and distribution network partners.

1.6 Summary and Observations

This final section of Chapter 1 examines the key points identified in the chapter and their implications to National Tourism Branding.

1.2 The Nature of Brands and Destinations

As noted, this thesis will examine four interrelated aspects of destination branding: The Nature of Destination Brands; Stakeholders in the Destination Branding process; The Process of Destination Branding and the Benefits of Destination Branding. As a point of departure for this examination of National Tourism Brands (NTB) this thesis will first examine the nature of destination brands. It will examine definitions of both relevant topics – including “destinations” and “brands”, the relationship between destinations, their component product and the destination brand.

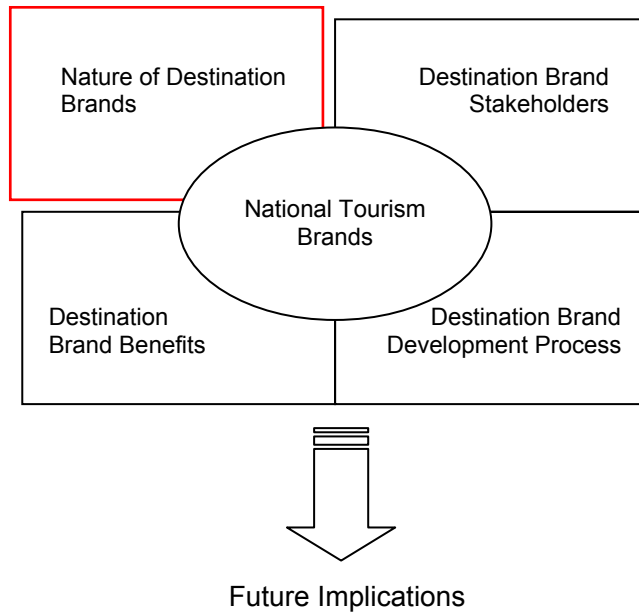


Figure1:4. Thesis Issues – Nature of Destination Brands

1.2.1 Definitions

1.2.1.1 Tourism Destinations

Before examining brands, or destination brands, it is reasonable to first define a “tourism destination”. As Mansfield (1992) has noted, the term “destination” is often vaguely defined in tourism research which is problematic to the study of destinations in the tourism system. Table 1.1 provides a sampling of these definitions for “destination” and related terms, in tourism literature.

Table 1.1: Definitions - Destinations

Destination Mix	A unique relationship found in the hospitality and travel industry involving attractions and events, facilities, infrastructure and transportation amenities, and hospitality resources	Morrison Hospitality and Travel Marketing, 2002
Destination Zone	The presentation and concentration of tourist facilities so that visitors can benefit from attractions and services located together.	Pearce, Morrison, Rutledge Tourism: Bridges across Continents, 1998
Tourism Destinations	A tourism destination is a package of tourism facilities and services, which, like any other consumer product or service, is composed of multidimensional attributes that together determine its attractiveness to a particular individual in a given choice situation.	Hu, Ritchie 1993
Destinations	Places with some form of actual or perceived boundary, such as the physical boundary of an island, political boundaries or even market-created boundaries.	Kotler, Bowen and Makens, 2003

These definitions recognize that destinations incorporate a distinct space and are composed of a variety of products, services and features. This definition can therefore accommodate a variety of geographical divisions including states, regions and cities. Based on these definitions, it is proposed that a “nation” can be considered a destination. It is noted that “destinations” can encompass a variety of geographic spaces and that a visitor can simultaneously “consume” destinations at varying levels of the destination hierarchy. Although most visitors will not visit a “whole” nation – that is they will not experience everything there is to see and do in the whole nation - they will visit cities and regions and the nation will provide a context for their experience. In effect, international travelers will “consume” or sample the nation, as a whole, as they visit more tightly defined locations within the nation. In effect they are simultaneously in several “destinations” depending on the scope or space of the destination under consideration. The example in Figure 1.5 illustrates the point – the consumer is in the several “destinations”, including Cairns, Tropical North Queensland, Queensland, and Australia, when visiting Cairns, Australia. This simultaneous consumption of multiple destinations has the potential to impact the consumers purchase process. Mansfield (1992) proposes that in considering their destination choice they will be considering various levels in the destination hierarchy at the same time, including the country or nation.

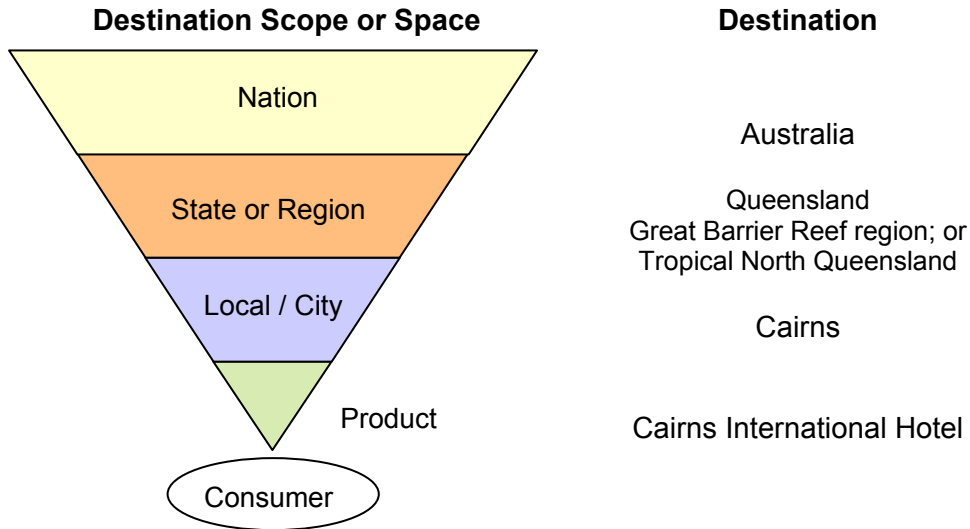


Figure 1.5: Hierarchy of destination

In some cases, it is the image or brand of the nation, as opposed to smaller regional areas that motivates travel. Although acknowledging the hierarchy of destinations a visitor experiences when traveling, the focus in this study is on National Tourism Brands.



Figure 1.6: The destination as a single entity

The hierarchy of the destinations is not the only way destinations can be considered; the composite nature of destinations allows them to be seen in a variety of ways. For instance, destinations can be considered holistically, as a single entity, as represented in Figure 1.6. In this approach the destination is considered as a single “whole” entity with its own characteristics. This appears to be the most common approach to destinations, despite the definitions noted earlier. It is also noted that most studies of destination image and destination branding tend to deal with the destination as a whole and most destination literature refers to destination branding in the context of the destination as a whole. Even image studies that have examined the various physical and cultural attributes of a destination, such as Nickerson and Moisey’s (1999) examination of Montana’s tourist image, have not examined the implication of the image on the component businesses and other entities that make up the destination.

Although treating destinations as a single “whole” has been most common in recent studies, destinations can also be considered as a composite of individual products, features and services. This approach is represented in figure 1.7. As a “composite entity”, destinations can include physical/geographic components, cultural components including celebrations and events, as well as commercial operations providing specific products/services such as hotels, tour operators and attractions. Each of these components may be “iconic” and help define the destination, or merely be a small part of the general understanding of the mix. In this case, tourism icons are defined as features of the destination that are easily

recognizable to the target market and immediately associated with the destination. As Becken (2005) notes, these “tourist icons are major pull factors of a destination that attract the attention of potential tourists” (p 21). For instance, the Grand Canyon and the Great Barrier Reef are iconic physical destination components that help define the destinations in which they are located. Similarly, iconic cultural events like Oktoberfest and Carnivale help define their destinations. Commercial operations like The Raffles Hotel in Singapore, The Plaza hotel in New York, and Disneyland in Southern California all help define their destinations.

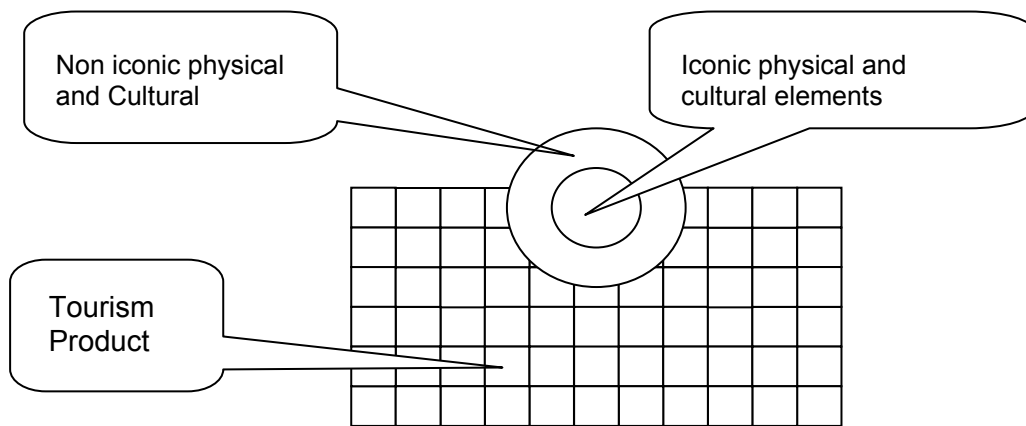


Figure 1.7: The Destination as a composite entity

Destinations include businesses providing products and services that may be directly and/or indirectly involved in tourism. Tour operators, hotels and attractions are clearly businesses involved in “tourism”. However, other businesses within a given location, like bakers, grocery stores and gas stations, may rely on tourism to varying degrees. Even companies not specifically involved in tourism may contribute to the destination mix.

Figure 1.7 represents the destination as a combination of iconic physical and cultural elements, non-iconic physical and cultural elements and tourism product. In this figure the many tourism products and services are represented as small boxes that comprise the largest part of the destination. The diagram therefore displays the composite nature of destinations while also reflecting the “whole” destination.

1.2.1.2 Brands

In general usage and in the popular press the word “brand” has become common in recent years. Although the word “brand” is used commonly, there is often only vague agreement on the meaning of the term. With this in mind it is useful to have a common understanding of the term and its application. Table 1.2 provides a sampling of definitions used in key branding texts. Each of these definitions acknowledges that brands provide dimensions in the mind of the consumer beyond the mere physical attributes of the product or service. These additional associations combine to provide the product with a branding that differentiates it from competitors.

As such, brands communicate information on a product/service beyond the technical specifications of the product. Kotler (1994) provides some insight into the additional dimensions that brands convey to consumers. He asserts that brands convey a variety of meanings including such things as attributes, benefits,

culture, personality, values and users. Brand Managers “build” these additional dimensions – or associations – in the mind of the consumer using marketing techniques.

Table 1.2: Definitions – Brand

<p>“A Brand, according to the American Marketing Association “is a name, term, symbol, or design or combination of them, intended to identify the goods and services of one seller or a group of sellers and to differentiate them from those of their competitors.” It is the name associated with one or more items in the product line that is used to identify the source or character of the brand ‘</p>	<p>Kotler 1994 p 444</p>
<p>“Brand is a distinguishing name and/or symbol (such as a logo, trademark or package design) intended to identify the goods and services of either one seller or a group of sellers, and to differentiate those goods and services from those of competitors. A Brand thus signals to the customers the source of the product, and protects both the customer and the producer from those of competitors.”</p>	<p>Aaker 1991 p 7</p>
<p>“A Brand is a product, then, but one that adds other dimensions to differentiate it in some way from other products designed to fill the same need.</p>	<p>Keller, 1998 p 4</p>
<p>These differences may be rational and tangible – related to product performance of the brand – or more symbolic, emotional and intangible – related to what the brand represents.”</p>	
<p>“Brand – A name, term, design, symbol, or any other feature that identifies one seller’s good or service as distinct from those of other sellers... A brand may identify one item, a family of items, or all the items of that seller.</p>	<p>(American Marketing Association, 2005)</p>

1.2.1.3 Destination Branding

There is a general acceptance amongst academics and practitioners that destinations can be branded. Branding and marketing references generally include places in lists of things that can be branded. As it is generally understood that destinations are forms of “products” so it is understood that products can be branded. In fact, coincidentally to this study, Keller (1998) even uses Australia as an example of a “place” that can be branded. This general acceptance of destination branding has been the focus of increased attention by tourism researchers as well. In recent years there has been a far greater emphasis on branding in tourism related academic texts with over 20 articles and special editions of both the *Journal of Vacation Marketing* (Editors: Morgan & Pritchard, 1999) and the *Journal of Brand Management* focusing on Destination Branding (Editor: Rouse, 2002). In addition, at least two books devoted specifically to destination branding, “Destination Branding: Creating the unique destination proposition’ (Morgan, Pritchard, & Pride R, 2002) and “Destination Brandscience” (Knapp & Sherwin, 2005a), have been published. Destination branding was also the focal topic at the 1998 Travel and Tourism Research Association Annual Conference. An even greater number of articles have been written on the brand related topic of destination image.

Despite the general acceptance of “destination branding” there are few specific definitions of the term. Nickerson and Moisey (1999), refer to destination branding, as “the images people have of the state and the relationship they have with it”. Kotler notes:

“The concept of brand name extends to tourist destinations... Acapulco, Palm Springs, and the French Riviera have developed strong reputations, consumer perceptions and expectations”, cited in (Pritchard & Morgan , 1998) (p. 218)

It is clear, as Kotler, Haider and Rein (1993) note that a few places have managed to create strong “brand” names and images for the products and services they provide. De Chernatony and McDonald, quoted in Pritchard and Morgan (1998) add, "The concept of branding is increasingly being applied to people and places'. Where this occurs it is noted that brand activities convey the essence or spirit of the destination. In the same article Pritchard and Morgan, contend that “the process of building brand destinations is the creation of brand saliency - the development of an emotional relationship with the consumer through highly choreographed and focused communications campaigns”. They propose the building process requires the establishment of the core values of the destination and its brand - durable, relevant, communicable and that hold saliency to potential tourists. Once these core values have been established, they should underpin and imbue all subsequent marketing activity – especially in literature text and illustrations – so that the brand values are cohesively communicated. These values should reinforce brand values with a logotype, brand signature and design style in a consistent manner. Perhaps the most comprehensive definition of destination branding has been proposed by Blain, Levy and Ritchie (2005) which defines Destination branding as follows:

“Destination Branding is the set of marketing activities that (1) support the creation of a name, symbol, logo, word mark or other graphic that readily identifies and differentiates a destination and (2) consistently convey the expectation of a memorable travel experience that is uniquely associated

with the destination; that (3) serve to consolidate and reinforce the emotional connection between the visitor and the destination; and that (4) reduces consumer search costs and perceived risk. Collectively these activities serve to create a destination image that positively influences consumer destination choice.”(p. 337)

In reviewing the existing uses of the term and applying it to this research the definition of Tourism Destination Brands adopted for this thesis is as follows:

A Tourism Destination Brand is the set of associations; including name, terms, logo, symbols, images, experiences, physical attributes, character and/or visitor benefits, intended to differentiate a destination from its competitors and stimulate visitation.

This definition of the tourist destination is therefore consistent with the definitions used by Aaker, Kotler and the AMA as noted in Table 1.2. The definition recognizes the broad scope of the associations that can differentiate one destination brand from another and the deliberate intention of the brand marketers to differentiate their destination from competitors. As noted earlier, this thesis will focus on National Tourist Brands (NTB) as a specific type of tourist destination brand.

1.2.2 Brand Architecture and Brand Portfolio Analysis.

For simplicity's sake, discussions of brands and branding often focus on a single company/single brand scenario. Although the model may be useful in understanding the branding process, it is obvious that many firms manage portfolios of multiple brands. Several terms are used to describe the organization of multiple brands within a portfolio. Brand architecture, or the related term

“brand hierarchy”, provides a mechanism for understanding these relationships. Brand architecture can be defined as “the organizing structure of the brand portfolio that specifies the brand roles, the relationships among brands and the different product-market brand contexts” (Aaker & Joachimsthaler, 2000). The analysis of brand architecture of a destination can provide insight into inter-relationships between the brands that combine to form the destination.

One framework of inter-relationships is the “hierarchy” of brands that have become so common in corporate America. Keller (1998) proposes that for most consumer products the hierarchy for products includes a corporate brand, which is applicable to a variety of product types; a family brand, which, while not a company name, is applicable to a number of products; individual brands, and modifier brands. Modifier brands provide specific information on any of the other types of brands. An example of this branding would be an Apple (Corporate brand), Powerbook (family name) with Power PC G5 chip (modifier brand). Other authors observe the hierarchical nature of brands. For instance, Kapferer describes “umbrella brands” as able to “support products in different markets, each with its own communication and individual promise” and gives the example of Canon cameras, copiers and office equipment (cited in Keller, 1998). This hierarchy of brands fits easily into the understanding of the destination as a hierarchy of “spaces”. As noted earlier in defining “destination” the nation is one of the largest spaces or groupings to be considered. The hierarchy of destinations in which nations are the largest grouping includes states, regions

and cities or towns. By acknowledging that each destination space can be considered as a brand the Nation brand is recognized as an “umbrella” or “master” brand. The earlier observation that the consumer’s concept of the nation as “a whole” often stimulates travel decisions can be described, using the established language of brand marketing, as National Tourist brands acting as “driver” brands in the consumer buying process. This phenomenon has been observed by other authors in destination branding; for instance, Morgan and Pritchard (2002a) refer to this hierarchy of brands by defining “suprabrands” such as Britain and “sub-brands” like Wales, England and so forth. For the purposes of this thesis, when discussing the role of nations in this hierarchy nation brands will be referred to as “umbrella” brands recognizing their role is similar to “corporate brands” in consumer marketing and avoiding the term “master brand” which is used in several ways by different authors.

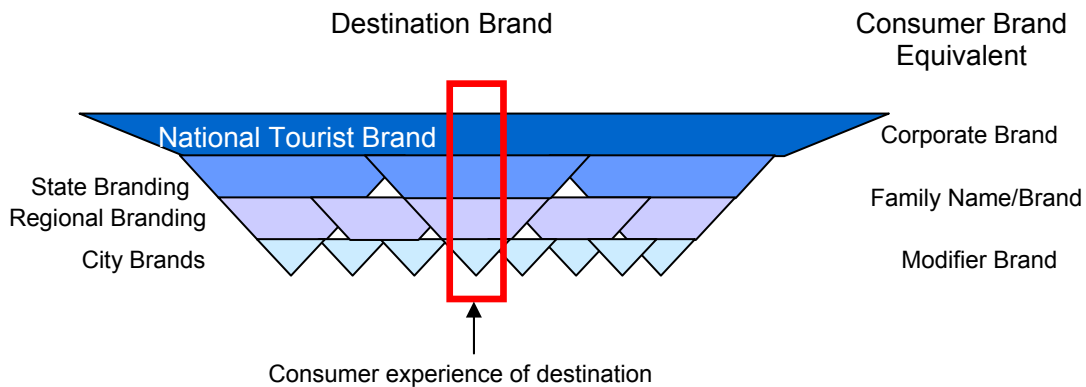


Figure 1.8: Destination Brand Hierarchy.

Destination hierarchy is by no means the only way to examine destination brands and the examination of the relationships of the brands to each other and to the market is particularly insightful for the purposes of this thesis. Aaker and Joachimsthaler (2000) describe a number of brand roles including master brands, endorser brands, sub-brands and driver brands. “Master brands” in this case, are defined as “the primary indicator of the offering”. This is the brand that will be used most prominently. Using this definition, Dell is the master brand for a line of computers. Nation Brands are often used as the master brand for a set of travel experiences and products.

Aaker and Joachimsthaler (2000) describes endorser brands as “established brands that provide credibility and substance to the offering” and propose that they frequently represent organizations rather than products and so they are somewhat insulated from the brands they endorse. These “endorser” associations are unlikely to be affected by the endorsed brand”. Examples of

endorsed brands include “Polo by Ralph Lauren”, “Post-it by 3M” or “Nesquick”. In the context of destination brands the National Brand endorses other product in cases such as “Sydney, Australia”; and Sandals Resort, Jamaica. “Sub-brands” are brands connected to a master brand that augment or modify the associations of the master brand.” The master brand is the primary frame of reference, but it is stretched by sub-brands that add new associations.” Sony Vaio, Nike Air Jordan and Nintendo Game Boy are all examples of sub-brands. “Australia’s Great Barrier Reef”, “Canadian Rockies”, or the “Scottish Highlands” provide examples of sub-brands of National Tourist Brands. Aaker and Joachimsthaler (2000) note that any of these roles may also have a “driver role” in the purchase decision and use experience, that is, they drive consumer purchase or use.

Analysis of destination branding has also tended to focus on a simplified model of the branding process. The core assumptions of that model, which are almost always implicit rather than identified explicitly, are as follows;

1. The destination has a single brand, and
2. The destination marketing organization is the core driver of brand development.

Clearly these assumptions do not take into account the complexity of the destination brand’s role in the selling of travel experiences. As noted previously, destinations themselves are collections or portfolios of products, services and other attributes. Destination can be represented by the diagram in Figure 1.9.

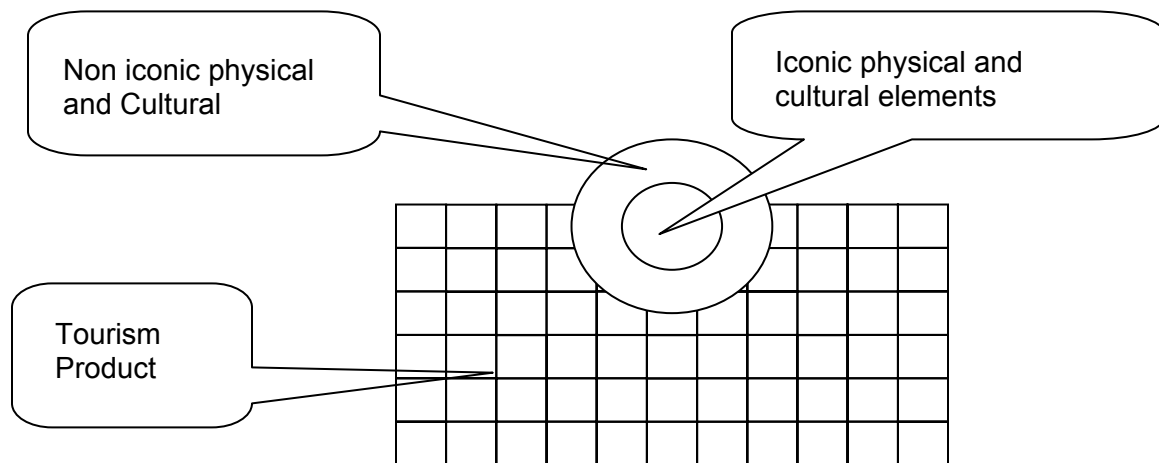


Figure 1.9: Destination Diagram

Each tourist product in a destination can be considered a brand. Some of these products, like hotels belonging to international chains, may have their own brand relationships/equity quite separate from their destination brand relationship. For instance, the Beverly Hills Hilton has strong associations with hotel brand Hilton and destination brand Beverly Hills. In addition to commercial brands the physical features and cultural aspects of the destination may be brands themselves. Certainly New Orleans’s Mardi Gras has its strong set of associations related to New Orleans’ brand and yet distinct from it. In addition, as noted earlier the destination is part of a hierarchy of destination brands. Sydney is clearly branded as Australian and yet Brand Sydney has a distinct set of associations separate from Brand Australia. The composite definition of the destination thus yields a complex brand portfolio.

The relationship between the components will contribute toward the overall “brand portfolio” of the destination. Table 1.10 is a simple example of how this may be represented. The diagram represents the congruency of product to the core brand. Note that some product, represented in the diagram with dark blue will be aligned to the core brand of the destination; other product will only contribute marginally to the destination brand (light blue) and other product will be neutral (white), neither contributing or detracting from the destination brand. Occasionally product will detract from the destination brand’s core elements. In this diagram such a product is represented in red. An example of a product that detracts from the brand may be a modern skyscraper in an historic district or McDonalds at a national park.

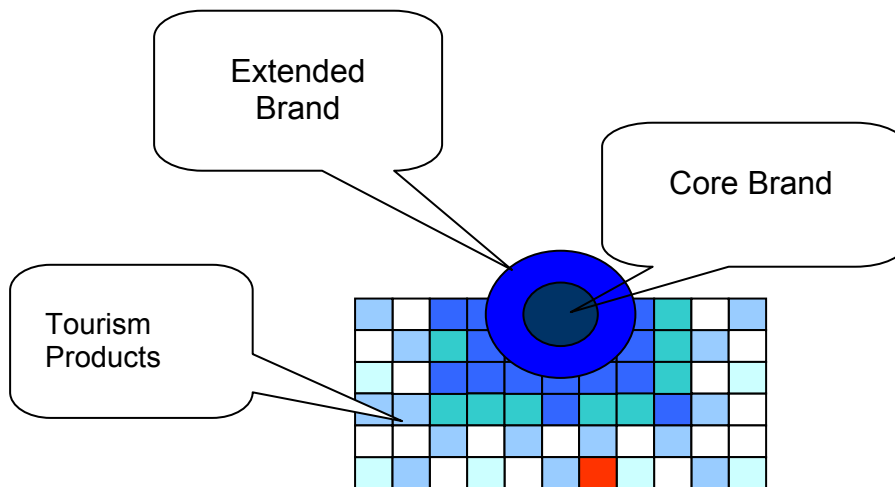


Figure 1.10: Destination Brand Diagram

Within this portfolio model, brand equity is transferred from the core destination branding to product. At the same time product contribute to the consumers

understanding of the destination brand and so brand equity transfers from product brands to destination brands. From the perspective of the product operating at a tourism destination, it may consider itself part of a composite brand or consider itself to be an “ingredient” brand to the destination, in the same way NutraSweet is to some foods or Intel is to computers. Although NTOs and other destination management organizations may be the lead actors in destination branding any analysis that assumes they are the only actor – or the only beneficiary of destination brand equity ignores the interactions between component product and services of the destination.

There are many relationships destination products and services can have with their destination brand portfolio. Based on the analysis described, destination brand portfolios can be considered in terms of hierarchies. Destinations themselves can be considered as “corporate” or “umbrella” brands with family brands, and individual brands beneath them. Consider the Umbrella Brand: Greece, the Family Brand: Islands, and the various individual products on the island. A destination brand may be an “umbrella” brand to a number of distinct sub-branded destinations. New York City is the Master-brand for Times Square, Greenwich Village and SoHo. Depending on the consumer either the Master-brand or the sub-brand may drive the purchase. It is interesting to note that, although the destination and its “umbrella” brand are complex, they are also robust. Individual product can add to the equity of the destination brand but they have limited ability to dilute the brand. This is consistent with Hoeffler and

Keller's (2003) observation that "flagship" brands are resistant to dilution from brand extensions.

Destinations are often "endorsers" of a travel related products. Each hotel, tour operation, etc. in the location will, to some degree, be tied to the brand associations of the destination. Consumers may have differing beliefs about the ability of a product/brand to reflect destination brand attributes – for instance, it may seem likely to consumers that the Cairns Hilton would not be able to reflect the "Cairns/Australian" brand as well as a "local brand" because of the brand associations they have for the Hilton brand. Destinations can also be endorsers of brands in the distribution network. Tour wholesalers may focus their marketing activity on the destinations they sell rather than building their own brand because of the strength of the endorsement relative to their own brand strength.

The destination is often the driver of a purchase decision – taking precedence over both component product brands at the destination (hotel brands) or over intermediary brands (like travel wholesalers) through which the product is purchased. This is not always the case. Some products, acting as so called "ingredient" brands can be the driver in a travel decision, in the same way the inclusion of the Intel processor in an otherwise little-known computer brand may secure the consumer's purchase. These products may "give" more to the destination than the destination "gives" to them. Examples such as Hayman

Island, the Orient Express or Raffles may all be important “ingredient” brands to certain consumers.

To established tourism brands destinations can be either components of composite brands or co-brands and in these cases both brands may benefit. For example United Airlines brand is strengthened by the destinations it serves, and Abercrombie and Kent, the up-market tour wholesaler chooses to sell luxury product in exotic locations thus supports their branding. Qantas in the United States is inextricably tied to Australia in consumer’s minds and so benefits from a situation close to “co-branding” with Australia.

1.3 Stakeholders in Destination Branding

It has been noted in the context of the destination as a composite entity that many products and services can be considered as parts of the destination. Further – from the perspective of a brand portfolio - these products may be contributing to an understanding of the destination brand and/or benefiting from the destination image in the market place. An example of such a relationship would be Raffles Hotel Singapore – which contributes to our understanding of brand “Singapore” while at the same time, the hotel is enriched by perceptions of Singapore. These products are clearly vested stakeholders in the destination branding process

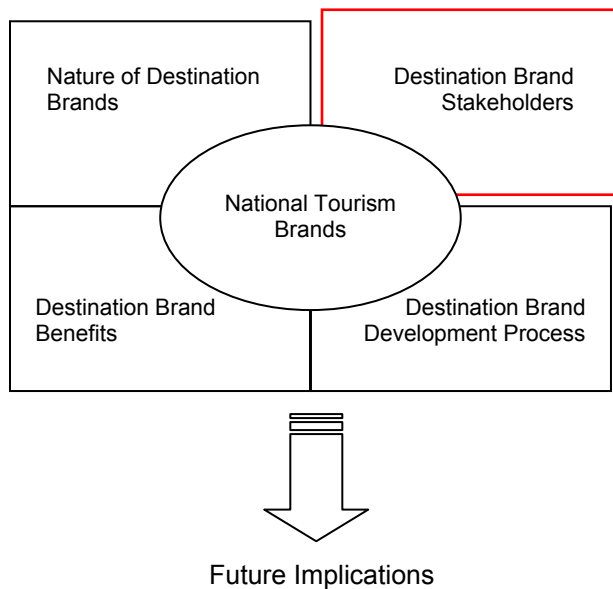


Figure 1.11: Thesis issues – destination brand stakeholders

In addition to the product and services there are a variety of other organizations that have strong vested interest in the destination branding process for social and/or commercial reasons. Several articles, including case studies of the branding process in Britain (Hall, 2004) and Spain (Parkinson, Martin, & Parkinson, 1994), examine the stakeholders in the branding process. The wide range of stakeholders involved in the development of Brand New Zealand, including inbound tourism associations, politicians, regional and district tourism organizations, as well as commercial entities including the national carrier, is examined both by both Morgan, Pritchard and Piggott (2003) and Ryan (2002).

Understanding the roles of the stakeholders and their motivations provides a deeper understanding of the interrelated aspects of destination branding including; the benefits of branding and the process of destination branding as represented in Figure 1.12. Given the National Tourist Office's imperative to create economic benefit from increased visitation this analysis divides stakeholders into two broad groups – commercial or market driven stakeholders and non-market driven stakeholder. The stakeholder model suggests that the branding process takes place with influence from both market driven and non-market driven factors. The studies in this thesis will focus on the commercial stakeholders but this in no way suggests that non-market driven stakeholders are any less important than the market driven counterparts. As Parkinson et al (1994) note, successful branding will encompass the views of the public sector, private enterprises, and society, as well as the needs of source markets.

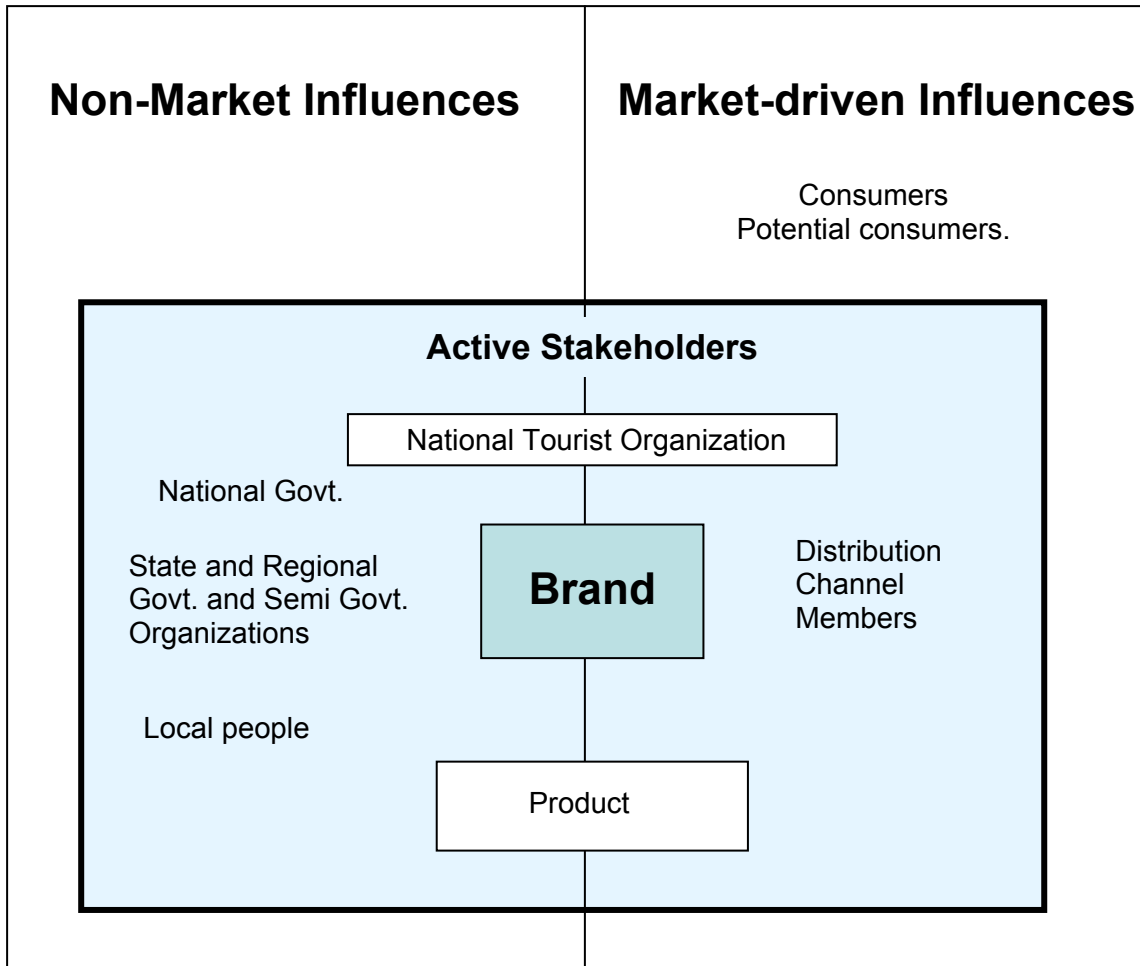


Figure 1.12: Stakeholder Model

Of particular note is the role of two active stakeholders in the process: tourism product and the National Tourist Office (NTO). These stakeholders share an interest in both non-market driven issues and market driven issues. The product operator is also a resident or “local person” and may share convictions of local people. As will be noted, the perspective of the locals with respect to how the destination should be presented often differs significantly from distribution channel members who are “closer” to the customer. At the very least, it can be

expected that product operators will have not only a commercial interest in the branding process, but, an emotional/social stake as well.

Similarly National Tourist Offices must weigh market-driven and non-market driven factors. This will be true at an organizational level and at a personal level as management considers the identity and positioning decisions required to successfully brand. NTO management includes “local people” as well as people based in foreign markets that are more exposed to international consumers, and are therefore more aware of destination image held by target markets. These managers will have differing views on appropriate branding and the differences will need to be reconciled. Organizationally the NTO is charged to generate economic benefit for the destination but may need to trade this priority against the development of a sustainable destination brand that satisfies a variety of stakeholders. For instance, the branding that generates short term sales may not be acceptable to the people of the country.

1.3.1 Politics and Identity Development

As will be noted in the section on destination image development, National Tourist Organizations are not the only sources of destination image information. National Tourist Offices are, however, typically the organizations that are specifically charged with the responsibility of developing brand image for the tourism destination. NTOs are therefore faced with a range of options in developing the branding – from not involving stakeholders in the process to

detailed consultative processes. At least two factors must be considered in this decision. Firstly, without stakeholder support branding positions may not be sustainable. Stakeholders dissatisfied with brand creative or other aspects of the branding process may actively work to undermine the branding and/or the efforts of the NTO. Secondly, close alignment of the NTB with the positioning undertaken by stakeholders will extend the message and leverage the brand into the target market. The lead organization in the development of the “brand”, in this case the NTO, is most effective when they are an “influencer” of the industry’s collective marketing activity despite their limited ability to control communication by stakeholders. Their influence is extended as they engage in the “group process” with stakeholders.

Given these considerations NTOs typically include some level of consultation with stakeholders in the brand development process. The degree of engagement the NTO makes with stakeholders will be determined by many factors; including its own corporate culture, its policies and its understanding of its role in the community and the marketplace. Hall (2004) provides insight into the task of effectively involving stakeholders into the process. “Stakeholders will range from politicians to civil servants to individuals representing the private sector, sport, culture, education, tourism, the media, the people and of course the corporate or individual “buyers”. The picture is breathtakingly complex and the goal must be to find ways of involving all these interests in the most time - and cost – effective manner” p184. Indeed, even if the NTO does not engage with the stakeholder prior to brand development it is reasonable to expect it must interact with them at

some point. The NTO is undertaking the development of a major public asset with both commercial and nationalistic implications and stakeholders will expect to be involved.

The development of destination identity is a complex process. At the most fundamental level, the identity development process requires the identification of core values and attributes that convey the benefits of the destination to a potential target group of consumers. However, layered on this process is a variety of issues that are unique to the destination branding and many of these issues have a “political dimension” to them.

As public organizations, NTOs are impacted by politics at a number of levels. The political dimension of destination identity can be very explicit and can operate at many levels. It is noted that, although this political dimension can be frustrating and time consuming for the destination marketing organizations, each of these organizations have a “stake” in the brand equity – assets and liabilities - of the destination. In this respect the development of a destination brand may be considered in terms of a major public works project that requires public consultation and other processes as it proceeds.

As noted, the case of New Zealand provides an interesting insight into the number and types of stakeholders with whom the destination strategist must deal. A number of industry associations, Regional Tourist Organizations (RTOs),

District Tourist Organizations (DTOs), Councils and influential tourism organizations like airlines and larger product providers are cited as important players in the brand development process. These stakeholders interact on a variety of dimensions that influence the brand development process. Ryan (2002) proposes the following dimensions in the case of New Zealand:

“Professionalism versus enthusiasm, short-termism versus long term perspectives, competition versus cooperation, tourism being considered not at all versus tourism being perceived as an important economic and social factor”(pp 81-82).

Local people are concerned about how their destination is presented as it reflects on their personal and national self-image. Nations are concerned as branding impacts on political agendas. Travel wholesalers and travel agents are concerned with selling product. Of course, like all activities undertaken in the public arena, there will be champions of the process with personal interests in the success (or failure) of destination branding.

1.3.2 NTOs: Key drivers in National Tourism Brand Development.

Public sector organizations, often National Tourist Offices (NTOs), tend to be the coordinators of brand identity development for nations and other destinations. There are many examples of the NTO taking this role including the Slovenia Tourist Board (Hall, 2002), Spain's General Secretary of Tourism – Turespana (Parkinson et al., 1994) Wales (Pritchard & Morgan , 1998), Britain (Hall, 2004), and of course Australia.

In many cases, National Tourist Offices (NTOs) are the strategic drivers of destination branding campaigns as they relate to tourism promotion. Senior executives at National Tourist Organizations are extremely positive about the benefits of branding. David Quarmby, Chairman of the British Tourist Authority proclaims Britain will remain “one of the great tourism destinations of the world” (British Tourist Authority, 1997) by utilizing a “brand” Britain that “captures the essential character of the country and expresses what we have to offer our visitors. The Australian Tourist Commission (1996) asserts “A strong and motivating brand, reflected in consistent messages, design and imagery has the power to achieve greater memorability and awareness” (p. 3.1) .

National Tourist Organizations undertake a variety of activities in the United States, including destination-branding activities. National Tourist Offices are the key coordinating organizations in the development of destination brands for tourism markets. Morrison et al (1995) identify six common objectives of National Tourist Offices:

- To increase the availability of the tourist product(s) of the destination by increasing the number of new tour programs and packaged vacations and the capacity of such programs (Package and Tour development role) ;
- To secure maximum promotional exposure for the product-service mix of the destination (Promotional Role);
- To promote a favorable image of the country as a tourism destination and to maintain or enhance this image (Image creation and enhancement role);
- To play a leadership role in the development of marketing and promotional partnerships between carriers, suppliers, travel trade intermediaries and other businesses in the host country and the originating countries; (Partnership development role);
- To familiarize travel trade distribution channels with the destination's services and products and stimulate them to increase sales; (Travel trade marketing role); and
- To increase and make more effective the supply of information on tourism services and products of the destination. (Literature Distribution/Fulfillment role).

It is noted that at least two of these roles; the promotional role, and the image creation and enhancement role, can be considered to be related to destination branding. The importance of activities related to brand building is reinforced in two other questions from the Morrison study. When asked to list their three most important goals; increase knowledge of country/awareness, and strengthen image of destination/country ranked in the top five goals. Similarly, advertising in

consumer travel magazines and in travel trade magazines were both in the top ten marketing activities. Not surprisingly one of the strongest held opinions of senior NTO management was that “It is essential that an NTO places advertisements about its country in consumer travel magazines”. Other authors reinforce the understanding that branding is an important activity for NTOs and other destination marketing organizations. For instance, Hawes et al (1991) observe that, in a survey of destination marketing organization’s goals and strategies, image development is the most frequently stated goal. Specifically the most frequently stated goal was “to enhance the perceived image/perception/awareness of the state”. Not surprisingly, brand-related strategies are high on the priority list also, fourth on the list is “develop and promote a "theme" as a unifying coordinating and reinforcing mechanism”.

These stated goals and objectives form the explicit rationales for destination branding. In addition to these explicit reasons there may be other implicit reasons, including broader national strategies, which provide implicit support for national branding. These will be addressed briefly in the examination of stakeholders.

There is some unsubstantiated evidence that tourism promotion expenditure by NTOs is directly related to increased arrivals. Lavery (1992) notes that the two NTOs with the greatest increases in promotional expenditure in the period 1981-1991 also received strong tourism growth during the same period. Clearly many other factors contribute to the increase in passengers to these destinations and

there is no direct causal proof of the expenditures effectiveness in increasing overall visitation.

1.3.2.1 NTO Internal Stakeholders

An examination of the stakeholders in the NTB process would not be complete without acknowledging that there are stakeholder groups within NTOs. As noted, NTOs are significant operations with both central functions and functions undertaken in the regional markets. It can be observed through examination of the available case studies that much brand development appears to be undertaken as a central function of the NTO (Morgan et al., 2003; Hall, 2004); but it is noted that image and brand related activities are also key to the roles of senior management of National Tourist Offices in North America (Morrison et al., 1995). This raises the question “what is the relationship between the central functions of the NTO and their regional offices in terms of branding? How are perceived differences of positioning, and indeed identity development addressed? Is branding a centralized or decentralized activity or a combination of the two?

1.3.3 Non- Market Driven Stakeholders

1.3.3.1 Government.

At a macro-level the considerations of national identity and the nation's desired position on the world stage may factor into the destination identity development process. For instance, both Slovenia (Hall, 2002) and Turkey have developed branding strategies designed to highlight their European ties in order to support inclusion in the European Union.

The national identity and the associated national identity goals are often critical factors in determining key associations to be included in destination branding activities. Destination branding activities are used to promote other agendas – such as trade development – as well as tourism promotion. In some instances national branding campaigns can be used as an aspirational force for people of the originating country (Hall, 2002).

Despite the scope of national tourism branding, local and regional tourism and/or civic organizations can be stakeholders in the NTB process. Not only do these organizations have a vested interest in the success of the National Brand from an economic perspective but there are a variety of additional reasons they may want to be involved in the process. For instance, some cities and regions with strong brands may be concerned that inappropriate branding will dilute their own brand equity. Of course difference in domestic political agendas, creative preferences and cultural appropriateness may also factor into the equation.

A number of case studies of destination branding refer to the involvement of regional organizations. Hall (2004) notes that both London's tourist authority, a representative of regional English tourist organizations, as well as the tourist organizations for Wales and Scotland were included in the Brand Britain Steering Team. The role of stakeholders in the development of the New Zealand branding has been noted by several authors who identify that this stakeholder involvement gave to the process greater strength but there was a significant challenge managing the variety of positions that these stakeholders contributed to the process.(Morgan et al., 2003; Ryan, 2002)

1.3.3.2 Politicians.

Individual politicians can be the driver of destination branding campaigns. Tony Blair, Prime Minister of the United Kingdom championed the "Cool Britannia" nation branding program. Curtis (2001) credits Governor Neil Goldschmidt as providing the initial impetus for brand Oregon and notes both the importance of a high level champion and the impact that individual's political fortunes may have on a destination campaign. Clearly destination campaigns often outlast the support of their political supporters. On the other hand, this political dimension also means that politicians may attack destination branding efforts for political expedience as was the case in New Zealand in the late 1990's (Morgan et al., 2003).

1.3.3.3 National Tourism Industry Organizations / Associations and Tourism Products.

Tourism product associations can be important stakeholders in the destination branding process. In the New Zealand example it is noted that two industry associations, Inbound Tour Operators Council (ITOC) and the Tourism Industry Association (TIA) were consulted as part of the brand building process (Morgan et al., 2003). It is reasonable to expect these associations provide an efficient way for NTOs to engage with the stakeholders representatives.

1.3.3.4 Local People

Destination branding must be congruent with people's view of their own country and how it is presented in the world. In what was considered at the time a "ground-breaking move", Wales researched key brand attributes and values with local people, as well as target market attitudes, to "ensure they are not only relevant and credible but also acceptable, representative and, above all, not stereotypical" (Pritchard & Morgan , 1998). This factor in itself can be one of the greatest challenges for destination marketers. Stereotypes are based on strong associations built over years and can be leveraged to great effect in destination marketing. Nevertheless, citizens of nations with strong stereotypes can be offended by the generalizations made about their country and so even though effective in communication with target markets the identity is unacceptable to the host population.

Congruency between how the destination is promoted to a target audience and how it is perceived locally is not an absolute key success indicator for a positioning strategy but it is advantageous. According to Robin Gwyn, Wales Tourism Board, Manager - Public Relations, "There would be nothing worse than a lot of highly paid professional organizations coming together to work out an idea that is not something the people of Wales could relate to" (Pritchard & Morgan , 1998).

It is also important to note that the local people – and in particular the interaction between the local people and visitors – are part of the destination experience. As Alcaniz, Garcia and Blas (2005) point out “the host community ... is part of the global product that others will enjoy” The positive image that the local residents have of their destination, particularly as a tourism destination, is important to the branding process.

1.3.4 Market-Driven Stakeholders

1.3.4.1 Tourism Products.

Tourism product providers, as noted earlier, are key components of the destination and can be considered part of the destination composite and the destination brand portfolio. As such they have a vested interest in the development and success of the National Tourist Brand. In case studies of New Zealand, Spain, and Britain there is reference to the involvement of product in the brand development process. Nevertheless, in reviewing literature it is clear there is little research available on international marketing undertaken by tourist

product or the role of product in the branding process. A review of this literature does indicate that it is the larger players, such as airlines, that have greatest influence in this process.

1.3.4.2 Distribution Channel

The distribution network has a vested interest in the brand process and brand identity strategists must consider the impact of the branding efforts on these stakeholders. As Morgan et al (2003) note “residents and internal industry constitute the destination experience, tour operators and wholesalers, airlines and other destination marketers are the bridge between the destination and the tourism market”. These channel members provide the mechanism for consumers to purchase products and “consume” the destination and so – at least to some degree their fortunes are tied to the promotional efforts of the destinations they sell.

In the United States, the tourism distribution network is complex and fragmented. While traditional channel relationships are in place, typified by the product; inbound tour operator; tour wholesaler; retail travel agent channel, consumers can easily purchase directly from product itself, or from wholesalers. Consumers and channel members have many choices as to how they purchase their tourism product. Figure 1.13 has been developed to show some of the means by which consumers can make product bookings.

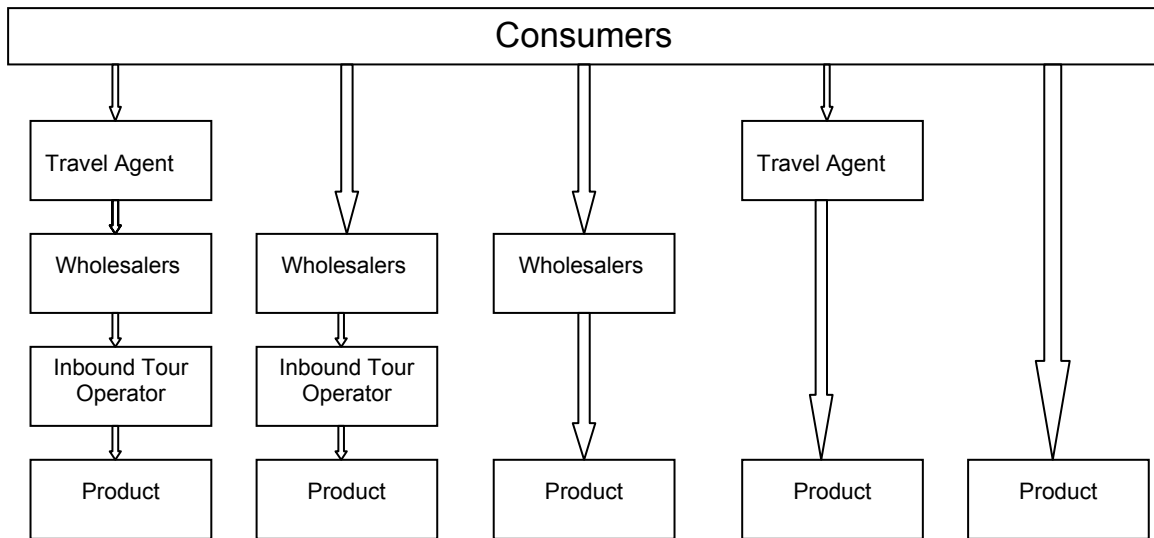


Figure 1.13: Leisure Travel Distribution Network

Figure 1.13 is by no means comprehensive and it is noted that in any given vacation purchase several different channels can be chosen. For instance, a consumer may purchase some components from an agent; some direct with the product itself and some through a wholesaler. Even if the consumer used a single agent, the agents may book some product through a wholesaler and some directly.

Adding to the complexity, in the leisure travel channel new distributors, like online travel agencies, are providing consumer choice, and in niche or specialty travel markets, such as incentive travel or dive travel, there are alternative distribution networks available as well as the traditional channels. Consumers have a wide variety of means to purchase their product and may choose a variety of outlets to purchase their product and ultimately their destination experience.

Each of these channel members are stakeholders in the destination branding process to the extent that their sales to the destination are impacted by the branding of the destination itself. Of course, not all stakeholders are equally impacted by the destination branding and so there is a spectrum of engagement and concern for the process. Wholesalers, specializing in a specific destination and reliant on that destination for the majority of their sales, are clearly more “vested” in the destination’s brand than wholesalers or travel agents “selling the world” for whom the destination represents a small percentage of their overall business. It is interesting to note that some wholesalers have well established brands that drive consumer purchase decisions while others use the destination as a “master brand” to drive the purchase. Woodward (2000) notes in her examination of tourism wholesalers in the Australian market that some pursue “push” strategies requiring heavy reliance of channel sales and others pursue “pull” strategies driven by demand for well-known brands. In the United States Abercrombie and Kent and Grand Circle have well established brands and consumers choose destinations offered by these companies based on an understanding of the wholesaler’s brand promise. In cases like this the wholesaler’s corporate brand is driving the demand and the company can be seen to be pursuing a “pull” strategy. On the other hand, wholesalers like Swain Australia and Goway travel rely on the strength of the umbrella brand “Australia” to drive consumers to their sales agents; these wholesalers then spend energy to ensure those channel members use them for Australian bookings. As such, these

organizations pursue a channel push strategy and rely on demand to be generated by Brand Australia.

In general, the closer the channel member is to the final product – hotel, attraction etc – the greater the proportion of their business that lies in the destination. This is represented by Figure 1.14. It is assumed that the greater the stake the business has in the destination the greater their concern with the branding process. This assumption will be tested in Chapter 4.

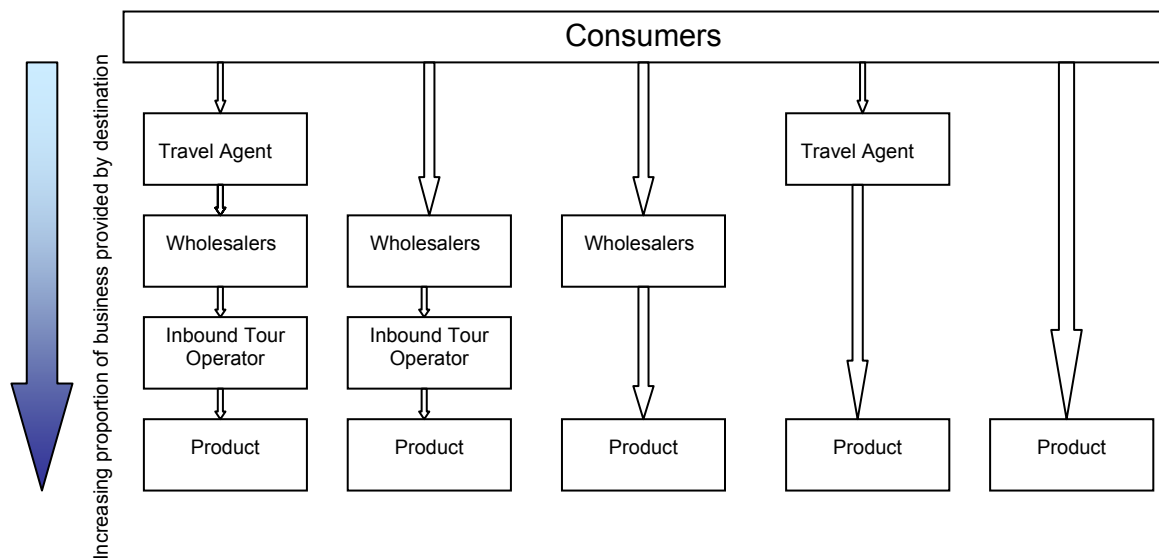


Figure 1.14: Channel member involvement in destination branding

The importance of the distribution network cannot be ignored. As noted above they represent the mechanism through which the destination/product is delivered to the consumer. Wholesalers and retailers are product developers or “aggregators” of product and the product they develop for clients will determine

the consumers' experience of the destination. As product developers these channel members play a far more active role in the product/destination delivery process than their counterparts in traditional consumer product channels; the grocery store does not package the can of Coke.

These stakeholders, like local people, may have very entrenched views as to the way in which the destination should be positioned. Unlike the local people, the distribution network is likely to be proponents of simple, established positioning for the destination, much of which may be "dated" and "cliché" to local people.

Failing to appreciate the commercial needs of the distribution network selling the destination can be extremely counter-productive as these are the stakeholders that are ultimately delivering passengers to destination products and creating the economic benefits sought in tourism development. The "Feast of the Senses" campaign produced by Morocco in the mid-1990's provides clear evidence that this constituency cannot be ignored. The campaign, which met long term positioning goals and reinforced national identity beliefs by focusing on the richness of Morocco's cultural experiences, was rejected by German tour operators because it failed to incorporate messages to traditional markets who were seeking "sun and sand" vacation experiences. The campaign was ultimately replaced (Morgan & Pritchard, 2002a).

As core “partners” in the process, commercial enterprises including both product and channel members, bring differing priorities and agendas to destination brand implementation. Whereas NTOs may be charged with destination brand development and long term asset growth for the destination, these commercial operations are concerned with immediate sales. As Martin Sandbach, Head of Research at the British Tourist Authority stated at the 1999 World Tourism Conference (Morgan et al., 2003 p287):

“I don’t believe we have been honest enough with ourselves in recognizing that our commercial partners have a short-term view of the world and that we, as NTOs are charged by governments to have a medium-term to long term outlook. Most of our trade partners have a nine-month long term perspective and I know of some companies with 95% of their budget in tactical marketing. These are not partners with whom it is easy to create strategic partnerships.”

The tension between short term sales and long term brand building is a critical issue for destination branders. The issue will be dealt with in more detail and will be addressed later in the thesis.

1.4 Destination Brand Development

The brand development process integrates the aspects of branding; the nature of destination brands, stakeholder issues and value/benefit creation.

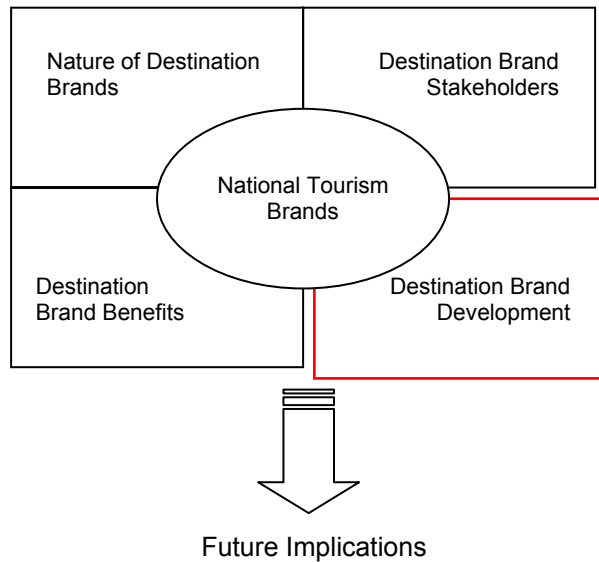


Figure 1.15 Thesis Issues – Destination Brand Development

Brands are developed by marketers through a deliberate process. Given that brands are a set of associations held by groups of consumers there is the opportunity for the marketer to stimulate the development of specific associations in the minds of the target market in order to benefit the firm, or in the case of this study the destination. This process is described as branding.

Aaker (1996a, p71) identifies three aspects of the branding process:

- Brand Image - how the brand is currently perceived – is the consumer's current understanding of the brand. Brand image is the starting point for any deliberate branding efforts;
- Brand Identity - how strategists want the brand to be perceived by the target group; and
- Brand Positioning – those aspects of the brand identity and value proposition to be actively communicated to the target audience.

This naming convention will be used throughout this thesis. Following this convention this thesis will define Destination branding terms as follows:

- Destination Brand Image or Destination Image – how the destination is perceived;
- Destination Brand Identity or Destination Identity – how strategies want the destination to be perceived; and
- Destination Brand Positioning or Brand Positioning – the part of the brand identity to be actively communicated to a target audience.

Table 1.3: Destination Brand Development Model

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Modified from Aaker, 1996

The general process of “branding” could be described as actively communicating the brand positioning to a specific target group to move the brand image toward the desired brand identity. Keller (1998) provides a useful general framework for describing the branding process. In creating a program to execute brand positioning goals, Keller proposes that the marketer develop and / or identify branding elements – such as symbol, packaging, brand name, logo – as well as secondary associations that support the brand positioning and then create marketing plans to achieve brand awareness and brand association goals.

1.4.1 Destination Branding Process

Following the logic, the process of “destination branding” could be described as actively communicating the destination brand positioning to a specific target group to move the destination brand image toward the desired brand identity. The transition from observing the phenomenon of image development to the study of the branding process itself is relatively new. Cai (2002) provides an important transition from the passive examination of image formation to the proactive process of destination branding with his model of destination branding. Drawing on both tourism’s image research and more general branding literature, Cai’s model progresses the destination branding research in several key ways. Firstly, it acknowledges the “active” nature of brand development and its intention to stimulate a consumer response. Secondly it distinctly identifies the gap

between perceived and projected destination images. Thirdly, it identifies marketing programs and marketing communications as a means to operationalize those aspects of image formation identified by Gartner as “induced image formation agents”.

While acknowledging the contribution of the established research in destination image development, and Cai’s Model for Destination Branding this thesis will utilize a more general destination branding model that includes the following components; Brand Analysis and Strategy Development, Marketing Communication, and Measurement of Outcomes. This model is represented in Figure 1.16.

1.4.1.1. Brand Analysis and Communication Strategy Development

Brand analysis and Strategy Development are a critical part of the branding process and comprise four key components:

- Image Analysis - the analysis of how the destination is perceived in the target market;
- Identity Development - this is the process of determining an acceptable “identity” that satisfies the local stakeholders’ needs while presenting an image that will attract the target market to the destination;
- Positioning Strategies to achieve branding goals - the process of promoting the key elements of the destination identity that will stimulate travel to the destination by the target market; and

- Target market selection - the identification of the appropriate target markets is critical to the branding process. Marketers rarely have resources to communicate messages to “the world”. Identifying those consumers with the highest likelihood of traveling to the destination and ensuring the effective communication of the appropriate positioning to that group is fundamental to the destination branding process.

1.4.1.2 Marketing Communication

The communication of the positioning to the target market can incorporate a wide variety of marketing techniques. It is noted that some techniques are more effective in the creation of brand associations, and so for the purposes of this study, marketing is divided into core branding activities and other marketing activities that support the brand development.

- Core branding strategies including advertising (particularly brand focused advertising), public relations and promotional material development.
- Other marketing activities include product development, pricing, programming and “tactical” advertising which focuses primarily on the price of the offering.

As shown in Figure 1.16 the study deals with the distribution and channel issues separately from other marketing activities. Given the role of distribution channel members in aggregating component products from a destination and offering them as a single destination product/experience, these channel members play an extremely important role in presenting the destination “brand”. In some ways

these channel members create the destination “product” available to consumers through their programming and product aggregation activities.

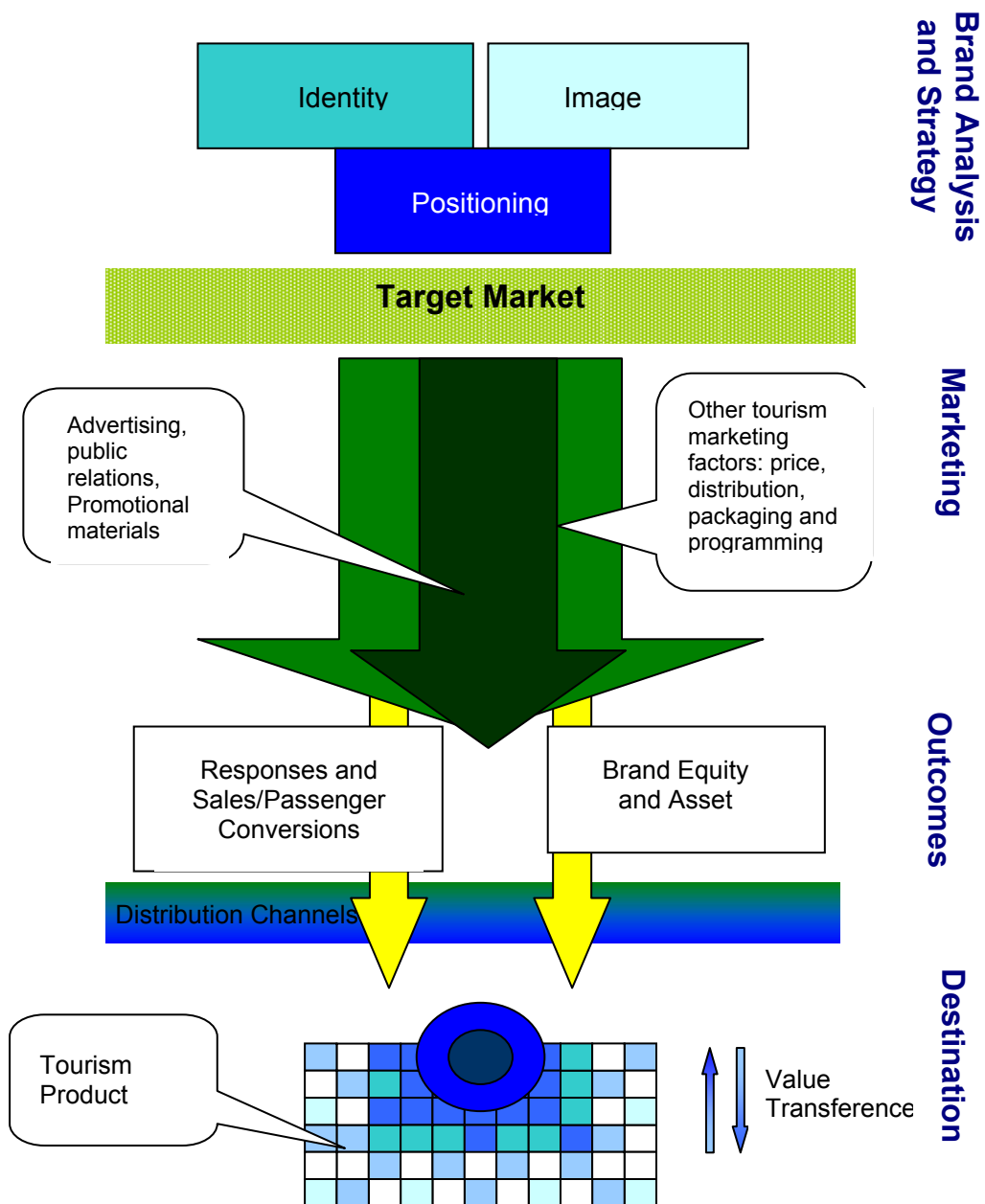


Figure1.16: Destination Brand Development Process

The brand strategist must define the target group. Marketing is the process used to communicate the brand positioning to the target market and brand strategists have the “marketing mix” to communicate at a variety of different levels to the target audience.

At this point it should be noted that not all marketing is undertaken for the purpose of “brand building”. Some marketing is undertaken for purely “tactical” reasons – in order to stimulate immediate sales of a product. Tactical advertising tends to focus its message in price and availability and places less emphasis on building complex messages about the product or destination. Nevertheless tactical marketing and brand building are not mutually exclusive; brand campaigns can and do stimulate immediate sales and tactical campaigns convey information about the brand positioning. Many marketing campaigns deliberately incorporate both brand building and tactical marketing activity.

It is noted that Figure 1.16 refers primarily to the marketing communications aspects of destination branding. A second important aspect of the brand building process is the development of tourism product offerings that support the brand identity. Long term brand development requires congruity between the image communicated to the consumer and their “consumption experience” of the destination.

1.4.1.3 Destination benefits and value transference.

As previously noted, companies undertake branding activity to receive a variety of benefits collectively described as “Brand Equity”. Brand equity can be defined

as “the set of brand assets and liabilities linked to the brand, its name and symbol that add or subtract from the value provided by the product or service to the firm and or the firm’s customers.” These benefits will be discussed in more detail later in this chapter.

Finally, as noted previously, the destination is beneficiary of the marketing activity, in particular the branding efforts. This final component of Figure 1.16 is derived from the Figure 1.10 and the earlier examination of the relationship between the brand and the products represented. The branding process contributes to the development and strengthening in consumers minds of the brand, both the core brand and extended brand associations. The destination as a whole benefits from the process, and products within the destination also receive benefits from the branding process. This model assumes that some product will benefit more than others depending on the relationship with the brand. This varying level of benefit from the brand is indicated by the different levels of blue – representing consistency with the brand- indicated in the destination brand diagram at the bottom of Figure 1.16. This assumption is not proved and should be a topic of future research.

1.4.1.3 Destination Brand Analysis and Communications Strategy Model

As noted brand analysis and strategy development is the process that includes Image analysis, Identity development, Positioning and Identification of target markets for the branding. This process is represented in Figure 1.17.

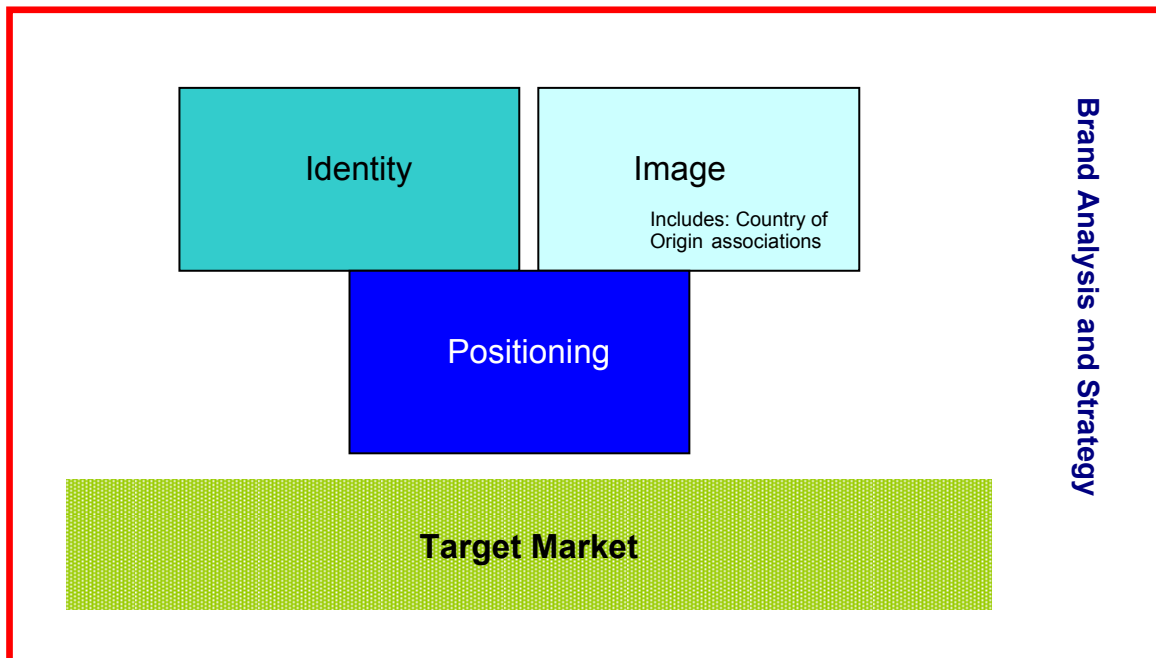


Figure 1.17: Brand Analysis and Communications Strategy Development

1.4.2 Destination Brand Image

Brand image or how the brand is perceived, is the foundation of branding activities. Aaker (1991) defines brand image as “a set of associations, usually organized in a meaningful way”. Image and associations both represent perceptions that may or may not reflect objective reality. Brand Image (Keller, 1998) can be defined ‘as perceptions about a brand as reflected by the brand associations held by the consumer.’ Brands can be considered as the sum of the “brand associations” they represent in the minds of the consumer group. These associations may be anything the consumer brings to mind in conjunction with the product. Brand image will be impacted not only by the types of associations but the favorability of those associations, the strength of the associations in the consumers mind and the uniqueness of those associations. Cai (2002) notes

that concept of associations is derived from the psychological theory of Adaptive Control of Thought introduced by Anderson (Anderson, 1983) in “The architecture of cognition.” Cai proposes, based on Anderson’s model, that knowledge networks are elements or associations connected by “links” and that “building a brand image amounts to identifying the most relevant associations and strengthening the linkages to the brand” p723. Aaker (1991) uses the same approach noting that specific linkages can be strong or weak and depending on the consumer’s awareness of elements of the brand.

Brand associations (Aaker, 1991) are important to the organization and their brand managers because they can add value, help consumers or potential consumers process/retrieve information about the product, assist in differentiation/positioning of products, provide a reason to buy, create positive attitudes and feelings and provide a basis for product line extensions. There is evidence, presented by Hoeffler and Keller (2003) that the development of a strong brand is more important for products and experiences that are “difficult to assess” prior to purchase. In this case travel experiences and destinations are likely to benefit from strong brand images.

Product attributes are often the preliminary set of associations for a brand. Starting with a definition of product as a point of departure - a product is anything that can be offered to a market for attention, acquisition, use or consumption that might satisfy a want or need (Kotler, 1994). Products can be physical goods, services, people, places or organizations.

Of course, product attributes are by no means the only types of association a brand develops. Brand associations can develop around a wide variety of things related in some way to the brand. In addition to product attributes Aaker (1991) identifies the following types of brand associations:

- Name and Symbol - Association with the name and symbol of the brand;
- Product attributes - Association with specific product attributes;
- Intangible - Intangible associations, such as perceived value or technological superiority, can be very persuasive for consumers;
- Customer benefits - Associations with the benefits of the product to users;
- Relative price - Price can signal a variety of meanings to consumers;
- Use/applications - When or how the product is used;
- User/customer - Association with the users of the product;
- Celebrity/person - Association with a celebrity or spokesperson;
- Lifestyles/personality - Projecting the brand as a personality and with lifestyle characteristics;
- Product class - Association of the product within a product class;
- Competitors – how the brand is seen to be positioned versus its competitors; and
- Country or geographic area.

Lists such as the one described, serve mainly to emphasize the wide variety of associations a brand can develop. At least two types of associations, “country of origin” and “personality” are worthy of additional attention.

1.4.2.1 Country of Origin Associations

Many studies of the impact of “country of origin” on consumer’s perceptions of products have been undertaken during the last 30 years. Papadopoulos and Heslop (2002 p294) have identified over 750 major publication by more than 780 authors over the last 40 years”. Among the key findings of their review of these studies they identify that national and other place images are powerful stereotypes that influence behavior in all types of target markets; the effects of national images vary depending on the situation and that country of origin images of a specific product class are related to the country’s global product image. Kotler and Gertner (2002) note that these studies show consumers use country of origin as an indicator of quality. “Country of origin” associations have a strong influence on tourism product and destinations. For many consumer products “Country of origin” associations are secondary to the product itself. For instance, BMW has a well earned reputation of mechanical excellence and BMW’s German heritage reinforces expectations of engineering rigor. For many tourism product “country of origin” associations hold a much higher level of importance for a couple of reasons. At least three reasons can be suggested as the importance of the country of origin effect in tourism. Firstly, the individual products that comprise the vacation experience may not be well known to the consumer and as such the consumer may rely on what Papadopoulos and Heslop (2002 p300) describe as the “halo effects” of country image on the specific products. Secondly and closely related to the first, because tourism experiences cannot be trialed before “consumption”, consumers / tourists rely heavily on their image of a destination before travel. Finally because most of the tourist’s

experience will be “produced” within the country, their expectations of the experience will be heavily influenced by “country of origin” associations.

Clearly, from a tourism perspective “country of origin” associations are very closely tied with destination image and many aspects of these concepts are shared. Nevertheless destination branding is more than just the sum of “country of origin” images. Destination tourism brands include associations with experiences, products and services that will be “consumed” by the tourist.

It is also noted that not all “country of origin” associations will reinforce destination branding, and indeed some tourism products will use “country of origin” associations to position themselves counter to their destinations positioning. Hilton, Marriott and Hyatt all bring strong US “country of origin” associations to the destinations in which they place their hotels. The Beijing Hilton is likely to be associated with its destination, Beijing, China, and Hilton’s American hotel management expertise.

1.4.2.2 Brand Personality

Another type of brand association that has received considerable attention, particularly in destination branding is “Brand personality”. Aaker (1997 p346) defines brand personality as “the set of human characteristics associated with the brand”. This construct refers to the phenomenon of consumers associating personality traits to the brand. This is can be a deliberate strategy undertaken by the brand strategists in developing a marketing positioning. The development of

brand personality that appeals to the target market is considered a key means of increasing brand preference and utilization and brand differentiation.

Understanding brand image is a key to the branding process. The brand image is the foundation of the branding process. “Knowledge of the brand image, that is, how customers and others perceive the brand, provides useful and even necessary background information when developing the brand identity” (Aaker, 1996a). With understanding of brand image and a clear definition of the desired brand identity, brand strategists can create positioning strategies to enhance associations that reflect the desired brand identity.

1.4.2.3 Destination Image

Of all the components of brand development it is image that has been most seriously studied by destination marketers. Articles referring to destination image predate articles specifically focused on destination branding in tourism research. These image articles are widely referenced in more recent brand and image studies. Destination image has been addressed from many different angles by academics from a variety of study disciplines. Galarza, Saura and Garcia (2002 p58) provide a useful summary of the topics covered by the research in tourism destination image. They identify topics including conceptualization and dimensions; destination image formation; assessment and measurement of destination image; influence of distance on destination image; destination image change over time; the role of residents in image studies and destination image management policies.

Consumers “image” of a destination can be complex. It may include notions of how the place will look, what the people will be like, how they will “feel” when they get there, their expectations of the level of service they will receive, how visitors are welcomed, the quality of attractions and what the weather will be like; to name but a few possible components that comprise an “image”. As a result of this complexity, defining destination image has proven a challenging process as researchers have applied a variety of meanings to the concept. For instance, Kotler et al (1993 p141), define a place’s image as the “sum of beliefs, ideas and impressions that a people have of place. Image represents a simplification of a large number of associations and pieces of information connected with the place. They are a product of the mind trying to process and 'essentialize" huge amounts of data about a place.”

Once again, it is important to note that destination image is defined more broadly than just geographic and physical attributes. According to Font (1997 p126) Destination Image is not what tourists know but what they think and feel. Similarly Echtner and Ritchie (1991) note that definitions of "destination image" are often vague impressions or perceptions - unclear on whether they are referring to holistic approaches to the destination’s image or attribute based or both. Each of these components contains functional or more tangible and psychological or abstract characteristics. Therefore images can range from common functional and psychological traits to those based on more distinctive or even unique features, events, feelings or auras. They propose that image must include both perceptions of attributes and holistic impressions and effective

measurement of destination image requires assessing both attributes and holistic impressions. As noted earlier destinations, by definition, can also be considered both as a “whole” and as the composite of many components. The view of destination image can be considered as both “holistic impressions” and “functional traits” is therefore consistent with the approach to the destination and the destination brand.

In his analysis of the image formation process Gartner (1993) proposes three components of destination images: cognitive, affective and conative. In this framework cognitive is the “intellectual” understanding of the destination or the known attributes of the destination; affective is impacted by the potential consumer’s motives and so it is the image developed through each consumer’s personal needs filter. The conative component is the likelihood the attitude will lead to action. Gartner and later Pike and Ryan (2004) propose that these destination image components can be applied to the consumer buying process. This approach may help to explain why destinations brands with strong and positive destinations images fail to stimulate travel.

1.4.3.4 Destination Image Formation

The creation of a destination image in the mind of the consumer is a dynamic and complex process. It involves the synthesis of information from a variety of sources and changes as the consumer’s circumstances change. In many cases

some image of the destination forms in the consumer's mind long before the destination is considered as a travel destination, let alone experienced.

Several researchers have examined the nature of the sources of destination information that influence destination image formation. As noted by Echtner and Ritchie (1991), destinations rely on a wide spectrum of information sources and image formation is impacted by both conscious and unconscious factors. Importantly destination image formation is an area where destinations differ from many other products. Firstly, most products, unlike destinations, rely primarily on commercial information to raise awareness of their features. Secondly, due to the inability to pretest the tourist product, "touristic" images will often be based more on perception than reality (Gartner, 1993). The influence of various sources of information and their role in destination image formation have been put into context by Gunn (1988) in his model of the seven phases of the travel experience;

1. Accumulation of mental images about vacation experiences,
2. Modification of those images by further information,
3. Decision to take a vacation trip,
4. Travel to the destination,
5. Participation at the destination, and
6. Return home

At each stage of this process the consumer has an image of the destination. The image that develops is the result of both conscious information seeking and

“environmental” factors that may provide information on the destination subconsciously. During the image development process the image is modified as new information is integrated into the image. Echtner and Ritchie (1991) acknowledge this process, describing images held even before traveling as “base images” and noting that destination images change before and after travel. Indeed, image continues to evolve after travel to the destination when anticipated images are replaced by first hand knowledge and then by memories themselves are selective in nature. It is also noted that many of the destination image and branding articles take the perspective of the consumer’s image development prior to experiencing the destination.

The majority of work in destination branding focuses on the marketing communication aspects of destination marketing. As such it is designed to impact potential consumer’s images of destinations before they travel and thus move them through the buying process. A secondary goal of this communication is to reinforce positive images of the destination in order to increase the utility of the travel experience for returned visitors in an effort to increase repeat visitation. The ability of marketing communications to influence consumer perceptions at this stage of the image development process is limited. As Oppermann (2000) notes, much of the influence of the experience of the destination occurs in the first visit. He notes that repeat visits tend to reconfirm the established images and it can be assumed that marketing communication has an even more limited effect on changing the images developed on the first visit. Given the importance of the

visit it is surprising there is not more destination branding literature focused on developing the brand during the visitor's stay in the destination. It is noted that Knapp and Sherwin (2005b) propose "brand culturalization" through training and industry forums as a mechanism for ensuring the destination experience matches the brand positioning.

Despite the variety of sources from which destination image is derived it is possible to create a structure for understanding the influences and several researchers have proposed such structures. For instance, Font (1997) proposes that destination image relies on three core factors: "Tourist Destination Identity" - how it the destination wants to be perceived. (This process will be discussed in the next section); "Personal factors" - opinions based on previous experience and expectations; and "External factors" - word of mouth, social etc. Taking a slightly different perspective, Gartner (1993) observes a series of the agents that form destination images in target markets. The agents he identified are outlined in table 1.4. In his analysis he identifies that these images can be divided into two broad groups of agents: "induced", which are marketing communications agents and "organic" factors, which include word of mouth information as well as actual visitation. As is noted in Table 1.4 NTOs endeavor to influence each of these image formation agents although the degree of influence varies by agent.

Table 1.4: Image Formation Agents

Image Change agent	Credibility	NTO Role	Brand Implications
Overt Induced 1 Traditional forms of Advertising, destination brochures	Low	Core NTO Branding activity.	Brand must work hard to establish positioning in sophisticated media savvy marketplace.
Overt Induced 2 Product brochures etc, produced by travel intermediaries.	Medium	Brand extension activity	Extending brand to distribution partners and other third parties not only extends message but credibility.
Covert Induced 1 Second party endorsed via traditional ads	Low/Medium	Core NTO Branding activity.	Endorsement – such as Paul Hogan ads – can add credibility and leverage to brand elements.
Covert Induced 2 Second party endorsed in apparently unbiased reports. Newspapers, etc	Medium	Public relations activity. Visiting journalists programs.	PR is a critical branding tool to most NTOs based on the lower cost and greater credibility of message. But PR allows lower control of message.
Autonomous News and popular culture	High	Largely out of NTO scope of impact	Image impacted by uncontrollable factors.
Unsolicited Organic Unsolicited info from friends and family	Medium	Some impact with branding efforts	Brand must ensure positioning is supported by current image to ensure limited dissonance from various message sources.
Solicited Organic Solicited information from friends and family	High	Some impact with branding efforts	Brand must ensure positioning is supported by current image to ensure limited dissonance from various message sources.
Organic Actual visitation	High	Limited activity. Quality assurance activities.	Brand must ensure it is congruent with actual experience for long term effectiveness.

Source: Modified from Gartner 1993

Although it is clear that there are many factors that impact on the development of an individual's "image" of a destination there has yet to be much published research on the relative importance of each source. It seems reasonable to expect that some factors will be more important than others. For instance, as Sonmez and Sirakaya (2002) note in their image study of Turkey, there is evidence that "word of mouth" – solicited and unsolicited organic factors - play an extremely important role in image development.

The role of the NTO as destination brand strategist in some of these image development factors is clearly limited. The National Tourist Office has limited ability to impact “Autonomous” factors and may find it challenging to impact either “Unsolicited Organic” or “Solicited Organic” factors. These factors - “Unsolicited Organic” or “Solicited Organic” – will also be described as “Word of Mouth” in this thesis. It is noted that in recent years there have been new techniques developed by marketers to generate “word of mouth” or “buzz” and a new association – WOMMA - the “word of mouth marketing association” has been formed (www.womma.org). These techniques may provide an opportunity for NTOs and other destination marketers in coming years.

As both Gunn and Gartner point out – the travel experience itself is an important image development factor. It is therefore critical that a brand development program consider not only marketing communication issues but also destination development issues. As indicated in figure 1.18 both these activities will be driven by the strategy analysis and development at the commencement of the brand development process. There is evidence that this activity is indeed taking place, although not necessarily from the branding perspective. NTOs and other destination marketing organizations have undertaken programs that ensure the destination experience is positive and that “organic” image development is positive. Examples of these programs may include “Kiwi-host” and “Aussie-host” programs designed to ensure customer service levels for international visitors or

various awards programs sponsored by local organizations to reward service levels. As noted, there are also programs to ensure brand culturalization in place in efforts to ensure the “organic” image development process is positive.

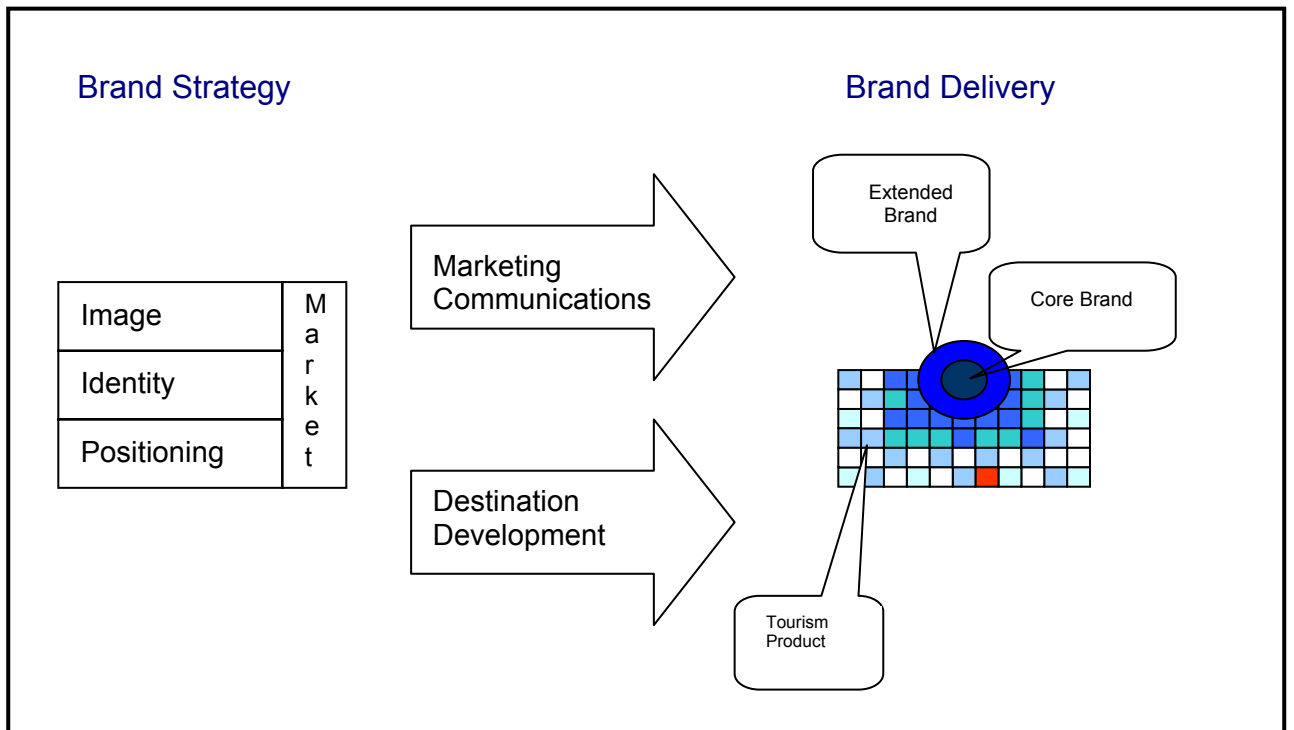


Figure 1.18: Brand Impact on Development and Marketing Communication

NTOs control their messages in “overt induced 1” and “covert induced 1” activities. They may leverage their expenditure in these styles of activity through cooperative marketing but these activities are clearly “marketing” activities and so are subject to the healthy skepticism of the consumer. It is via the Image formation agents described as “covert induced 2” and “overt induced 2” that NTOs have the ability to extend the reach of their message, at relatively low cost, and with high credibility. “Covert Induced 2” as described by Gartner equates with most NTOs public relations programs. There is considerable evidence that

not only do NTOs expend much effort in these publicity generating activities but that the efforts are efficient in brand/image building (Dore & Crouch, 2003). “Overt Induced 2” is described by Gartner as the image formed through product brochures and other materials produced by travel intermediaries is also an area where NTOs can extend their reach. NTOs extend their brand message through these intermediaries to the extent that these travel intermediaries adopt the key elements of the destination brand. The greater the consistency in message between these stakeholders and the NTO, the more consistent the image development process will be and the broader the reach of the brand. It is therefore to the NTOs advantage to focus attention on marketing efforts of intermediaries to support and influence their marketing activities.

It is important to note that each individual will have a unique destination image for any given destination based on their personal experience and the external factors to which they have been exposed. Image of a destination is a function of the “eye of the beholder” according to Baloglu (1997). As such, Destination Image will be affected by socio-demographic factors and destination marketers must be conscious of destination image differences when marketing to different groups.

Clearly destination formation relies on a variety of sources. Many of the factors that help create the destination image are beyond the control of the marketer. Understanding of the destination may be developed by a variety of external factors, such as school geography lessons, news stories and the “word of mouth”

stories of friends and acquaintances. Nevertheless marketers, using commercial communications can impact image formation, at least to a certain degree, within certain target markets. It is the desire to influence destination image that becomes the rationale for destination marketing and destination branding. It is unclear how effective NTOs are at influencing the image of their destinations given their limited funds, the many factors that contribute to destination image, and the many competitive messages in the marketplace. This question of effectiveness will be addressed from both the perspective of the NTOs themselves in Chapter 3 and their commercial stakeholders in Chapter 4.

1.4.2.5 Measuring Destination Image

An underlying premise of this image development process is that a marketer must be able to track and influence images held by targets. According to Kotler et al (1993) strategic image management requires examining;

- What determines image,
- How a place's image can be measured,
- What guidelines there are for designing a place's image,
- What tools there are to communicate an image, and
- How a place can correct a negative image.

As noted a number of studies of destination image have been undertaken in recent years. It has been charged that researchers have done a poor job in

conceptualizing destination image and so have had limited success in measuring it in an effective way (Echtner & Ritchie, 1991). Echtner and Ritchie propose that “destination image should be envisioned as consisting of two main components: those that are attribute-based and those that are holistic”. They note image includes “functional, or more tangible and psychological, or more abstract, characteristics”.

It is not surprising that destination image study represents challenges to researchers. Clearly there are a very large number of dimensions of attributes that can be measured. Similarly, destination image is a construct of the group being examined. The destination branding process provides relevance for measuring destination image by establishing both brand identity and brand positioning objectives. The destination image should be defined in terms of the target market.

Tourism New Zealand’s study of New Zealand’s image in the market measures against attributes that are relevant to the marketers positioning task (Tourism New Zealand, 2001). In this study Tourism New Zealand is able to determine the strongest associations and how marketing has moved the positioning of the destination towards a desired identity.

Table 1.5: New Zealand’s Image in the United States.

Strongly associated with	<input type="checkbox"/> Beautiful scenery <input type="checkbox"/> Friendly, welcoming people <input type="checkbox"/> Learning about cultures
Three quarters or more associate it with ...	<input type="checkbox"/> Lots of things to do <input type="checkbox"/> Refreshing and revitalizing <input type="checkbox"/> Adventure <input type="checkbox"/> Time away from it <input type="checkbox"/> Meeting people <input type="checkbox"/> Relaxing <input type="checkbox"/> Exciting <input type="checkbox"/> Energetic <input type="checkbox"/> Outdoor lifestyle <input type="checkbox"/> A safe holiday <input type="checkbox"/> People who have their own style
Least Associated with	<input type="checkbox"/> The latest trends <input type="checkbox"/> Luxury <input type="checkbox"/> Modern lifestyle

Further examination of the image tracking process will be undertaken in this thesis in the context of the brand identity and positioning of the destination. It is against the brand identity that the success of the positioning activity can be effectively measured and the “health” of the brand assessed.

1.4.3 Destination Identity

1.4.3.1 Brand Identity

As Brand Image is what is currently understood of a brand in the consumers mind, then brand identity can be considered the marketer's goal for the brand. It is a construct of the key associations with which brand management want their brand to be identified. Aaker defines brand identity in the following way –

“Brand identity is defined as a unique set of brand associations that the brand strategist aspires to create or maintain. The associations represent what the brand stands for and imply a promise to customers from the organization members. Brand identity should help establish a relationship between the destination and the customer by generating a value proposition involving functional, emotional or self-expressive benefits.”(Aaker, 1996a p68)

It has been noted that associations are not held uniformly in the mind of the consumer, some associations are strong, and others are weak. The brand strategist has many choices of potential “associations” that may contribute to the desired brand identity and which associations will receive greatest focus during the process. For instance, Aaker (1996a) describes brand identity as consisting of both core and extended elements. The core identity represents the timeless essence of the brand while the extended identity includes elements that provide texture and completeness. The challenge for Destination Brand developers is to identify those aspects of the destination that represent the “timeless essence” of the destination and then to supplement that core with associations that extend the destination identity and enhance the appeal of the destination to the target consumer group.

Of course, with such great scope of associations there are a variety of ways the brand strategist may organize the associations that will be highlighted in the brand positioning process. Alternatively, a Brand Identity System that organizes the key associations into several categories can be used. As Table 1.6 indicates the brand identity can include a variety of potential dimensions, including the brand as product, organization, person and symbol.

Table 1.6: Brand Identity System

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Adapted from Aaker (Aaker, 1996a)

Deliberate identifying mechanisms are also key parts of the "brand construct". Aaker (1996) identifies name and symbol as the "anchor" on which the brand is built but other identifiers are also used. Keller (1998) extends the concept of these deliberate identifying mechanisms – or visual brand elements - to include logos, symbols, character, packaging, and slogan. These visual brand elements provide specific, relatively easily recalled associations. Carefully developed logos have the ability to tie to other brand elements and can be a versatile tool over time.

1.4.3.2 Destination Brand Identity

Modifying Aaker's definition of brand identity, 'Destination Brand Identity' or 'Destination Identity' is defined as how strategists want the destination to be perceived. Destinations differ from traditional consumer brands in a number of ways. These differences become evident in the examination of the development of destination brand identity and the destination positioning process. The Brand Identity Development process is, by definition, the activity of "brand strategists" working to develop a desired Brand Identity through positioning activities. As outlined in the examination of brand image agents, destinations have many organizations that may undertake these activities. These organizations may have differing perspectives on the ideal destination brand identity and on the appropriate positioning activities.

In consumer product marketing, branding activities are typically carried out by a "brand manager" with both the authority to make the branding decisions and control over brand elements. In the marketing of a destination, the process is typically undertaken by the management of some form of destination marketing organization – such as a national tourist office (NTO), state tourist office (STO) or a convention and visitors bureau (CVB). Destination marketing organizations exert little "control" over their product. As noted previously, destinations are composite of products and services as well as geographic and cultural features. Destinations are systems of independently operating organizations and

destination marketing organizations have limited ability to influence their marketing activity.

Hall (2004) provides an interesting insight into the brand identity process in his discussion of Brand Britain. In developing the brand identity for Britain, BTA and their agency Corporate Edge, used a three stage process:

1. Insights and ideas - Inputs for this stage of the analysis included examination of existing campaign documentation, competitor audits and interviews with BTA staff and management as well as other stakeholders. The synthesis and analysis of this material lead to a working hypothesis;
2. Research and recommendations - The working hypothesis was then researched in key markets around the world with feedback from this research process supporting modifications for the brand hypothesis; and
3. Identity and implementation - This stage of the process was the “operationalization” of the process. After having identified the framework for brand identity the agency identified a “tangible direction for the visual and verbal content” including brand identity guidelines for use of photography, color, and tone of voice in communication activities.

Brand identity structures can be conveyed in a variety of ways. Table 1.17 presents the Brand Identity Structure for Wales.

Table 1.7: Brand identity systems - Brand Wales



From (Pritchard & Morgan , 1998)

The development of a “Brand Personality” can be another aspect of the brand identity. Aaker (1997) notes ‘brand personality’ provides a dimension to the product that enables consumers to express themselves through use of the brand. It is brand personality that Ekinci (2003) proposes creates the strongest emotional tie to the customer. A review of destination brand case studies and other literature reveals that many practitioners, including Britain (Hall, 2004), Wales (Pritchard & Morgan , 1998) Singapore (Henderson, 2000) and Western Australia (Crockett & Wood, 1999) include statements of brand personality in their brand identity guidelines . It is interesting to note that, while research into brand personality associations and their impact on destination attractiveness is still in early stages, Murphy et al (2005) provide some evidence that supports a link between satisfaction with the destination, brand personality and self concept.

The development of effective logos and other visual cues can be a critical activity in the development of the brand identity and positioning. Destination branding provides a number of examples of the ways in which logos have been developed to express the brand identity. A sampling of destination logos are presented in Figure 1.19.

Logo	Descriptions
<div data-bbox="342 695 651 1383" style="border: 2px solid black; padding: 10px; text-align: center;"> <p>THESE IMAGES HAVE BEEN REMOVED DUE TO COPYRIGHT RESTRICTIONS</p> </div>	<p data-bbox="816 369 1356 533">"The Britain brand is clear, strong, simple and exciting. It captures the contrast between the traditional and the innovative. At its heart is the union flag, which is recognized throughout the world and exemplifies the traditional heritage of Britain in a contemporary and stylish setting.</p> <p data-bbox="816 569 1356 678">The colours were chosen to reflect the national identities of the brands of Britain, with green for the landscape and yellow adding zest and excitement; a hint of the unexpected.</p> <p data-bbox="816 716 1356 854">The marque is completed with a unique typeface which is modern, confident and bold. It forms the basis of the brand and will reinforce it through application in our marketing campaigns and promotions"</p> <p data-bbox="816 890 1146 919">(British Tourist Authority, 1997)</p> <p data-bbox="816 980 1356 1131">"The 100% logo incorporates an image of the two islands (North and South), while the strap line "100% Pure New Zealand" seeks to qualify a number of experiences and scenes" (Morgan et al., 2003) p 293</p> <p data-bbox="816 1207 1356 1482">"In the Espana brand the logo is based on Miro's <i>Sun</i> taken from the logo of the 1982 World Cup. It has two main colors – red and yellow, depicting the Spanish flag – black text....The logo suggests themes related to holidays and to Spain, mainly sun but also beach, nature, fiestas, color and abstract art. This it stresses brand values of sun and diversity." (Parkinson et al., 1994) p 70.</p> <p data-bbox="816 1543 1356 1694">"They determined the best solution was to create not just a logo but more a fluid brand expression of the actual geographic positioning of the islands of the Bahamas on a map.(Fishel & Gardner, 2005) p27</p>

Figure 1.19: National Tourist Brands Logos and Descriptions

The strength of a well designed and generally accepted logo can be considerable. Blain et al (2005) note that among other benefits of a effective logo is the “ability to galvanize support for the destination mission and vision among stakeholders and DMO members while bonding this disparate population under a common banner.”(p 337) While their comments are directed specifically at brand logos the observation is clearly true for the entire branding process.

It is noted that destinations may also have visual cues that have “iconic” status and help reinforce brand development at every use. Both The Great Wall of China and a Panda Bear are iconic visual brand elements for China; both are able to evoke associations with “China” in the minds of consumers. Indeed, these images may be stronger visual brand elements because they have been reinforced over a longer period of time and in a greater variety of situations than the China’s National Tourist Office’s logo itself.

The cumulative impact of this set of identity structure components creates a value proposition for the target market. This value proposition will deliver its value in the form of functional benefits, emotional benefits and/or self- expressive benefits. Aaker (1991) proposes the strongest brand identities have emotional benefits (e.g. safe in Volvo) and are self-expressive – that is that the brands become expressions of the user’s self-concept. Brands can explicitly express their value proposition for the consumer in a statement of the functional, emotional, and self-expressive benefits delivered by the brand to the customer.

An effective value proposition should lead to a brand-customer relationship and drive purchase decisions.

1.4.3.3 Identity Development and National Tourist Organizations.

National Tourist Offices (NTOs), or other Public sector organizations, tend to be the coordinators of brand identity development for nations. There are many examples of the NTO taking this role including the Slovenia Tourist Board (Hall, 2002), Spain's General Secretary of Tourism – Turespana (Parkinson et al., 1994), Wales (Pritchard & Morgan , 1998), Britain (Hall 2004) and, of course, Australia.

As “identity strategists” NTOs must consider factors typical for all products and services undertaking this process, as well as a number of additional factors specific to destination branding. Those factors include the composite nature of destinations, and the lack of control over the product which may be both commercial and natural.

As noted, the destination is comprised of a variety of products that combine to deliver a complete experience to the visitor. Products may be directly related to the tourism industry like tour operators, hotels and accommodation providers, or indirectly supporting the tourist industry like restaurants, retail operations etc. The destination identity strategist may consider individual products or product types, or the product portfolio as a whole. The destination strategist may consider product both in terms of current product offerings and target product mix goals.

In addition to commercial operations geographical features, including physical and cultural characteristics, may be an important factor in the destination experience. These features are often core to both the visitors understanding of the destination and expectations of their visitor experience. The brand strategist may rely heavily on these factors while having little control over their delivery.

The NTO brand strategist also has a dual responsibility in developing the national brand. In the first instance the strategist is developing the brand to increase the effectiveness of the marketing activities of the NTO itself. NTO's have limited resources and so seek the benefits that branding accrues. Secondly, they are developing a brand that will have benefits to other organizations, particularly the stakeholders identified earlier.

Some NTOs work closely with stakeholders throughout the strategy development stage to ensure benefits are maximized across the group. Two recent examples that demonstrate the process of building stakeholder involvement into the branding process come from the British Tourist Authority and Tourism New Zealand. The British Tourist Authority and their branding agency, Corporate Edge, developed a steering group for their project that included marketing directors from Wales Tourist Board, Visit Scotland, the London Tourist Board, a representative of English Regional Tourist Boards and senior executives from BTA (Hall, 2004). Tourism New Zealand included representatives from major industry association, Inbound Tour Operators Council of New Zealand, the

Tourism Industry Association of New Zealand; representatives from the five “macro regions” and Air New Zealand.(Morgan et al., 2003)

Finally it should be noted that destination marketers are constrained in the development of brand identity by the current image of the destination and the core attributes of the destination. As noted by Gilmore (2002b), “the important thing to realize about branding a country is that it must be an amplification of what is already there and not a fabrication”. Images are not easy to develop or change (Kotler et al., 1993) and several authors highlight that the development of the destination brand identity must be based in the reality of the destination experience.

1.4.4 Brand Positioning

The concept of positioning was first proposed by Ries and Trout (2001) in “Positioning: The Battle for your Mind”. In it they defined positioning in the following way:

“Positioning starts with a product...But positioning is not what you do to a product. Positioning is what you do to the mind of the prospect. That is, you position the product in the mind of the prospect” (p 2).

Based on the model proposed in this thesis brand positioning is the process of moving the brand image toward the brand identity in the minds of the target audience. The brand positioning process is the active communication of the elements of the brand identity to the key target groups. The brand strategist will prioritize messages to be communicated to ensure maximum impact and not all aspects of the identity will be included in the marketing communication.

As noted earlier Keller (1998) provides a general framework for executing this process. That process essentially requires the identification of core brand elements – such as brand name, logo, character etc – along with secondary associations and using these brand building tools in marketing programs to meet brand awareness and brand association objectives.

1.4.1.1 Destination Brand Positioning

Destination Brand Positioning is the two part process of first, determining the aspects of the Destination identity and value proposition to be actively communicated to the target audience and secondly, executing that marketing communications strategy so that destination image more closely reflects the destination identity to the target audience. The process of destination positioning has been described by tourism researchers in a variety of ways. Echtner and Ritchie (1991) describe it as the creation and management of a distinctive and appealing perception, or image, of a destination.

Destinations seek differentiation through image positioning; an effective destination brand positioning strategy will lead to favorable differentiation from competitors. Sources of destination image differentiation include; physical attributes, service, personnel, location, and image attributes (Font, 1997). Differentiation is the search for recognition of a product's uniqueness, in order to assure its sustainability, a strategic movement from a commodity area to a status area. In order for identity to be effective it must be valid, believable, simple, have appeal and be distinctive (Kotler et al., 1993). Destination positioning will focus

on aspects of destination identity/image likely to move consumers through the buying process from awareness of the destination to actual travel to the destination.

Key “brand associations” are also developed through use of the traditional elements of the marketing mix (Keller, 1998). Beyond the functional and symbolic benefits of the product itself, price of the product, the channels through which the product is distributed and the processes of communication (as much as the message itself) serve to develop associations for the brand each contribute to consumer’s perception of the brand.

The arguments for “branding” and in particular, the concept of “holistic” appeals, are not universally accepted. Nickerson & Moisey (1999 p218) propose that destination icons or other key attributes are the only foundation on which to build destination marketing. " While it is theoretically true that places evoke all sorts of emotional experiences it is difficult for a marketer to provide an image such a relaxation, pleasantness, a challenging experience or something inspirational that would be interpreted the same way by all potential travelers.”

The familiarity of a destination will affect its marketing goals and positioning strategies. Therefore an unknown destination’s effort will be spent promoting its major strengths and facilitating first time consumption whereas “known” destinations will seek to increase their share of the market (Font, 1997).

1.4.4.2 Global vs. Local Positioning strategies.

NTOs marketing in multiple international markets must also determine their positioning strategies in each market. In this regard they may pursue global strategies, in which brand positioning is the same around the world, or local strategies in which the brand message is customized in each market. There are a number of advantages and disadvantages associated with each type of strategy. It is interesting that both Keller (1998) and Aaker (1991) identify proponents of global branding and local customization of branding but both authors note that, in practice even brands pursuing global strategies incorporate some customization of their brand positioning to local conditions. Thus in effect, NTOs must determine the degree of standardization of message against the degree of local customization that is acceptable to meet both their marketing and branding goals.

1.4.5 Target Markets.

A critical element of effective brand development is the identification of the consumers to which positioning messages should be directed for maximum benefits. While it is possible that a great many people are aware of the destination and have a favorable image of it as a tourist destination, finite resources force destination marketers to target certain groups or “target markets” for marketing communications. Market segmentation research, designed to identify those groups that will generate greatest returns for the marketing investment is a critical component in the brand development process.

The interaction between the consumer and the brand, and the impact of branding on the consumer's purchase behavior, are critical components of the success of the branding. As noted previously, effective branding establishes a relationship between the consumer and the product, in this case the destination. Identifying target markets most receptive to the brand is therefore critical in establishing strong brand relationships. Understanding target markets and the consumer includes understanding their motivations and the benefits they seek from a destination experience. Ekinçi (2003) proposes that a key task for the destination brand manager is to show that the destination will meet tourists' emotional and basic needs and that a link must be established between the destination and the consumer self image. The relationship between the destination and the consumer is further developed by Sirgy and Su (2000) who propose travel behavior is influenced by the congruity of self image and destination image; the functional attributes of the destination and the tourists utility of those attributes. They describe self congruity as the match between the destination image and the consumer's self image and functional congruity as the match between the utilitarian attributes of the destination and the tourist's ideal expectations of those attributes. This notion is supported by several authors. Morgan and Pritchard (2002a p12) propose that "When consumers make brand choices about products – including destinations – they are making lifestyle statements since they are buying into not only an image but an emotional relationship." This position is reinforced in the same Morgan and Pritchard article by a quote from de Chernatony, who states "consumers enrobe themselves with

brands, partly for what they do, but more for what they express about their emotions, personalities and roles.”(p12).

1.4.5.1 Consumer Purchase Behavior and Destination Branding.

The consumer purchase process for most travel, and ultimately destinations, is characterized as a relatively high risk, high involvement purchase. As such consumers are highly involved in the purchase, it is typically done with great thought, and the decision to travel may be reached over a long period of consideration. They are highly committed to the purchase process and they will spend significant energy seeking information on the destination/product. These consumers may also experience high levels of insecurity linked to the intangibility of the travel product, that is, it can't be tested until it is experienced. Consumers have a high emotional stake in the decision in that it is a high cost item that is an important life event (Swarbrooke & Horner, 2001). Effective branding will support the consumer buying decisions through the buying process. In particular, Hoeffler and Keller (2003) note that strong brands have advantages in three stages of consumer behavior: attention and learning, interpretation and evaluation and choice.

Several purchase models exist to represent the buying process; most follow a general Awareness – Interest – Desire- Action (AIDA) model. For instance, Kotler's 5 Stage Model (Kotler, 1994) of the buying process is representative of these models and follows the buying decision through need recognition; information search; evaluation of alternatives at which point the purchase

intention may be reached; purchase decision and post purchase behavior. More specific to the travel purchase is the Mathieson and Wall (cited in Swarbrooke & Horner, 2001) travel-buying behavior model which consists of the following stages: felt need/travel desire; information collection and evaluation of image; travel decision (choice between alternatives); travel preparation and travel experiences; travel satisfaction outcome and evaluation.

In the context of the consumer buying process branding plays a number of roles. Branding provides consumers with an ability to reduce the risk of the travel purchase and process information more effectively. Perhaps branding activity primarily raises awareness of the destination; increases the likelihood that the brand will be included in the set of destinations being evaluated and ultimately stimulates the purchase decision in favor of the brand. Branding will also reinforce and support the decision in the travel preparation stage and establish appropriate expectations of the destination so that the actual experience of the destination is congruent with the anticipated experience. Finally, successful branding will add value to the destination experience even after the experience is complete through the social “capital” it provides the traveler.

A clear objective of destination branding is the development of favorable images that encourage travel to the destination. As noted earlier there is evidence that not all images stimulate actual travel by consumers. Pike and Ryan (2004) propose that the various attitudes and beliefs regarding destination image

correspond with the purchase behavior. Within their framework “conative” attitudes, those attitudes associated with response or action, are closely related to the “action” stage of the AIDA model.

Nevertheless, as noted previously, Destination Branding is an activity that often requires consideration of multiple target markets in multiple countries. Destination branders must understand international marketing and develop an identity that can be utilized in a variety of situations. The development of a robust Destination Identity allows marketers to focus different positioning messages to different target markets while still remaining true to the core values of the identity.

Many destinations attract different types of passengers, traveling for different reasons, from different source markets. For example, visitors to Queensland Australia coming from parts of Asia come to Australia for beach resorts and relaxations; Americans come for discovery and the Australian experience. Similarly central and eastern Europeans travel to Yugoslavia for the low cost beach resorts whereas Western tourists tend to be far more likely to attracted by nature and culture (Hall, 2002). As such, the identity itself should hold to core associations. In large part it was the inability of the Moroccan brand creative to meet the needs of travel companies selling “sun and sand” vacations, while meeting needs in other markets to show cultural offerings that lead to the campaigns failure in the mid 1990’s (Morgan & Pritchard, 2002a).

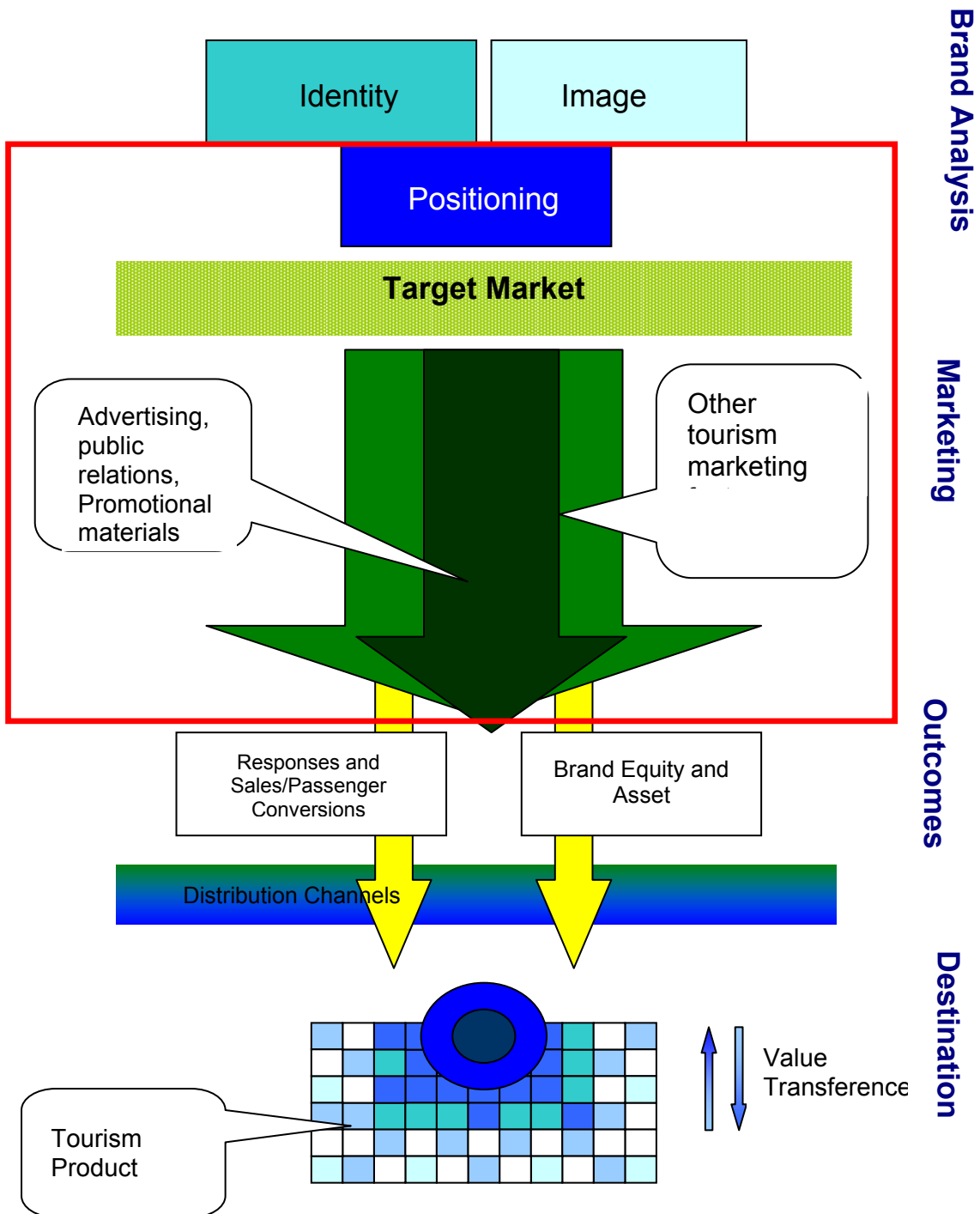


Figure 1.20 Destination Brand development process – focus on marketing

1.4.6: Marketing Communications in the Destination Development Process.

The marketing of the brand is the most visible aspect of the branding process. Through the marketing process the positioning of the brand, based on the brand identity, is promoted to the consumer. It is the creative developed for the marketing of that brand that will attract attention from not only the consumers but other stakeholders.

Once again it is noted that not all marketing activities are conducted for the purpose of branding. Some marketing activities are undertaken for purely branding purposes, others will be conducted to generate tactical responses and still others will be a combination of the two. It is also noted that some media are better suited for brand development than others. For instance, television and consumer magazines provide marketers with the space and scope to convey complex brand messages. Newspapers on the other hand are often better suited to tactical advertising. An examination of case studies (Table 1.8) reveals that the most popular marketing techniques used for branding activity include television and magazine advertising, brochure production and public relations activities including media familiarizations.

Table 1.8: Marketing Methods Used by Destination Marketers.

Wales	<ul style="list-style-type: none"> <input type="checkbox"/> Travel agency initiatives <input type="checkbox"/> trade shows participation <input type="checkbox"/> joint press activity <input type="checkbox"/> public relations familiarizations <input type="checkbox"/> advertising <input type="checkbox"/> promotional materials/brochures 	(Pritchard & Morgan , 1998)
Yugoslavia	<ul style="list-style-type: none"> <input type="checkbox"/> Newspaper advertising <input type="checkbox"/> Promotional materials/brochures <input type="checkbox"/> Tradeshow hosting 	(Hall, 2002)
Espana	<ul style="list-style-type: none"> <input type="checkbox"/> Advertising – magazines and newspapers <input type="checkbox"/> Public relations <input type="checkbox"/> tradeshow 	(Parkinson et al., 1994)
Wales	<ul style="list-style-type: none"> <input type="checkbox"/> poster <input type="checkbox"/> unusual outdoor <input type="checkbox"/> television advertising <input type="checkbox"/> direct marketing 	(Pride, 2002)
Western Australia	<ul style="list-style-type: none"> <input type="checkbox"/> television advertising <input type="checkbox"/> trade familiarizations <input type="checkbox"/> media familiarizations 	(Crockett & Wood, 2002)
Louisiana	<ul style="list-style-type: none"> <input type="checkbox"/> television advertising <input type="checkbox"/> radio advertising <input type="checkbox"/> travel magazines <input type="checkbox"/> brochure <input type="checkbox"/> website <input type="checkbox"/> public relations 	(Slater, 2002)

It is not surprising that public relations play an important role in the branding process. Dore and Crouch (2003) note in their examination of NTO marketing programs that public relations can be an extremely cost effective means by which NTOs can achieve significant exposure in target media for relatively little expenditure. Given the limited budgets of NTOs, this low cost public relations activity, while inherently less “controllable” than advertising, is a logical approach for destinations.

1.4.6.1 Brochures as Branding Tools

Destination brochures provide a valuable insight into the destinations' branding. Dilley (1986) argues that national brochures are the closest thing to an official tourist image of each country: whatever image the tourist may have, whatever image some third party may wish, this is how the countries see themselves. These brochures can be seen as tools which destinations use to promote particular images. Further, because the marketer has more scope to express the positioning points in a brochure than on a magazine advertisement or a television advertisement it is possible to get a deeper understanding of the destination branding than in other mediums. Brochures are useful for understanding the branding process for several reasons. Destinations brochures are an easily obtainable, easily researched item of marketing material and they are also a very tangible expression of the brand, tending to reflect the influences variety of stakeholders (Pritchard & Morgan, 1996a) including potential customers, politicians and local residents.

In examining brochures it is first important to understand the role of brochures in consumer purchasing behavior. Research undertaken by Pritchard and Morgan, (1996a), indicates that much tourist literature does not persuade uncommitted potential holidaymakers but rather confirms the intentions of those already planning a visit. As such brochures serve three main functions for potential visitors: they help the consumer to choose the destination; they confirm a destination choice; and they facilitate the visit.

As useful, and easy, as brochures are in understanding the larger brand process it is important that they are not the only evidence used in the examination of destination branding. As noted previously, there are many factors that contribute to the image of the destination. Destinations brochures, and indeed the official marketing materials of the National Tourist Office, are only one source of information for the potential travelers. With this in mind, it is timely to note Dilley's (1986) warning that the significance of brochures to image formation should be not overstated. The same can be said about their influence on brand development.

1.4.6.2 Web marketing in destination brand development.

With the growth of the internet as a marketing medium and increasing capability of websites to convey complex messages, e-marketing has become increasingly important to destination branders. As Morgan and Pritchard (2002a p30) note, 'the destination cyber scene is highly competitive.... Destinations have to try and convey a sense of experiencing the place and the brand. Websites have far greater capacity to achieve this goal because they are able to contain large amounts of information and can be updated quickly to meet new marketing or consumer needs'.

Websites can be seen as supplanting the primacy of tourism brochures because of the great cost efficiency they provide destination marketers. Brochure production includes creative development, printing, storage, distribution and

request handling while websites require no printing and have very low distribution costs. Finally, websites also have the advantage of being able to be customized for particular source markets. These websites, designed for a specific source country can incorporate branding elements and messages tied specifically to the brand positioning.

It is important to note that as the internet has increased the efficiency of NTOs in getting their message to market it has also reduced the cost of marketing communication to individual product. Palmer (2002 p187) notes that

“While the internet can allow suppliers in a destination to come together to create a strong centralized site, the internet can facilitate a stronger presence for the individual tourism suppliers in the marketplace.”

1.5: The Benefits of Destination Branding

Branding is an activity undertaken to generate benefits for the owner of the brand. With the composite nature of destinations, and the extended brand architecture of destinations, benefits can be expected to accrue, not only to the Destination Marketing Organization initiating the branding activity, but across a number of stakeholders.

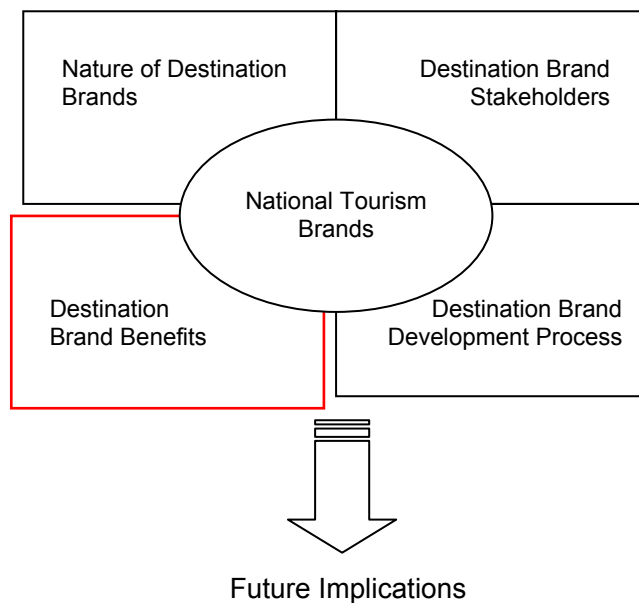


Figure 1.21: Thesis issue – Destination Brand benefits

1.5.1 Brands as market-based assets.

It is noted that definitions of brands are typically written from the perspective of the consumer. It is important to remember that, from the perspective of the

company or the destination, brands are assets and so the process of building a brand is the process of building an asset.

Brands are “market-based” assets and therefore they are intangible assets of the company or, in this case, the destination. In recent years marketers have struggled with developing appropriate measures for intangible assets such as brand equity. At the same time they have endeavored to raise awareness of the importance of the assets they are creating with other functions within the business. As Ambler (2000 p41) notes “auditors may concern themselves with company assets right down to the last paper clip but brand equity, by far the most valuable asset in most companies, still doesn’t appear on their radar screens”. As such, there are significant challenges in valuing destination brands in a meaningful manner and communicating that value to stakeholders. This is true not only for destinations with their complex product/brand structures but for traditional companies attempting to value brands built around products and services. Although measurement procedures will be considered in later sections, it is worthwhile noting that one of the key differentiating points between “assets” and “market-based assets” such as brand equity is that the value of the asset is not in its trade value but in its use (Srivastava, Shervani, & Fahey, 1998). This is perhaps a reason as to why destination brand equity has not been examined more closely. Destinations are not traded as companies are bought and sold, nor are they traded on the stock exchange and so traditional methods of valuing brands have been of little use to destination marketers seeking to understand the value of their brands.

Brand equity is a single element in a group of assets that can be described as market based assets. This paper will utilize a framework, developed by Srivastava et al (1998), in which “brand equity” is considered as a component of a larger group of “market-based” assets. It will then examine the benefits accrued by the brand asset and the measures of the asset – brand equity. Srivastava et al (1998) note that marketing activities have tended to be examined in the context of the product marketplace and measured in terms of sales volumes, market share, and margins rather than in terms of their long term value to the firm and contribution to shareholder returns. Marketing needs to be considered not only in terms of the sales results of the immediate quarter but the long-term development of market based assets. The long-term value of market based assets can be seen in their ability to add to value generating capabilities of physical assets and to exploit the benefits of organizational networks.

In their analysis, Srivastava et al (1998) note that market based assets provide the company with a number of core benefits required for maximizing long term growth of the organization. The attributes of these “market-based assets” include:

1. Lower costs - superior relationships with and knowledge of channels and customers lead to lower sales and service costs;
2. Price premiums - brand and channel equity lead to higher perceived values;

3. Competitive barriers - customer loyalty and switching costs render channels and customers less inclined to purchase rivals;
4. Competitive edge - by making other resources more productive; and
5. Provide managers with options for future activity.

The value of the brand is based in the relationship between the brand and the customer. As such brand equity can be considered a relational “market-based equity”. As Srivastava et al (1998) state “relational market based assets are the outcomes of the relationship of the firm and key external stakeholders.... brand equity may be the result of extensive advertising and superior product functionality”. Other relational market-based assets would include networks etc.

In general, brands, as market-based assets, are developed for the long-term benefit of the organization. Again referring to the Srivastava framework, market based assets increase shareholder value in the following, often interrelated, ways:

- Acceleration of cash flows - Market-based assets can increase the responsiveness of the marketplace to marketing activity, they can improve responsive to new products and improve responsiveness to market needs;
- Enhancement of Cash flows - Market based assets have the ability to generate higher revenues, lowers costs, lower working capital requirements and lower fixed capital requirements. For instance, Srivastava et al (1998) cite the example of co-branding and cooperative

marketing which allows firms to increase cash flows. Cooperation that involves sharing brands and customer relationships, like those undertaken by destination marketing organizations with tour wholesalers selling the destination, lower the total costs of doing business by leveraging existing resources, increasing revenues by reaching new markets or making available products, and avoiding the fixed cost investments of creating brands or extending customer bases;

- Reduced vulnerability and volatility of cash flows; and
- Increased residual value of cash flows.

If brands are assets, then a working definition of brand equity is required to further the examination of destination brand assets and destination brand equity.

Two key writers on the subject describe brand equity in the following way:

“Brand Equity is a set of brand assets and liabilities linked to a brand, it’s name and symbol, that add or subtract from the value provided by the product or service to a firm and/or the firms customers” (Aaker, 1991 pp 15-16.)

“Customer based “brand equity” is defined as the differential effect the brand knowledge has on consumer response to the marketing of the brand” (Keller, 1998). In Keller’s definition “brand knowledge” is defined along two dimensions, brand awareness and brand image – with image comprising the associations held by the consumers of the brand, including how favorable those associations are, how strongly they are held and how different they are from similar products in the marketplace.

Brand Awareness, the second aspect of brand knowledge, provides information on how aware the consumers are of various brand associations. Brand Awareness is the ability of a potential buyer to recognize or recall that a brand is a member of a certain product category (Aaker, 1991). It is worthwhile noting that not all members of the population will be potential buyers and brand awareness does not necessarily mean awareness of the brand in the broad community. Brand strategists targeting specific niches will only be concerned with brand awareness within a specific target group.

Aaker (1991) has developed a “Brand Awareness Pyramid” to conceptualize different levels of awareness. The highest level of awareness can be described as “Top of mind” awareness, this is followed by “Brand recall” (the ability of the consumer to recall the brand) then “Brand recognition” and finally, the lowest level of awareness occurs, when the consumer is “unaware” of the brand. Brand Awareness is useful as an anchor to which other associations can be tied (Aaker, 1991). It has also been found that awareness leads to familiarity that eventually leads to liking. Awareness of a brand may stimulate its inclusion into the consumers “Brands to be considered” set. Brand awareness does not necessarily translate into sales; destinations can have high awareness and yet not convert that awareness into actual travelers. Sirakaya, Sonmez and Choi (2001) observe this in their study of Turkey as a tourist destination. Australia is also a destination with high brand awareness but relatively low conversion. This will be examined in greater detail in Chapter Two.

1.5.1.1: The benefits of branding

Branding provides clear benefits for consumers. Among the consumer benefits identified from branding are increased ease in the interpretation of information, greater satisfaction from use of the product and increased purchase confidence (Keller, 1998). Discussions of brand value should be firmly based in an understanding that ultimately the benefits to the firm are based in utility for the consumers and other key stakeholders. Nevertheless, examining the benefits of branding accrued from the firm's perspective rather than the consumer's can be useful in understanding the nature of the brand asset.

Srivastava et al (1998 p8) identifies that benefits of branding to the firm include that it "enables the firm to charge higher prices, attain greater market share, develop more efficient communications, command greater buyer loyalty and distributor clout, deflect competitor action, stimulate earlier trial and referral of products and develop and extend product lines".

Keller (Keller, 1998) identifies brand equity benefits as "greater loyalty, less vulnerability to competitors marketing actions, less vulnerability to marketing crises, larger margins, more inelastic consumer responses to price increases and competitor price decreases, greater trade support, increased marketing communications effectiveness, possible brand extension opportunities and possible licensing opportunities". Keller's sometime collaborator Aaker (1991) identifies the benefits to the firm of brand equity as increased efficiency and

effectiveness of marketing expenditures, brand loyalty, the ability to maintain higher prices and/or margins, trade (distribution network) leverage, the ability to add brand extensions and competitive advantage. He describes the assets of Brand Equity as brand loyalty, name awareness, perceived quality, other brand associations and other proprietary brand assets such as trademarks etc.

1.5.1.2: Benefits of Destination Branding

An examination of destination branding literature reveals that most authors have identified the benefits of destination branding in terms of either the destination as a whole or in terms of the destination marketing organization. The most frequently recurring theme identified as the benefits of branding is “greater competitive advantage”. There are no examples in the literature of attempts to quantify the value of the destination brand. Table 1.9 provides an overview of benefits identified by researchers and practitioners in destination branding.

Table 1.9: Benefits of Destination Branding

<ul style="list-style-type: none"> • Destination differentiation • Reduce substitutability 	(Morgan & Pritchard, 2002b)
<ul style="list-style-type: none"> • Coordination of investment • Increased marketing effectiveness • Marketing best practice. 	(Gilmore, 2002a)
<ul style="list-style-type: none"> • Increased local pride 	(Ryan, 2002)
<ul style="list-style-type: none"> • Consumer predisposition to purchase 	(Crockett & Wood, 2002)
<ul style="list-style-type: none"> • Perceptions of quality • Brand loyalty 	(Slater, 2002)
<ul style="list-style-type: none"> • Preventative “injection” against negative publicity 	(Gilmore, 2002b)
<ul style="list-style-type: none"> • Differentiate products • Represent a promise of value • Incite beliefs, evoke emotions and prompt behavior. 	(Morgan et al., 2003)
<ul style="list-style-type: none"> • Brand loyalty and customer retention • Life-cycle extension • Increased foreign exchange expenditure. 	(Parkinson et al., 1994)

1.5.2 Measuring Brand Equity and Brand Health.

Given the nature of branding and the variety of benefits it may accrue to the company there is no single accepted measure of brand equity. Metrics designed to support the development and management of brand equity fall into two general and related categories:

1. Measures of Brand Equity - the value of the current asset; and
2. Measures of brand health - measures that track the asset over time.

1.5.2.1 Brand Equity

Keller (1993) identifies two distinct motivations for studying brand equity, financially based motivations and strategy-based motivation to improve marketing productivity. From a financial perspective identifying an appropriate measurement for the value of a brand, or in other words its brand equity, has proven difficult for both marketers and accountants. Aaker (1996b) states that “the best single measure of brand equity is price premium”. This method clearly has its limitations, particularly in destination marketing applications. Keller (1998) proposes that valuations are either undertaken by comparative methods, or holistic methods. Comparative approaches seek to identify the price premium the brand commands relative to a competitive set to determine brand value. These types of valuation methods use comparisons and price sensitivity methodologies to identify brand equity.

Holistic approaches tend to place value on the overall brand. Holistic valuation methods often focus on the accounting and financial measures to derive a value for the brand. A simple cost approach places a value on the cost to “replace” the current brand, that is, what would need to be spent to achieve current levels of brand knowledge. Another valuation approach gaining favor is a market-based valuation of the brand based on the present value of future economic benefits generated by the brand. Other techniques include valuation based on stock movements and other transactions, such as the purchase of a company.

From the perspective of the National Tourist Office, given that National Tourist Brands and the countries they represent are not “traded”, the value of the brand equity seems of little utility. A measure of replacement value may provide a metric for measurement of equity but from a practical point of view the measure has limited application. Measures of the overall health of the brand, and changes in metrics designed to monitor aspects of the brand’s performance can provide destination marketers with useful insight into the effectiveness of the branding activities. As noted, one motivation for studying brand equity is to increase marketing effectiveness. From this perspective Keller proposes knowledge of consumer-based brand equity, and how consumers relate to the brand, is a “valuable asset for improving marketing productivity” (Keller, 1993). Clearly this notion is of particular importance to National Tourist Offices faced with limited resources.

1.5.2.2 Brand Health

Aaker (1996b) proposes a series of measures based on key drivers of brand equity. His battery of tests, the "Brand Equity Ten", is described in Table 1.10

Table 1.10: Aaker's Equity Measures

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Clearly not all of these equity measures are applicable and/or useful in the assessment of brand equity for destinations.

Tourism New Zealand's brand tracking provides insight into the key dimensions of the destination brand important to the NTO. The 2001 Tracking Study (Tourism New Zealand, 2001) identifies five key research goals:

- To Monitor New Zealand's image and assess how perceptions change over time;
- To assess New Zealand's competitive position and monitor competitors;
- To monitor interest in and intent to travel to New Zealand;
- To estimate the size and the potential travel market for New Zealand; and
- To measure recall of the current advertising campaign.

Based on these goals it is clear that Tourism New Zealand is tracking association/differentiation measures, awareness measures and market behavior issues.

Brand Loyalty, one of the benefits of the brand development process, is challenging to quantify from the perspective of destination marketing. Oppermann (2000) notes that there is little research into the repeat visitation patterns.

1.6 Summary and Observations

A review of this material confirms that tourism destinations, as tourism “products” can be branded in order to achieve competitive advantage. Indeed, neither academics nor practitioners take issue with the notion of destination branding. Further, it can be seen that National Tourism Branding is an important part of the brand architecture of destinations. Nevertheless, destinations have branding challenges not associated with many other types of products and the “face value” acceptance of destination branding leaves many aspects of the process open for further research.

Destination branding is an important activity for National Tourism organizations and contributes to core roles of the NTO including raising awareness of the destination and, more indirectly, increasing visitation. Nevertheless – it is worthwhile noting that destination branding is not considered the most important activity of NTOs. NTOs undertake branding activity for a variety of reasons. These reasons tend to be primarily internally or organizationally focused and include increasing the NTOs marketing effectiveness as well as promoting the destination in an effective manner. These activities tend to have specific organizational goals and are not undertaken for a “general” benefit, absent of measure or accountability. In addition, there is evidence that NTOs do take into account the goals of other stakeholder groups in the brand development process and that they structure brand activities to allow stakeholders, particularly

commercial/distribution network stakeholders, to engage in the branding exercises. In general NTOs also take a leadership role in the development of NTB and as such manage multiple internal and external stakeholders to develop a destination brand outcome.

Also apparent from this review is that not all marketing is undertaken for the sole purpose of branding. While it is possible to undertake purely “branding” campaigns and purely “tactical” campaigns most campaigns combine branding elements and tactical elements. The National Tourist Office must manage multiple goals in these campaigns. Creative executions and media placement will be impacted by the weighting of the various goals and their executions. This is further complicated with the involvement of industry partners with competing priorities and agendas.

Despite widespread acceptance of destination branding the specific benefits of the activity are still poorly defined and subsequently, often poorly measured. As noted, NTOs often have specific organizational goals but there is little quantifiable to commend this activity to external parties. Significant public funds are expended to build a brand asset while many of the measures look at short-term lead generation/sales results.

It is also worth noting that there may be a considerable gap between the NTO’s branding intention and the execution of the branding in the marketplace. The

development of a brand is a complex process that provides considerable challenges to the branding organization. Henderson (2000) notes the lack of awareness of the Singapore brand among key consumer and stakeholder groups and acknowledges the challenges of establishing a destination brand. In order to better understand destination branding future research should examine at least three aspects of the destination image formation process. Firstly, which factors/image formations agents are the most effective in creating destination image; secondly, how does image impact destination choice and finally, which images are likely to impact attitudes to generate what Pike and Ryan (2004) describe as a “conative” response to the image. That is, future research should address which of these image creation sources is most effective at creating images that stimulate travel to a destination.

NTOs are not the only beneficiary of NTB efforts. A key factor in understanding the challenges is to recognize that destinations are complex products. Destinations can be considered as both a whole, single entity and as a composite of products, services, and other elements. As a single entity the destination can be considered as a single brand. Most of the articles written to date refer to National Tourism Brands as a single brand, with a single brand builder in the NTO. However, when these destinations are considered as composite products they can be also considered as a portfolio of brands; with a hierarchy of smaller destination brands contributing to the understanding of the National Tourist Brand; and with a variety of product brands interacting with the

NTB. In this complex portfolio the work of the NTO in brand building can be seen to contribute, that is, to transfer value, to the component product mix, including distribution partners. The National Tourist Brand therefore assumes an “umbrella” brand role in the portfolio. It is inferred that for many NTOs the development of the NTB is designed to create a driver brand, that is, a brand that drives consumer purchases for the destination and its component products.

CHAPTER 2: BRAND AUSTRALIA IN THE UNITED STATES

The Australia Tourist Commission (ATC) was the Australian National Tourist Organization from 1987 to 2004. The Australian Tourist Commission was responsible for the promotion of Australia as a tourist destination and in 1996 began a specific program to develop “Brand Australia” in key international markets, including the United States. In 2004 the Australian Tourist Commission was merged with the Australia’s domestic tourism marketing organization “See Australia”, the Bureau of Tourism Research and the Tourism Forecasting Council to form Tourism Australia and the ATC ceased to exist.

The ATC’s approach to Brand Australia in the period 1996 through 2004 could be characterized as regional execution of core brand elements. The ATC undertook a research-based process to identify the core elements of the Australian image and identity in its key consumer markets and determined a central set of brand elements. These brand elements were then interpreted by market based regional management and their advertising agencies that created advertising campaigns to meet local conditions. In North America, during the period 1996 through 2004, the ATC ran six campaigns, each with different creative approaches based on the core elements. Each of these campaigns was designed to meet different goals in addition to the Brand Australia goals as market conditions changed and understanding of the target market’s needs developed. This chapter will provide an overview of the ATC campaigns from 1996 to 2004 with a particular focus on the impact of the activities on brand development. In 2004, the ATC commenced

a major “brand refresh” activity that was ultimately implemented by Tourism Australia. The refresh and the subsequent campaign, “Australia: A Different Light” has not be included in the scope of this thesis.

This chapter is organized as follows:

2.1 Brand Strategists – The Australian Tourist Commission.

This section examines the ATCs role in the development of Brand Australia and the role of the ATC’s North American operation in the branding process in the United States.

2.2 The Destination Brand Development Process.

This section examines Australia’s brand identity and its image in the United States. It also reviews the Brand Australia’s target market in the United States. The positioning strategy for Brand Australia is also reviewed with particular focus on the relationship of the development of Brand Australia in the lead up to the 2000 Olympics.

2.3 Communicating Brand Australia.

This section reviews the campaigns undertaken by the Australian Tourist Commission in the period 1996 – 2004.

2.4 Destination Stakeholders and Brand Australia.

This section examines the roles of commercial stakeholders, including airlines and tour wholesalers in the development of Brand Australia. It also examines the roles of State Tourist Offices in the process.

2.5 Benefits of Brand Australia in the Americas

This section examines the benefits of Brand Australia in the Americas.

2.6 Summary

The section includes with a summary and analysis of the key points from the literature review.

2.7 Review of thesis studies

The chapter concludes with a discussion of the studies undertaken in the thesis.

The examination of Brand Australia in the United States can be undertaken using the same set of inter-related brand issues as the more general examination of National Tourist Brands. The model adapting the issues to the Australia Experience is outlined in Figure 2.1. The first part of the examination of Brand Australia will be a review of the key stakeholders, particularly the market driven stakeholders.

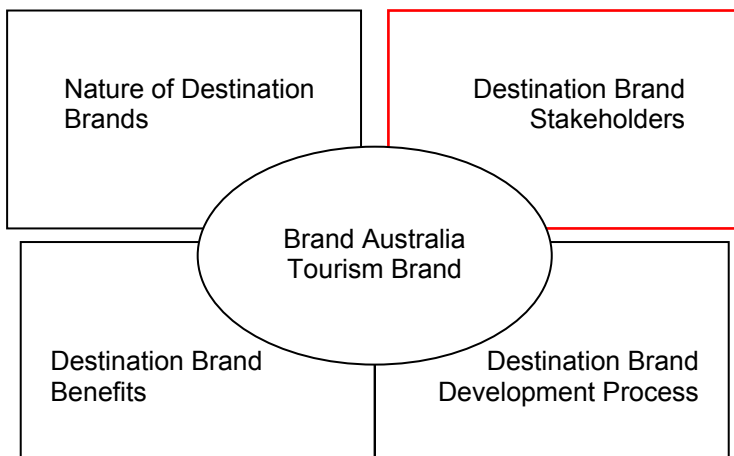


Figure 2.1: Thesis Issues – Destination Brand Stakeholders – Brand Australia

As noted in chapter 1, stakeholders in the destination branding process include both market driven influencers; like distribution channel members, and non-market driven influencers like national government policies, politicians and the local people of a destination. Tourism product and National Tourist Offices often find themselves in the position of advocating both market driven and non-market driven influences in the branding of the destination. In this mix of stakeholders it is the National Tourist Office that tends to be the driver of the branding process. This is the case for Australia where the Australian Tourist Commission has actively developed Brand Australia since 1996.

2.1 Brand Strategists: The Australian Tourist Commission.

The Australian Tourist Commission has been the key driver of the brand development process for Australia. Since the mid-1980's Australia has invested heavily in international tourism marketing. In 1997 Australia's National Tourist Organization, the Australian Tourist Commission, had the largest reported advertising spend of National Tourist Organizations with \$US 30 Million, almost twice as much as France, the world's number one tourist destination (Morgan & Pritchard, 2002a).

Since the extremely effective advertising campaign "Put a Shrimp on the Barbie", featuring spokesperson Paul Hogan, the ATC has placed high priority on the North American market, and in particular the United States. In 1996 the ATC launched the first US advertising explicitly based on the Brand Australia platform. The following review is designed to examine the branding process in the United States in the period from 1996 through 2004.

The Australian Tourist Commission describes its mission as "We market Australia internationally to create sustainable advantage for our tourism industry for the benefit of all Australians" (Australian Tourist Commission, 2001a). The Australian Tourist Commission was established under the Australian Tourist Commission Act 1987. Its objectives – as set forth in the act – are "to increase the number of visitors to Australia from overseas; maximize the benefits to Australia

from Overseas visitors; and work with appropriate agencies to promote the principles of ecologically sustainable development and raise awareness of the social and cultural impacts of international tourism in Australia.”

The development of Brand Australia is neither explicitly stated as part of the goal of the ATC nor as a key objective. Nevertheless the advertising of Australia as a tourist destination, and other brand building activities, has been a focus of the ATC since its creation. The Australian Tourist Commission identifies branding as a core activity for the whole organization. In the 2003-2008 Corporate Plan (Australian Tourist Commission, 2003) the ATC identifies brand development as one of several priorities of the organization. This documents defines the ATC brand activity as driving awareness, interest and desire and through brand co-operative marketing campaigns promoting experiences/destinations and segments and commits 50% of the ATCs “emphasis” to brand related activities of “building demand and market development”. This represents the greatest single focus of the organization. The report states:

“Brand Australia, is the image of our country and its experiences that we promote in our advertising campaigns. It communicates the unique attributes of Australia that differentiate us from other destinations and appeal to the prospective traveler.

The ATC will be increasing its emphasis on brand marketing and reinforcing this positioning across all ATC programs, from advertising to online communications to PR activities. We will be reducing our involvement in activity that does not support the brand” (p 8).

With specific reference to the USA market the 2003-2008 Corporate Plan commits to “achieving market share growth through brand development and pro-

active partnership with industry focused on market insights, synergy and leverage”.

2.1.1 Global Branding: Local Positioning

Since the groundbreaking 1984 North American advertising campaign featuring Australian actor “Paul Hogan” Australian tourism marketing has featured more than just the “sights’ of an Australian holiday. The Australian Tourist Commission (ATC) began the deliberate approach of building “brand Australia” in 1995 and launched a series of campaigns across the globe in 1996. In the words of the ATC ‘the introduction of Brand Australia broke new ground and saw the ATC begin to focus on the benefits for the visitor and to develop the idea that a holiday in Australia is about the experience.” (Australian Tourist Commission, 21)

Although a global branding platform was developed in the mid-1990s the Australian Tourist Commission charged its regional management with interpretation of the branding within the guidelines of the brand structure. This allows local experts to interpret the brand and position it for the local target markets while ensuring a level of brand consistency across markets. It is this approach to the brand execution that allows the focus on the USA market in this thesis.

2.2 Destination Brand Development Process

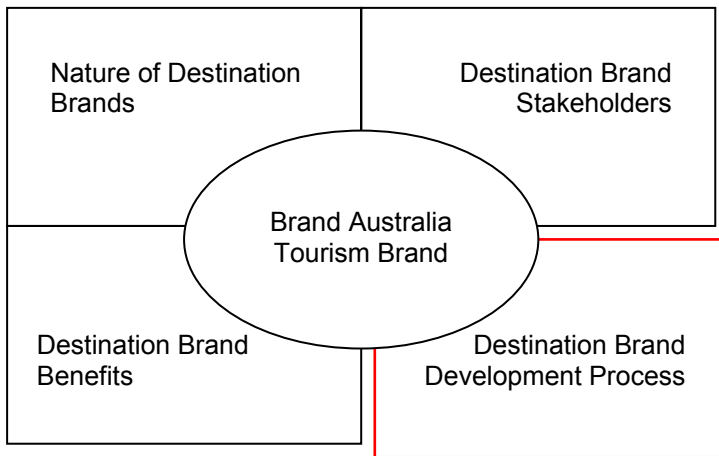


Figure 2.2: Thesis Issues – Destination brand development- Brand Australia

In this section it is useful to apply the destination brand development process to Brand Australia. This process incorporates four main components: brand development and strategy creation; marketing; outcomes and the measurement of results, and finally “destination factors” including the transference of value between brands in the destination brand portfolio. The process is illustrated in Figure 2.3.

The Brand Analysis and Strategy development stage of the process incorporates an assessment of the destination image, the development of the brand identity, the assessment of the target market and the development of a positioning strategy for the brand.

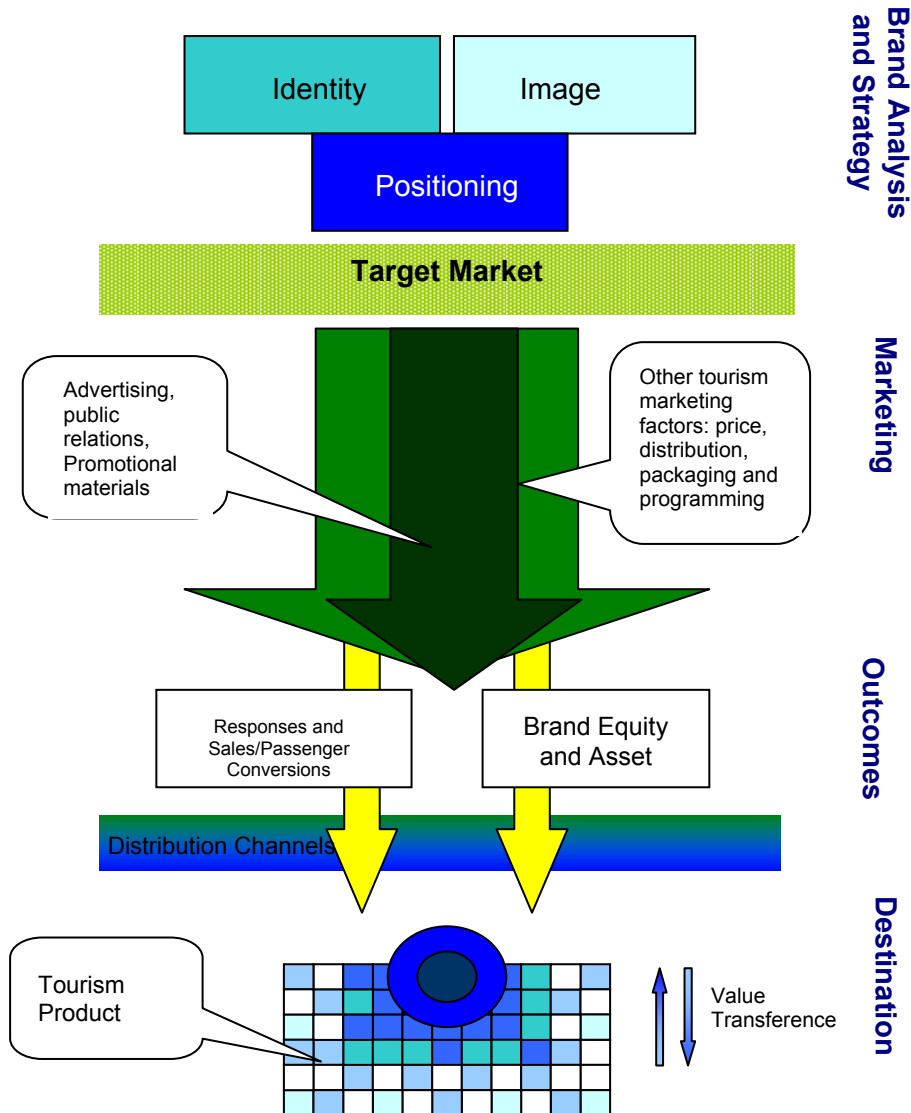


Figure 2.3: Destination Brand Development Process

2.2.1. Australia’s Image in the United States

Australia’s tourism offerings enjoy a very positive image in the United States and Australia regularly tops lists of destinations that American’s would like to visit. The most consistent evidence of this has been Australia’s dominance of the Harris Interactive Poll of American’s favorite destination over the period under

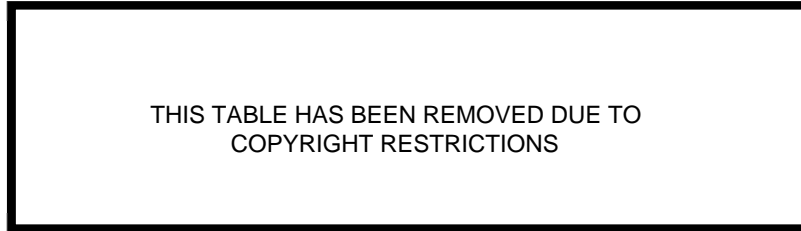
examination (Harris Interactive, 2005). Since 1997, to the time of writing, Australia has been ranked the number one destination on the Harris Poll Americans would like to vacation “if cost were not a factor.” That Australia has such appeal, and yet attracts only just over 2% of US international traffic supports the contention developed by Pike and Ryan (2004) that not all images are “conative” or stimulate action.

Hu and Ritchie (1993) noted Australia was perceived to be able to provide satisfaction on “friendliness, climate, scenery, sports and recreational opportunities, easy communication, and availability/quality of accommodations and local transportation”. In their study, Australia was perceived by the respondents to have a lower ability to satisfy the needs for “museums, cultural attractions, historical attractions and uniqueness of the local people’s way of life” (p 31). Research undertaken by the Queensland Tourist and Travel Corporation concludes that Americans hold a positive impression of Australia but have limited understanding of the specific attributes of the destination beyond iconic images of the Sydney, the “outback”, beaches and Australian animals.

2.2.2. Australia’s Tourism Brand Identity

During the late 1990s and through to 2003 the ATC has described its “Global Brand Elements” in terms of values, personality and essence. These elements are described in detail in Table 2.3.

Table 2.1: Brand Australia Values and Personality.



Source ATC Online (Australian Tourist Commission, 2002b)

2.2.2.1 The Brand Australia Logo

Another element of the Brand development process was the creation of a logo to represent Brand Australia. The logo depicts a yellow kangaroo against a red sun over blue sea. The ATC described the logo in the following way on their trade website:

"The vibrant Brand Australia Logo featuring the nation's favorite icon provides instant recognition for Australia around the world.

The design was developed after consumer testing identified the kangaroo as the country's most recognizable symbol, while the color variations

represent the diversity of the coastal and interior climates” (Australian Tourist Commission, 2000a)

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Figure 2.4: Australian Tourism Logo

It is worthwhile noting that in the period 1996 through 2004, “Brand Australia” was developed as a “tourism/destination brand”. It was not part of a larger ‘national’ branding effort designed to brand the various goods and services of the country, as has taken place in other countries, most notably UK and New Zealand. The ATC acknowledges this in their 2002 explanation of Brand Australia by saying, “The ATC is the only organization building an international brand for Australia as a travel destination”(Australian Tourist Commission, 2002b).

2.2.3 Target Market.

The development of Brand Australia in North America by the Australian Tourist Commission and other organizations is a response to the competitive marketplace in which the destination is competing. It is worthwhile reviewing the basics of the marketplace. The following information was presented in 1999, the midpoint of the study timeframe (Queensland Tourist and Travel Corporation - The Americas, 1999). It provides insight into the understanding of the target

market for American travel to Australia at the time the campaigns under study were in the marketplace.

2.2.3.1 US International Travelers

In 1999 approximately 25.2 million Americans took overseas trips lasting more than five nights for leisure purposes. International travel from the USA was dominated by short haul destinations; the Caribbean receives the largest share of the US outbound market (37.1%), while Mexico and Canada each account for approx 26% of outbound travel. Europe was the dominant long haul destination for US visitors attracting 34% of all outbound travelers and 77.3% of all long haul travel.

During the 1990's Australia's growth in US visitors averaged approximately 5% annually. Australia's market share was relatively steady with in the range of 1.6-1.9% of overseas visitors. In 1998, Australia attracted 353,200 visitors from the United States and accounted for 2.3% of US long haul travel.

2.2.3.2 Americans Visiting Australia

Although it represents a relatively small portion of outbound US travel, the US market is an important inbound market for Australia. US visitors accounted for approximately 9% of total visitors to Australia in 1999. It was the fourth largest international source market for international arrivals to Australia, after Japan, New Zealand, and the United Kingdom. Americans stay on average 25.6 days

(median = 11.8 days). It is interesting to note that 30% of holiday visitors were on a return trip to Australia.

2.2.3.3 Australia's target market in the United States

The market from the USA can be broadly described as mature, well traveled Americans with higher than average education and affluence. Segmentation studies over the past ten years have presented a consistent portrait of the key market segments from the US. In 1997 research was undertaken by the Australian Tourist Commission and Yankelovich Partners on the market of long haul travelers American to Australia (see Table 2.2).

Long Haul Travelers represent 15.4 million adults, of which Australia's best prospects make up 7.8 million adults. These travelers were found in all age groups (average 45 years), they were highly educated, have a median household income \$86,000 and generally don't have kids under the age of 12 in the house (79%). The findings divided the market into four segments: Sophisticated Travelers, Adventure Seekers, Family Matters and Classic Travelers. Of these groups, Sophisticated Travelers and Adventure Seekers represent Australia's best potential.

Table 2.2 Market segmentation

	Sophisticated Travelers	Adventure Seekers
% Male	53%	61%
Age (mean)	49.7 years	40.5 years
Median income	\$95.5k	\$74.7k
Marital status	90% married	22% married
Kids under 12 in household	22% yes	7% yes
Employed full-time	55%	91%
College grad or higher	79%	79%
Number of vacation days per year (mean)	35.5	28.4
Anticipated spend for next long haul trip (mean)	\$6,388	\$5,076

Sophisticated Travelers

Characteristics

- Adults 45+, retired, married, household income \$75,000+ (USD), no children under 12, enjoy frequent travel
- Safety and comfort appeals to these travelers
- Plan on spending about 3 weeks on their next long haul trip at a cost of approximately \$6,400 per person
- Perform research prior to traveling and prefer to use guidebooks and word of mouth to obtain their information

Experiences sought

- Safety and comfort appeals to these travelers, so they tend to participate in package deals and can travel in groups
- Sophisticates are the most responsive to deluxe accommodation and good meals as part of their experience
- Are responsive to travel experiences that have a cultural/historical component
- Seek a place that offers more than just the typical tourist attractions

Adventure Seekers:

Characteristics

- Adults 25-49, working full-time, household income \$50,000+ (USD), no children, seeking an adventure
- Like independence in their travels
- Plan to spend around \$5,000 on their next trip
- Perform research prior to traveling and prefer to use guidebooks and word of mouth to obtain their information.
- Are more likely than other segments to use the Internet for vacation planning.

Experiences sought

- Seek a place that offers more than just the typical tourist attractions
- Seek travel experiences that are rough and rowdy
- Want a unique experience that they can tell their friends about
- Want to see interesting wildlife in its natural environment
- Seek a place where they can enjoy a variety of activities

International visitor studies provide additional insight into the American visitor to Australia. The most common sources of information for planning their visit are travel guide books and travel agents. The median nights spent in Australia is approx 12 nights with the average number of nights at 25.6 nights (year ended Dec 1998). Shopping (76%), going to the beach (56%) and visiting national parks (56%) are the activities in which most visitors participate. The aspects of the visit to Australia most Americans enjoyed included the people (17%) seeing the country side and scenery (8%) and the weather (8%).

American consumer desire for Australia is high. With no limit on expenditure and time, Americans reported their ideal destination as Australia. Other destinations found to be attractive include Italy and Britain. In contrast to their ideal destination, in an actual situation, Australia is the 5th most considered overseas destination by Americans. Destinations that receive more consideration include UK, France and Italy. Of the US visitors, 45% list vacationing as a reason for their visit with 21% conducting business and 20% visiting friends and/or relatives.

The main factors that triggered an interest in Australia for Americans are (multiple response questions):

- | | |
|---|-----|
| <input type="checkbox"/> Wildlife and scenery | 52% |
| <input type="checkbox"/> Great Barrier Reef | 27% |
| <input type="checkbox"/> Friendly People | 23% |
| <input type="checkbox"/> TV/Film/Film Stars | 23% |
| <input type="checkbox"/> Sydney | 22% |
| <input type="checkbox"/> Australian Lifestyle | 16% |
| <input type="checkbox"/> Conference/Business | 16% |
| <input type="checkbox"/> Outback | 14% |
| <input type="checkbox"/> Climate | 12% |
| <input type="checkbox"/> Beaches | 9% |

The most important factors in attracting Americans to Australia were

- | | |
|---|-----|
| <input type="checkbox"/> Unique scenery | 95% |
| <input type="checkbox"/> Friendly People | 93% |
| <input type="checkbox"/> Unique Wildlife | 93% |
| <input type="checkbox"/> Experience Australia Culture | 89% |
| <input type="checkbox"/> Experience the Environment | 88% |

The main motivators to travel to Australia are the lifestyle and people (38%), to see nature (30%) and the Great Barrier Reef/Diving (26%). The dominant image US travelers have of Australia is of a vast rugged country with beautiful scenery and friendly people. The strongest impression Australia has on US travelers is the unique wildlife with 42% stating it was the key image they had on their visit. Australian people are also a key motivator for selection of Australia.

Potential consumers who have not visited Australia listed time, distance and cost as reasons for not planning a visit although in the target market there are no real misperceptions of time and distance.

On average each visitor consulted three or more different sources for vacation planning information. Those sources include travel agents, friends and relatives, work/company, library, commercially available guide books, Destination Australia Guidebook, airlines and the Australian Tourist Commission. Repeat travelers are less likely to use these sources for information and tend to rely on airlines as their major source of information. The average consideration period for US travelers – the time that elapses between first considering Australia as a destination and actually arriving is 6.5 years. Of those questioned, 31% have been considering the visit for 11 years or more, and 22% of travelers consider Australia for up to 1 year before arrival.

The average planning period is 8 months however 22% start planning only 1 month before arrival. Not surprisingly, repeat visitors spend 11% less time planning than first time visitors.

The average booking period is 14 weeks, but 24% of the bookings are placed within 4 weeks of these travelers departure for Australia. Travelers to Australia are very independent – over 58% will travel as “FIT” or free independent travelers”. Even the travelers who purchase packages have customized arrangements made up by their travel agents.

In summary, the target market for Australia is affluent, educated Americans who travel internationally. These consumers were likely to be in their Forties and are most likely to travel without children. They find Australia's natural environment and friendly people appealing and are prepared to undertake an extensive purchase process to arrange their travel to Australia. The Australian target market tends to be very independent travelers.

2.2.4 Brand Australia Positioning

The fourth component of the brand analysis and strategy development stage of the brand development process is the creation of the brand positioning. This positioning process is developed in the context of the three aspects already discussed – the image of the brand, the desired identity and the target market in whose minds the brand is to be positioned. Central to the development of the Brand Australia positioning in the late 90's was the belief that the Australian “character” was a key motivator for American travelers. The ATC explained in the launch materials for the 2000 campaign that;

“with research showing that Americans find the Aussie sense of humor and laid back lifestyle highly appealing, the “meet the locals” campaign was developed using real Australian characters and promising adventure, escape and an off-the-beaten-track holiday.

The advertising highlights a variety of fun and unusual holiday experiences while providing a glimpse of the refreshing Australian attitude that Americans find endearing. The campaign compels long-haul travelers to visit Australia for their next holiday and discover the unique culture and lifestyle for themselves” (Australian Tourist Commission, 2000a) .

2.2.4.1 The Olympic Effect

It is important to note that the Brand Australia development process took place simultaneously with preparations for the 2000 Olympic Games. From as early as 1993 the ATC had determined that it would leverage the games as no other nation had before. The Games clearly added a sense of urgency to the branding

process. Defining the brand was an important early part of the process of prioritizing messages for the media onslaught of the Games.

In the executive summary of the Olympic strategy John Morse, the CEO of the ATC at the time (Australian Tourist Commission, 2001b), states:

“Central to the thinking of the ATC’s Olympic Games Tourism Strategy was to use the Games to add depth and dimension to *Brand Australia* by promoting more than just the typical tourism images and themes in the lead up and during the Games. This was done by bringing together Brand Australia, the Olympic Brand (the most recognized brand in the world) and the brands of the Olympic partners (sponsors, broadcasters and the Olympic Family).”

Indeed three of the four strategies pursued by the ATC were directly related to brand development. The objectives of the Olympics strategy (Australian Tourist Commission, 2001b p3) were defined as follows:

1. Maximizing promotion for Australia through a media relations program incorporating media visits, new technology, information distribution and issues management,
2. Promoting Australia’s image through alliances with Olympic organizations and partners,
3. Increasing high yield markets such as meetings, incentives and conventions; and

4. Creating trade-marketing programs for the tourism industry to capitalize on Olympic Games opportunities.

The clear definition of the core attributes of Brand Australia provided a foundation from which a variety of public relations activities could be undertaken. Despite great variety in the specific actions, Brand Australia provided a “touchstone” against which projects could be evaluated.

It also provided a variety of partners an easy to understand – believable way of presenting Australia. The congruency of the Australian Experience with the Australian Brand ensured that few stories were “off target”.

Beyond providing a means of leveraging media exposure for the country, the increasing understanding of Brand Australia provided the ATC with a new approach to corporate partners. The nature of subsequent negotiations focused on the value and attributes of brands. Pitch documents to corporate partners like Visa included identification of key associations in target markets that Brand Australia would bring to any joint activity. This framework for relationship allowed an extremely healthy relationship in which all parties understood the value they brought to the table.

Third party endorser brands, such as Visa, clearly understood the synergy that Brand Australia brought to their own branding efforts during the 2000 Olympics.

Tom Shepard, Visa International's Senior Vice President for International Marketing Partnerships and Sponsorships (Unknown, 2000a) is quoted as saying 'One of the keys to Visa's marketing success is the focus on the host city and country, sometimes overlooked by others.....it was a natural that Visa, the world's leading payment brand, would want to connect three great brands: the Olympic Games, Visa and Sydney, Australia.'

At the completion of the Sydney Olympic Games John Morse (Morse, 2001 p107), the Australian Tourist Commission's CEO at the time is quoted

“ on reflection, the ATC believes that it is fair to say that the range of activities undertaken by the various Olympic sponsors, stakeholders and other partners have advanced Australia's brand image and awareness by at least 10 years” .

Indeed, even four years later, in the final preparations for the 2004 Olympic Games, press articles noted (Linden, 2005) there was still agreement that Australian tourism was benefiting from the Sydney games.

2.2.4.2 Country of Origin Effects and Brand Australia

Distinct from the higher focus on Australia that the Olympics generated several companies working in the United States leverage the “country of origin” associations with Australia to add depth and differentiation to their product. It is interesting to note that “country of origin” effects are used both by Australian companies, like Fosters, and American companies who are merely using

association with “Australia” as a positioning strategy. Outback Steakhouses, Subaru “Outback”, which used Paul Hogan in its advertising, and “Aussie” hairstyle products are all products/services produced by American companies.

Each of these companies clearly produces their positioning activities from a “working proposition” of what constitutes “Australian-ness”. These products have large marketing budgets relative to the marketing expenditure of tourism products and each contributes in their own way to understanding of Australia. A cursory examination of the advertising undertaken by these companies against the “brand Australia” brand guidelines show that there is a certain degree of congruency between these companies representations of Australia and Australian-ness and the ATC’s positioning. The ATC has been able to engage with some of these companies in deliberate co-branding of the destination with the consumer products. An examination of this activity – a benefit of having a clear Brand Australia strategy, is addressed in section 2.5.2.

2.3 Communicating Brand Australia: The ATC’s North American Campaign History 1996-2004.

During the period 1996 through 2004 the ATC has remained steady in its commitment to brand development while elaborating and interpreting the “Global Brand Elements” for the North American market. Despite the commitment to central brand elements, each year the Australian Tourist Commission has created different campaigns and creative executions for its American marketing efforts.

Table 2.3: Campaign History – North America

1984/85	Launch of the Hogan Campaign in North America
1986/87	Continuation of Hogan Campaigns
1990/91	“Discover Australia” campaign in North America
1992/93	“Feel the Wonder”
1994/95	Development of Brand Australia
1996/97	Australia – come discover
1998/99	Launch of second phase of “Brand Australia” “meet the locals” campaign
2000	2nd Hogan campaign
2001/02	Heaps of 2 week vacations
2002/03	More Wonders Down under
2003/04	Have You Ever campaign “Brand Refresh” process begins.....

Note: **Bold** indicates “Brand Australia” campaigns

2.3.1 Campaign: Australia – Come Discover

Year: 1996/1997

Agency: DMBB

‘Australia – Come Discover’ was the first of the new “brand” influenced campaigns. The creative combined destination images with a number of “Aussies” welcoming Americans and encouraging them to visit. This campaign introduced the first person invitation and “Aussie” humor to the creative. The creative addressed barriers to travel as well as highlighting positive attributes of the destination identified through research.

2.3.2 Campaign: Meet the Locals

Year: 1998/1999

Agency: DDMB

Meet the locals was the first global branding positioning undertaken by the Australian Tourist Commission. A “pool” of television commercials with similar creative approaches was produced for use across the world. Each international market chose their set from the “pool” and nine commercials were used in the Americas.

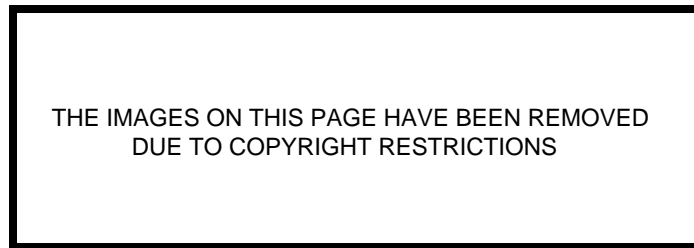


Figure 2.5 Meet the locals – Australian Discoveries

Figure 2.6 Meet the locals – Five star adventures

Television commercials incorporated the brand elements and included “tongue in cheek” humor, Australians interacting with Americans, and wildlife. The ATC moved away from the collage of destination images and messages that are common in destination marketing and each commercial was a “vignette” of the vacation experience. The campaign “was developed using real Australian characters and promising adventure, escape and an off-the-beaten-track holiday” (Australian Tourist Commission, 2000b).

In the United States and Canada the television advertising was supported with a magazine campaign that featured elements of the television campaign and a visual style that complemented the TV spots.

The overall magazine campaign was comprised of several smaller campaigns with messages targeting specific travel experiences and target markets. These smaller campaigns, included “natural wonders”, luxury etc, and examples are presented in Figures 2.5 – 2.7 The ATC coordinated cooperative participation in these campaigns by interested wholesale companies and State Tourist Organizations.

Although well researched and generally well received in market this campaign drew more comment than any other campaign in the study timeframe.

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Figure 2.7 Meet the locals – Australia’s Natural Wonders

2.3.3 Campaign: Hogan 2000 Campaign

Year: 2000

Agency: DDMB/Pure Creative

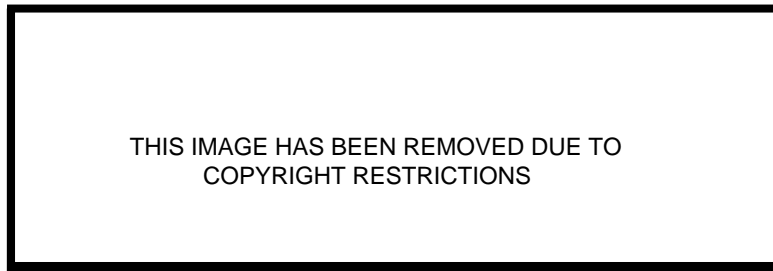


Figure 2.8: Hogan 2000 Campaign – Brochure

By some accounts the Paul Hogan commercials for Australia in the mid 1980's were among the most successful destination campaigns undertaken. In 2000, with a new movie, *Crocodile Dundee in LA*, about to launch and attention on Australia increasing in the lead up to the Sydney Olympics, Paul Hogan agreed to reprise his role as tourism endorser. The ads utilized the Hogan's "Croc Dundee" character and invited consumers to visit Australia. "I've had a lot of fun in your country. How about you come and have some fun in mine?" says "Mick Dundee. Croc Dundee interacted with the Qantas koala in the television and newspaper (Figure 2.9) commercials. Figure 2.8 shows an example of the way the Hogan character was used in promotional materials in addition to the ads themselves to convey the campaign message

The creative was humorous and distinctly Australia. Once again, the ATC chose to focus on story rather than a collage of destination images. The campaign had a strong "call to action" of two week package for \$1499. Newspaper advertisements that complemented the television incorporated both Hogan and the Qantas koala. Qantas and a consortium of wholesalers were the primary cooperative partners in this program.

The Australian media criticized the creative as "old fashioned and ... irrelevant". The campaign was defended by John Morse, Australian Tourist Commission Managing Director: "a lot of people have criticized me for saying "let's revive

Hoges”, but every country has icons and we shouldn’t be embarrassed about them any more....It’s funny, irreverent and its working.”(Unknown, 2000b).

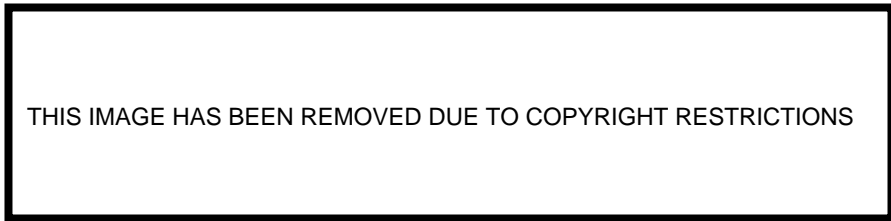


Figure 2.9: Hogan 2000 Campaign – Newspaper advertisement

2.3.4 Campaign: Heaps of Vacations for under \$2000

Year: 2001/2002

Agency: DMBB

This campaign followed immediately after the Hogan campaign and extended the message that Australia could be visited in two weeks for under \$2000. Packages offered in newspaper, web and magazine advertisements were designed to simplify the buying process for consumers.

As such this campaign directly addressed two barriers to travel – the time required to see Australia on a typical vacation and the cost of the visit. It also attempted to address two key issues identified by the agency – that consumers find Australia overwhelming while at the same time they are under-informed about the destination. The Australian Tourist Commission described the campaign as follows, “this campaign stresses the warm, friendly greeting Americans will experience on an Aussie holiday, how far the US dollar goes Downunder and the diversity of vacation experiences Australia offers”(Australian Tourist Commission, 2002a).

The television commercials returned to a collage of destination images and experiences with a “friendly welcome” call to action. Magazine and Newspaper executions of the campaign focused on the package offering of Two weeks for \$2000.

“Heaps” was the major campaign of this year but ATC also conducted advertising with Air New Zealand with the tag “2 great countries, 1 great vacation.”

The ATC was able to coordinate advertising scheduling to ensure maximum frequency during the campaign. These secondary campaigns were less supportive of the brand development than More Wonders Downunder.

2.3.5 Campaign: More Wonders Downunder

Year: 2002/2003

Agency: Daileys

The “More Wonders Downunder” campaign was the continuation of the Heaps of Vacations Under \$2000. The creative, presented in Figure 2.10 and 2.11, continued the general themes of the previous campaign.

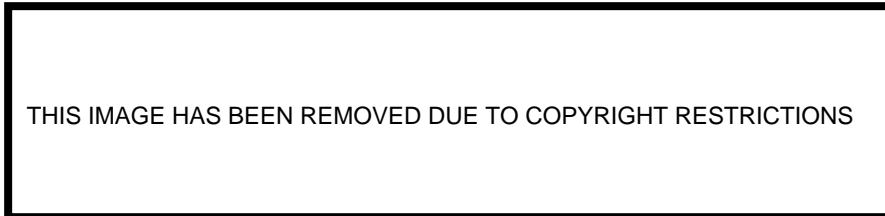


Figure 2.10: More Wonders Downunder

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Figure 2.11: More Wonders Downunder – 2 week vacations

The television commercials returned to a collage of destination images and experiences while retaining a “friendly welcome” call to action.

Magazine and Newspaper executions of the campaign focused on the package offering of Two weeks for \$2000.

2.3.6 Campaign: Have you ever...

Year: 2003/2004

Agency: Dailey

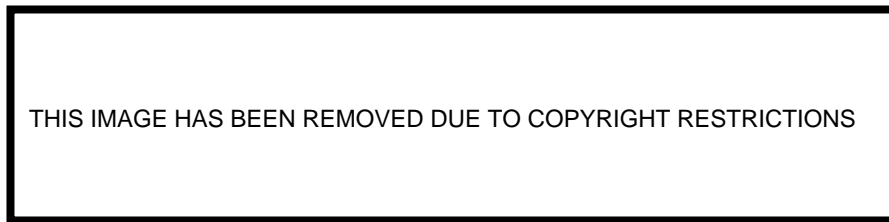


Figure 2.12: Have You Ever Been a Fish

“Have You Ever” represented a new approach to Brand Australia in North America. The campaign creative challenged potential travelers with the question “have you ever....” with a variety of uniquely Australian experiences completing the sentence. By answering the question in television and magazine executions ATC was able to convey the destination message. Examples of the creative execution are presented in Figures 2.12 – 2.16.

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Figure 2.13: Have You Ever Rock Painted

The campaign was once again complemented by strong tactical advertising in newspaper as well as web marketing.

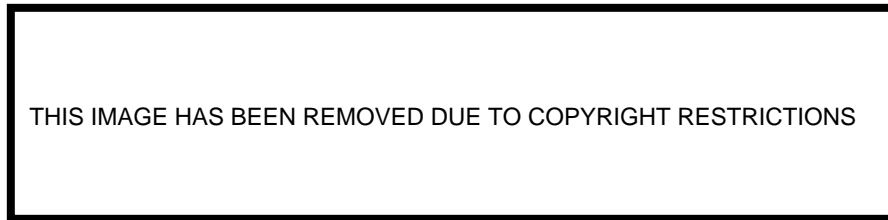


Figure 2.14: Have You Ever Out Jumped a Kangaroo

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Figure 2.15: Have You Ever –Caught a water taxi to the opera.

Figure 2.16: Have You Ever Ruled an Island

2.3.7 Campaigns in Review

In developing campaigns used in the United States the Australian Tourist Commission has received both praise and criticism.

In 1999 controversy broke out in parliament when global campaigns –including the USA campaign, failed to include images of the Australian Capital Territory (Schroder,1999). That same year, the launch of the “Meet Your Locals” campaign was greeted with concern in Australia that the advertisements portrayed Australian’s as unsophisticated at best and sexual deviants at worst (Harris, 1999). The vignette that attracted most attention featured bathers on a topless beach and a local Australian man’s “cheeky” response to them. The ad elicited comments in Australia that we were sending the wrong message to Americans. In America critics commented “the beach spot is likely to turn off more viewers than it turns on.’ The ad clearly highlighted the challenge of expressing Aussie humor and some of the cultural differences between Australians and Americans.

Notwithstanding the specific vignette referred to above the same campaign as a whole was greeted in one advertising trade publication (Unknown, 1999) as trying to promote aspects of Australia where Australia doesn’t hold a competitive advantage “it doesn’t have a corner on nice beaches and restaurants”.

It is interesting to note that although the core elements of Brand Australia, described in Table 2.1 as “personality”, “values” and “essence”, did not change during the time frame under examination the advertising campaign executions changed quite dramatically. Table 2.4 addresses each campaign in the context of the brand elements and notes that several campaigns were developed specifically for branding building while others were designed for tactical reasons. The changes in creative approach have clearly not supported the development of the brand in the way that a single approach with a consistent and integrated approach to communication over the long term. Nevertheless, although the various campaigns vary significantly each is informed by the brand goals and identifiable as part of “the family”.

Table 2.4 Review of Brand Elements in ATC North American Campaigns 1996-2004.

Year	Campaign	Approach to market	Values			Personality					Comments
			Genuine	Unpretentious	Open	Colorful	Engaging and Approachable	Optimistic	Free Spirited	Informal/Stylish	
96/97	Australia, Come Discover	Brand Development With call to action	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Initial expression of the brand development. Brand developed through TV advertising on cable. Creative included a collage of various "Aussies" inviting visitors to Australia
98/99	Meet the locals	Brand Development With call to action	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Television ads are a series of vignettes expressing Australian culture. Again Authentic Aussies encourage Americans to Magazine campaign incorporates themes and offers packages.
2000	Hogan Campaign	Tactical offer Spokesman				<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	Complete departure from previous advertisements with "authentic Aussies" Hogan personifies an American stereotype of Australians. Highly successful at generating sales for coop partners.
01	Heaps of Vacations	Tactical focus/ some brand		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	TV commercial provide some brand elements and destination images.
02/03	More Wonders	Tactical focus/ some brand		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	Continuation of previous campaign. Tactical focus driven by post 911 concerns regarding sales downturn.
03/04	Have You Ever	Brand Development With call to action	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Return to brand building. Heavy focus on destination. Creative designed to "place target in the destination".

2.4 Destination Stakeholders and Brand Australia

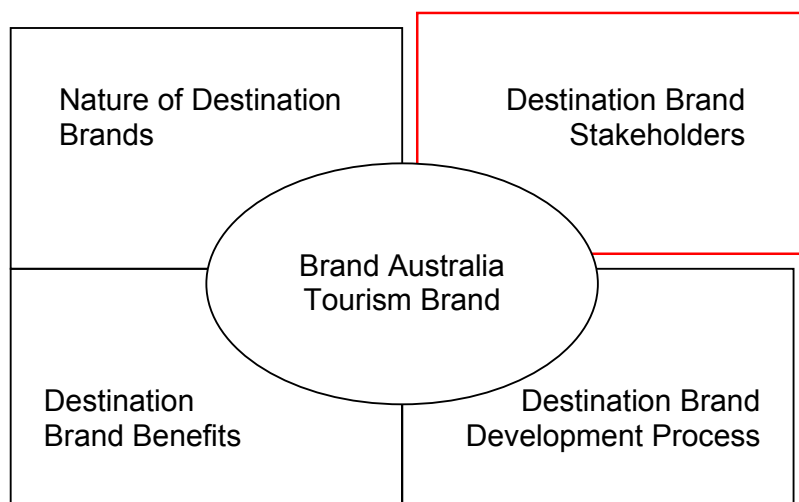


Figure 2.17: Thesis Issues – Destination Brand Stakeholders – Brand Australia

2.4.1 Cooperative Marketing and Brand Australia

In addition to the Australian Tourist Commission, each of Australia's states and territories, with the exception of Western Australia, operate tourist offices in the United States charged with promoting tourism to their own regions of Australia. Although constrained by limited budgets these organizations are stakeholders and participants in the destination branding process. Qantas, Australia's national airline, Air New Zealand and United Airlines all have interests in the effective promotion of Brand Australia. During the time period under examination two distinct types of tour wholesalers can be observed; those wholesalers for whom the majority of their business is travel to Australia and those wholesalers who sell Australia as part of a portfolio of destinations. Each of these groups represent a stakeholder group in the destination branding process.

Throughout the period 1996-2004 the Australia Tourist Commission maintained a policy of incorporating a “call to action” in each campaign. Australia as a destination enjoys high desirability among its target market – long haul travelers. Despite a desire to travel to Australia, it is difficult to convert interest to the action of travel. Including the call to action provides one more point of purchase for potential travelers and travel wholesalers and the airlines contribute an expertise in sales conversion to the marketing process.

It is also noted that throughout this period ATC included the package price in their advertising. In terms of the branding model used in this thesis, the ATC has identified that the “brand image” of Australia includes a perception that it is more expensive than it actually is; including price in the advertising creative helps ATC to position the destination closer to the “affordable, value for money” identity goal. As Michael Londregan, Vice President - America’s asserts “price is an important component of the branding message”.

For a variety of reasons, both practical and political, the ATC has partnered with external organizations in developing its marketing campaigns. These types of organizations included: airlines serving Australia, state tourist offices, and travel wholesalers. Each of these groups joins the ATC Brand Australia campaigns with different agendas and different expectations.

2.4.1.1 The role of the airlines.

Qantas, the Australian based international airline, has been the ATC’s major partner in each campaign. Qantas is strongly associated with Australia in the

United States and close ties to the campaigns makes strategic sense to the carrier. Qantas is the partner with the largest financial stake in the campaigns and is the only partner in the campaigns with contributions levels approaching ATC's financial contribution. Qantas' market share of the passengers to Australia in 1998/1999 was approximately 43% of the total market (Harrison, 2005). This figure increased to 45% in 1999/2000 (using the November-October year). Qantas clearly is a major beneficiary of efforts to increase the size of the market to Australia.

By comparison, Air New Zealand, an active partner in several of the campaigns during the period in review, controlled approx 15% in 98/99 and 17% in 1999/2000. United Airlines, also a significant carrier to Australia, commanded 29% market share in 1998/1999 and 25% in 1999/2000. The global carrier, for which Australian services represent a small part of the overall network, has also shown some interest in participating in marketing campaigns to Australia. The campaigns for United and Air New Zealand campaigns, while incorporating elements of the branding, have been essentially tactical sales drives.

2.4.1.2 The role of travel wholesaler

As noted previously, travel wholesalers have been included in all Brand Australia campaigns since 1996.

These wholesalers make several contributions to the campaign process;

- They provide the product for sale,
- They convert leads to sales,

- They contribute funds to the campaign, and
- They provide advice on marketing direction.

It is noted that the financial contribution, in terms of overall campaign spend has always been relatively small amount, never more than 20% of total campaign spending. By the early 2000's, as the ATCs funding increased, the wholesalers relative contribution has decreased significantly; though their actual contribution has increased slightly.

The role of the wholesalers changed significantly during the period in question. In the early years of Brand Australia wholesalers were considered marketing and sales partners. As the ATCs understanding of the marketplace increased their reliance on the wholesalers marketing expertise reduced. By the time the "Have You Ever" campaign was launched, the ATC had redefined the role of the wholesalers to that of primarily sales partners focused on conversion of leads to passengers. This change was reflected in the way the ATC charged partners for participation. Prior to "Have You Ever", partners were charged a participation fee and actively engaged in all aspects of the campaign, including media preferences and creative direction. For the "Have You Ever" campaign wholesale partners were charged for leads generated by the campaign and the wholesalers were less actively engaged in other aspects of the campaign.

There is little research available on the branding activities of tourism wholesalers in the United States. In her examination of the branding strategies of tourism wholesalers operating in Australia Woodward (2000) notes that wholesalers assume "push" or "pull" strategies in the marketplace. In these

cases, “Pull” strategies rely on higher consumer awareness of the brand. It is observed that most US based wholesalers of Australian product do not have high brand awareness and so there is an expectation that they are undertaking essentially pull strategies – by encouraging channel members to use their service through sales activities and other incentives. The existence of the National Tourism Branding supports this strategy as it allows the destination to develop the demand that drives consumers through the distribution network. The Brand Australia promotion is providing the “consumer” pull for these intermediaries.

2.4.1.3 The Roles of State Tourist Offices

Six Australian States operate tourist offices in the United States: Tourism Queensland, Tourism New South Wales, Tourism Victoria, tourism Tasmania, South Australian Tourism Commission and the Northern Territory Tourist Commission. These offices are charged with promoting their own state’s tourist destination and product to the American market. The State Tourist Organizations (STOs) have been involved in each of the campaigns with the exception of the Hogan 2000 campaign.

STOs contribute funds to the campaign and provide advice on marketing direction. They also provide supplemental sales training support to the campaigns.

2.5 Benefits of Brand Australia in the Americas

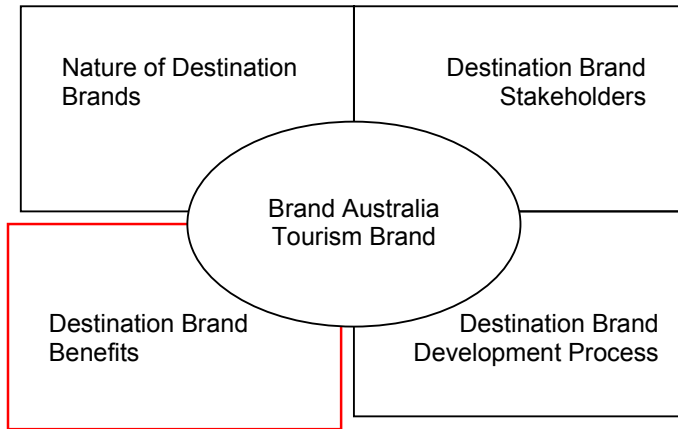


Figure 2.18: Thesis Issues – Destination Brand Benefits – Brand Australia

2.5.1 Measurement

By the 2003/2004 fiscal year the Australian Tourist Commission in the United States had developed an extensive battery of measures to manage the marketing process.

The four components of this regime include:

- Interactive Voice Recording (IVR) reporting which measures media performance;
- Conversion studies which include partner performance, media strategy, and return on investment;
- Brand tracking (Consumer Disposition) including brand health, impact of ATC on brand health, competitive positioning, barriers and impact of ATC on the barriers. Brand tracking also measures “awareness”,

- “aspiration” and “consideration” levels of consumers and so tracks the effectiveness of moving target consumers through the buying process; and
- Passenger study (consumer behavior) including planning and purchase cycle, media message and impact, buying behavior, impact of ATC communications.

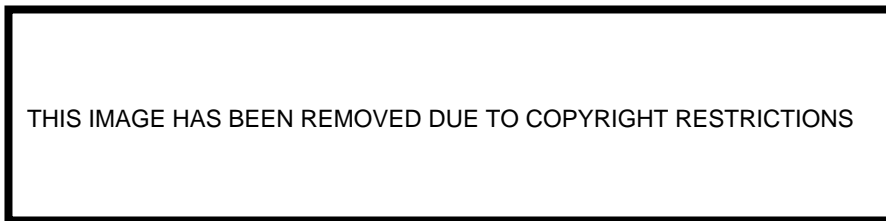


Figure 2.19: ATC Campaign Measurement Regime (Source: Australian Tourist Commission)

The first two components described above, media response performance and conversion, combine to provide the ATC with insight into campaign performance. Through use of these metrics the ATC is able to utilize a number of measures of their marketing effectiveness including cost per response, cost per response by type of media, cost per response by advertising creative, cost per conversion, conversion rates by media. This conversion study, based on the response data collected from the campaign allows the ATC to determine accurate measures on return on investment for each campaign. The second

set of measures, Brand Tracking and the Passenger study, are more closely related to the branding process and provide important information on campaign strategy.

Brand Health and tracking measures enable ATC to report increases in consumer buying responses including awareness, aspiration and consideration, as well as advertising effectiveness in conveying key brand messages. For instance, ATC is tracking key dimensions of the brand identity including like “friendly and welcoming”, and “affordability”.

As noted previously, effective branding requires a deep understanding of the target consumer. ATC undertook two major market segmentation studies during the period under investigation. In addition, ATC undertook consumer behavior studies on known travelers to Australia. These studies were undertaken in airline departure lounges with travelers about to board flights to Australia. These studies provide additional insight into the specific purchase and planning behavior for several broad consumer groups, including corporate, youth, couples and retirees. These studies also measured the impacts of ATC branding and marketing on the target group and so provided a feedback loop for the marketers on their effectiveness.

The ATC has explicitly outlined its role in the brand development process and mapped the components of the consumer buying process that it is best able to impact as a NTO. As such, it has determined its key role is to stimulate awareness for the destination and desire for the destination. As an NTO

undertake marketing to generate a response from a consumer – in the form of a telephone or email enquiry – but the process of converting that interest level to a commitment to travel is the responsibility of the private sector.

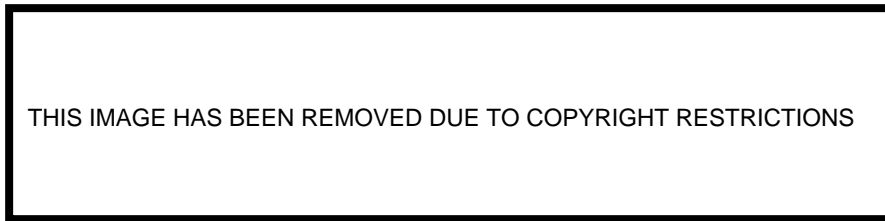


Figure 2.20: ATC Brand and Consumer Measures (Source: Australian Tourist Commission)

Figure 2.20 shows how the key measure described in this section relate to the consumer buying process. The development of this measurement regime enabled ATC to further clarify its relationship with cooperative marketing partners. As the ATC became more empowered through the information provided by their measurement system previously subjective aspects of their marketing plan, like where to advertise and what to include in creative, became subject to careful analysis. As the ATC benefited from this learning “curve effect” the value provided by stakeholders in the campaign shifted from marketing and sales conversion activities to purely sales conversion activities. Consequently the relationship between the ATC and the wholesale partners

entered a new phase with wholesalers assuming the role of “conversion partners” in the major marketing campaigns.

2.5.2 Co-branding

One of the benefits of branding noted in Chapter 1 is the ability to increase cash flows and reduce costs through cooperative marketing and co-branding. This is clearly true in the case within the travel distribution channels. However, a strong brand can also create opportunities beyond its immediate channel with brands that see mutual benefit in linking their “brand associations” in the mind of the consumers. The Australian Tourist Commission has identified the strength of Brand Australia and has actively engaged companies using Australia as a key association in their marketing. Their goals in these meetings, according to Lyndel Gray, Director North America of the Australian Tourist Commission (1995 – 2001) has been to ensure greater understanding of the key strengths and associations of Brand Australia; encourage third party marketers to leverage the key attributes and discourage use of positioning that is inconsistent with ATC research on brand Australia that may erode the power of the brand.

The Australian Tourist Commission has no ability to enforce brand guidelines with these organizations and relies heavily on the strength of their accumulated research to persuade these companies to comply with very broad “brand guidelines”.

Other organizations actively seek to be identified with Australia because of the perceived benefits of being associated with the brand and the destination.

Through cooperative marketing activities the ATC is able to influence campaigns to ensure inclusion of Brand Australia values. The ATC's ability to directly influence the inclusion of Brand Australia components in marketing involving external organizations is reliant on a number of factors including;

- Number of partners,
- Relative financial contribution of partners, and
- Complexity of marketing messages.

Thus one way of examining these campaigns is to look at them in terms of inclusion of brand Australia components and degree of ATC influence in the creative development.

Thus campaigns could be considered:

- Strong Brand / High ATC influence
- Low Brand/ High ATC influence
- Strong Brand/ Low ATC Influence
- Low Brand/Low ATC influence

A working hypothesis of campaigns that may fall into this matrix



Figure 2.21: ATC Influence on usage of “Australia” in the marketplace

2.6 Summary and Observations of Brand Australia in the United States

Based on the review in the preceding chapters a reasonable summary of the destination branding process and its outcomes can be presented for discussion.

A Tourism Destination Brand is the set of associations; including name, terms, logo, symbols, images, experiences, physical attributes, character and/or visitor benefits, intended to differentiate a destination from its competitors and stimulate visitation.

The destination brand is a market-based asset that generates value through its contribution to the transactions associated with the destination. This value, also called brand equity, accrues to the destination marketing organization, such as a National Tourist Office as well as the component products of the destination.

Destination Branding is a deliberate process designed to maximize brand equity. The process encompasses an assessment of the destination brand image. Destination Image is the target consumer's current view of the destination. Although destination branding is a deliberate process, image development takes place as a result of many factors, such as stories from friends, movies, schooling etc, as well as the marketing activities designed to influence the consumer's image of the destination. Destinations, particularly nations, differ from traditional products in that consumers may have built an

image of the destination based on years of exposure to information – most of which is completely out of the control of the marketer. A second component of the Destination branding process is the development of a brand identity. Brand identity is how the brand strategist wants the brand to be perceived. The development of this brand identity may be impacted by a number of stakeholders, both domestic and market-based, each of which may accrue benefits from the destination brand. NTOs may take a lead role in determining the Brand identity for their destination.

Destination Positioning refers to the aspects of the brand identity that are actively communicated for the purpose of moving destination image toward the desired Destination identity. NTOs undertake their own marketing activities to support the positioning process.

Destinations are portfolios of products, services, physical and cultural attributes and destination brands are portfolios of product brands as well as other destination association. Destination Brands may contribute to the branding of component products; similarly component products may enhance or detract from the destination brand as a whole.

Destination Image, Destination Identity and the Destination Positioning are all defined in the context of a target market.

Australia has actively undertaken the branding process in the United States since 1996. Brand Australia has created a number of benefits for the

Australian Tourist Commission, and through them the Australian tourism industry, including benefits associated with the Olympics and other co-branding activities.

This Branding process has created increasing effectiveness in marketing for the Australian Tourist Commission.

In the coming chapters this thesis will examine National Tourist Offices operating in the United States, with a particular focus on destination branding, and the impact of destination branding on travel product and travel intermediaries selling Australia in the United States. The study of the tourism products and their distribution partners follows the observation that many NTOs purport to undertake marketing/branding for the benefit of their national tourism industries. If this is the case, then it is assumed that these organizations will be aware of the benefits they are accruing from the NTOs' marketing activity and have valuable insight into the value of the branding process.

The study will also examine the Australian Tourist Commission's interpretation of the brand through promotional materials and compare it with tourism wholesaler's representation of Australia in their sales catalogues.

The Australian Tourist Commission has taken its role as brand developer for Australia's tourism industry extremely seriously in the United States, investing heavily in the development of brand Australia. In examining the process undertaken by the ATC during that time a number of observations can be made. First, despite remaining committed to a core set of brand elements the execution of the advertisements differed considerably. These changes represent the interaction between the conflicting approaches to long term brand building and immediate sales generation requirements – for instance, the need to generate immediate sales post 9-11. The various campaigns also reflect the impact of various stakeholders in the campaign development.



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Figure 2.21 ATC Brand Values and Campaigns

A worthwhile observation has been the ATC's increasing sophistication in measuring brand health against specific objectives and to relating those brand

measures to commercial outcomes for stakeholders. By 2003-2004 the Australian Tourist Commission in the United States had been tracking a number of Brand related measures for several years. In so doing they have created a platform for future brand activity.

2.7 Review of the Thesis Studies

Based on the literature review presented in Chapters 1 and 2 and the goals of the thesis a study approach was developed. As noted previously the goals of this study have been outlined in the introduction in Chapter 1 as:

- To clarify the role of National Tourism Brands (NTBs) in the development of successful and sustainable destination marketing programs;
- To understand the process of developing destination brands; and
- To understand the benefits generated by destination branding for the key stakeholders in the destination system.

It has been the intention of the study to focus on the experience of a country currently undertaking national tourism branding in the US market to help provide detailed understanding to specific experiences in the branding process.

This thesis is therefore primarily descriptive in nature. It examines the activities of a number of types of commercial and non-commercial organizations as they relate to the National Tourism Branding process. It endeavors to describe the current activities of a number of practitioners in the National Tourism Branding Process and explores the perceived effectiveness of certain activities based on the opinions of the practitioners.

As such the study follows two main lines of examination. The first line of enquiry addresses the activity of National Tourist Offices operating in the United States with particular focus on the branding process. These studies address not only “what” and “how” NTOs undertake brand research but also “why”. The study was addressed at senior regional management and provides “in-market” responses to the issues.

The second line of study addresses the roles, relationships and interaction of three stakeholder groups in relation to Brand Australia in the United States. This approach was based on the belief that these groups were both participants in the branding process and beneficiaries of the brand equity that was created by the brand process. In taking this line of enquiry this thesis significantly broadens destination brand development research by addressing the process from the perspective of entities involved in the process other than the DMO.

In addition to the two main lines of study there is a content analysis of promotional material produced by ATC and several of the larger wholesalers selling Australian Tourism product in the United States. Both studies were undertaken to compare the perceived or intended brand activity of these entities against the materials they produce for consumption by the target market. The materials examined from the ATC were presented as the materials that closely reflected their understanding of the brand. As such they are not necessarily representative of all materials used in the US at that time

but rather an insight into the direction the ATC intended for their brand development. The brochures used in the examination of the wholesaler's brochures are representative of the major wholesalers in the market at that time. This study is not designed to be exhaustive but rather provide a "reality check" against which the Australian Tourism Marketers studies can be considered.

The thesis has focused on two main study groups: National Tourist Offices in the United States and Australian Tourism Marketers, specifically Australian travel operators selling product in the USA; wholesalers of Australian travel product and State Tourist Organizations.

National Tourist Organizations operating in United States are a relatively easily identifiable group within the industry and it was determined to undertake a series of questionnaires with this group. As noted in Table 2.5, it was decided to conduct a written questionnaire with the group in the first study to assess the general state of play of the group; this was followed by a more exploratory interview with a select group of executives and the series ended with an online questionnaire designed to update aspects of the first study and address specific brand related topics identified through the interview process with a larger group. A key challenge with the two questionnaires – written and online – was achieving sufficient responses levels. As will be noted in the next chapter many of these organizations are small with heavy workloads and responding to questionnaires is not a high priority. Additionally – the first

questionnaire was distributed during the “anthrax in the mail” scare of late 2001.

In addressing the Australian Tourist Marketers Group the major studies – addressing the product and the wholesalers were primarily conducted using online questionnaires. These groups were easily identifiable and although spread across two continents, were easily contacted via email. It is noted that in order to expedite the response process a number of printed copies of the questionnaire were delivered to product suppliers participating in a tradeshow. These questionnaires allowed for the collection of a significant amount of information and enabled the author to compare responses from the two sub-groups – product and wholesalers – in an effective manner. Access to these groups was improved as both groups are well known to the author through his professional activities in this market. In addressing the State Tourist Offices interviews were conducted with management. This group is smaller and the participating respondents are well known to the author.

Table 2.5: Summary of Thesis Studies

Study	Description	Methodology	Sample	Response
NTO1	Benchmark study	Questionnaire	79	37%
NTO2	Leadership Opinion Study	Interview	7	100%
NTO3	Updated NTO study with Brand focus	Online Questionnaire	56	41%
Content Analysis	Assessment of ATC materials. Assessment of commercial brochures against brand elements.	Content Analysis	ATC Motivation Brochures:1997; 1999 6 wholesale brochures	
Australian Tourism Marketer Study	Travel wholesalers opinions of Brand Australia Tourism Operators opinions of Brand Australia.	Online Questionnaire	Product : 235 Wholesalers: 53 Total: 288	Product : 32% Wholesalers: 45% Total: 35%
Australian STO	Leadership Opinion Study	Interview.	5	100%

As noted previously, Chapter 3 addresses the studies focusing on the activity of National Tourist Offices; while Chapter 4 addresses the Australian tourism industry and its interaction with Brand Australia in the US market.

CHAPTER 3: NATIONAL TOURIST OFFICE IN THE UNITED STATES.

As noted in Chapters one and two, NTOs tend to be the key drivers of National Destination Branding and marketing. In many cases they are the lead agency in the brand development project and initiate branding activity in the US and Canadian markets. For this reason a series of studies has been undertaken to better understand the role of NTOs in the US and Canada market.

It is interesting that the activity of National Tourist Offices have received little academic attention, with only two studies specifically examining the work on National Tourist Offices in the United States. This lack of examination is surprising as National Tourist offices are public entities and so examination of their activity from a public benefit perspective would be appropriate, in addition to the examination of their activity from an international marketing perspective.

The study of National Tourist Offices undertaken by Morrison, Braunlich, Kamaruddin and Cai (1995) serves as the foundation on which studies in this section of the thesis are based. Like the Morrison study, the following three studies have been undertaken with a focus on NTO's operating in the United States. The studies undertaken included: Study 1- NTO benchmark study; Study 2: NTO - Leadership Opinion study; and Study 3 - NTO study with focus on Branding activities. These studies are inter-related in a number of ways. The relationship between these studies is shown in Figure 3.1. The initial study created a foundation understanding of the NTOs and their operations in the United States It included some queries on the key issues affecting NTOs and

some preliminary analysis of the branding activity. The second study expanded on the knowledge collected in the first and explored more thoroughly the issues associated with branding. The third study updates the first but includes additional questions focused on brand development.

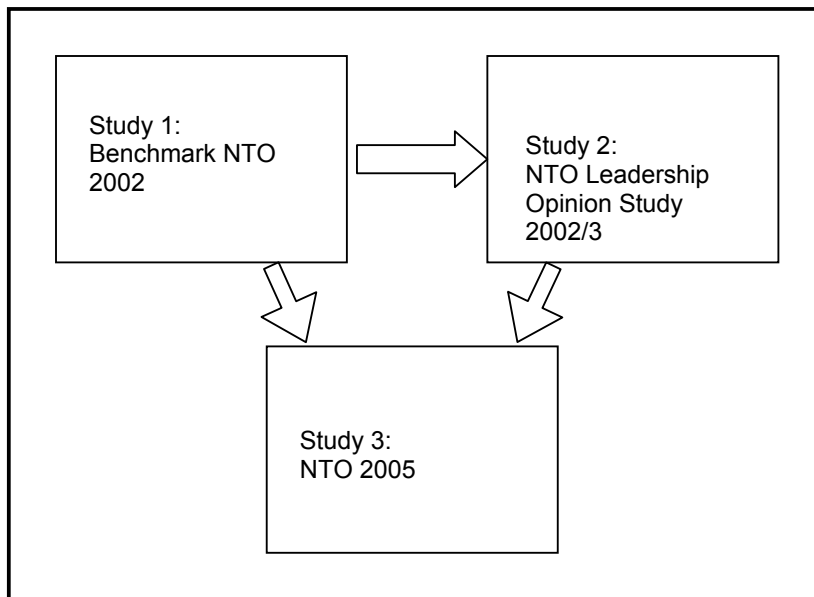


Figure 3.1: National Tourist Office Studies

This chapter is organized as follows:

3.1 National Tourist Office Study 2001-2002

This section reports the findings of the study of National Tourist Offices operating in the United States examining organization, budgets and funding, target markets, marketing focus, attitudes to branding and the internet, and the major challenges faced by these organizations in the United States.

3.2 National Tourist Office Leadership Opinion Study 2002/03

This study focuses on the opinions of NTO leaders' opinions on three key topics; Destination Branding, the transference of value from branding activities for the destination to tourism product operators, and the transference of value from branding activities to tourism wholesalers.

3.3 National Tourist Office Study 2005

This section reports the findings of the study, conducted in 2005, of National Tourist Offices operating in the United States examining organization, budget and a series of branding issues including brand activity, marketing, utilization of NTO's branding by their tourism industry, and the benefits accrued by branding activities.

3.4 Summary and Analysis.

The section concludes with a summary and analysis of the key findings.

3.1 Study 1 – NTO Study 2001-2002

In order to better understand the current position of NTOs, and in particular the role NTOs play in branding, Study 1 was conducted in late 2001/early 2002. The study was designed to create a baseline of understanding on National Tourist Offices operations in the United States. The study examined the operation and structure of these organizations, the markets they address, the impact of the internet on their operations and their use of collaborative/cooperative marketing. The questionnaire also queried what NTO management considers the most important issues confronting them in the North American market. In addition, the study examined a number of brand specific issues including the perceived importance of branding activity, the media used by NTO to achieve brand goals and the types of marketing research undertaken by NTOs to support their branding efforts.

3.1.1. Methodology

3.1.1.1 Questionnaire

A questionnaire was developed after initial conversations with national tourist office management and an initial review of published research on destination branding. In particular, several questions were modeled after questions in the article on NTO operations conducted by Morrison et al (1995). A copy of the questionnaire is included in Appendix A.

3.1.1.2 Administration

The National Tourist office list was developed after combining several lists and checking current information through phone, fax or email contact. The list intended to capture the complete population of National Tourist Offices operating in the United States. The mailing was sent to the senior manager at each office.

The initial phase of the National Tourist Office Study was conducted between October 2001 and March 2002. The first mailing of the Questionnaire was posted October 2001. Each mailing included the questionnaire; a cover sheet and a stamped self addressed envelope. Respondents were encouraged to respond by mail or fax. As noted the study was initiated in the month following the terrorist attacks in New York. It is possible that the effects of the terrorist attacks in New York and the subsequent anthrax mail problems impacted response rates for this mailing.

The second mailing, including a self-addressed envelope (not stamped) and the fax number, was undertaken in February of 2002.

The response rate for the questionnaire was as follows:

Distributed	83
Returned - undelivered	4
Effective Distribution	79
Responses	29
Response Rate	36.7%

3.1.2. Results for Study 1 - An update on NTOs in America.

3.1.2.1 Organization

As Morrison et al (1995) noted, National Tourist Offices (NTO's) have a long history in the US. In this study the oldest NTO operating in North America reported establishing their office in 1903. Most, however, have been established more recently with 2/3 of offices having opened since the 1960s. The 1980s and 90s saw a relatively large number of offices established.

Table 3.1: Year NTO established in the United States

Year	Percent
1900-1909	4
1910-1919	4
1920-1929	8
1930-1939	0
1940-1949	8
1950-1959	4
1960-1969	16
1970-1979	8
1980-1989	20
1990-1999	28

Median = 1975

Sample size (n) = 25

NTO operations are not particularly geographically dispersed. Most (57%) NTOs have opted for a single North American office (Table 3.2) and 85% of the NTOs have 3 or fewer offices (Table 3.3).

Table 3.2: Number of offices in North America

No of offices	Percent
1	57.1
2	17.9
3	10.7
4	10.7
5	3.6
Total	100.0

Sample size (n) = 28

Table 3.3: Office locations for NTOs in the United States and Canada.

Office Locations	Frequency
New York	21
Los Angeles	9
Toronto	9
Chicago	3
Miami	2
Boston	2
San Francisco	1
Washington DC	1
Atlanta	1

Sample Size = 28
Multiple responses.

Table 3.3 shows that most of the NTOs operating in North America have an office in New York (21). Los Angeles and Toronto are the next most popular locations – each with 32% of NTOs. Chicago, San Francisco, Miami, Washington DC, and Boston all registered NTO offices.

Table 3.4: Number of employees at NTOs in America

No of Employees	Percent
1. -5	42.9%
6 -10	7.1%
11 -15	10.7%
16 -20	3.6%
21-25	14.3%
26-30	0.0%
30-35	3.6%
35-40	3.6%
Missing values	14.3%

Sample Size (n) = 28

Median = 9

Mean 24

The median number of employees working for NTOs in North America is 9. The mean is significantly higher at 24 – influenced by a small number of NTOs with American based staff in excess of 20 people. The largest recorded number of employees is 35.

It is interesting to note that, in comparison to Morrison et al's (1995) results, that there was a increase both in the median number of total employees; (1995 = 5, 2001 = 9); and in the mean employees; (1995 = 7.1, 2001 = 24).

3.1.2.2 Budgets

It is clear that foreign governments are prepared to invest considerable amounts of funding toward marketing funds in North America. Nevertheless as shown in Figure 3.3, in 2001 over half of all NTOs saw a reduction in their budgets in North America. The majority of the remainder had budgets remain at similar levels to the previous year while only 21% saw an increase in budgets during the same period.

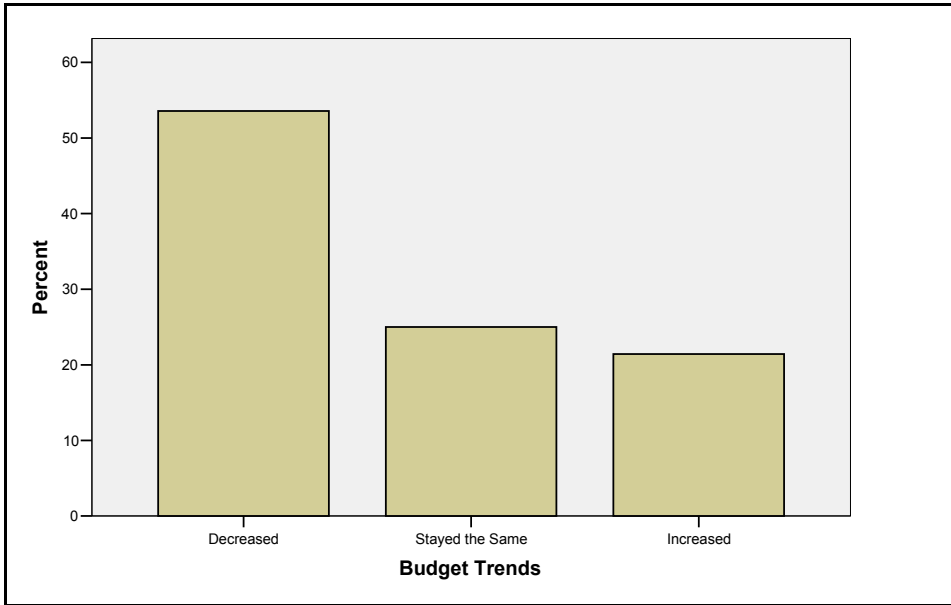


Figure 3.2: Budget Expectations of NTOs in United States
Sample Size (n) = 28

NTOs were more optimistic about their proposed budgets in 2002. Only one quarter expected their budgets to decrease and almost 30% expected budgets to increase.

The median budget was in the range \$750,000 – 999,999 (Figure 3.3) and the median marketing budget fell in the range \$250,000 – 499,000 (Figure 3.4). The range of budgets is considerable with over 25% of respondents operating with marketing budgets under US\$100,000. Only two NTOs operate with marketing budgets in excess of \$5,000,000.

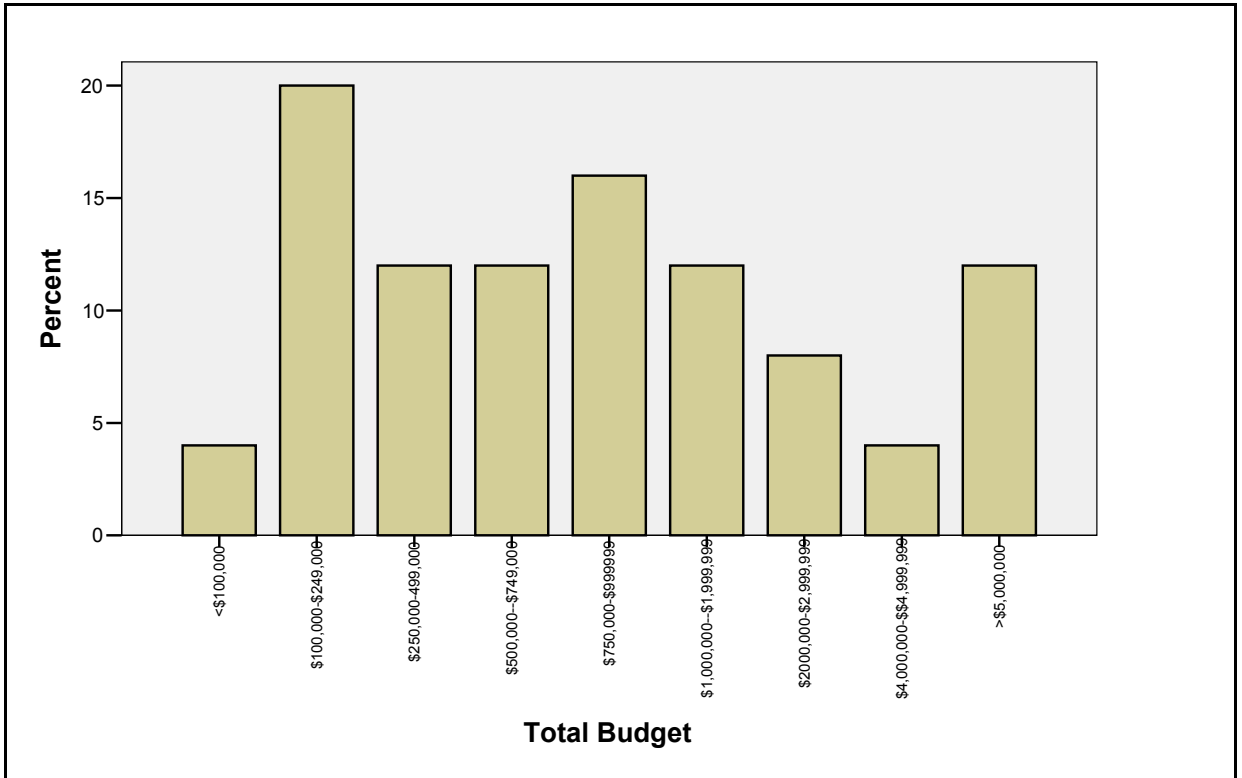


Figure 3.3: Total Budget of NTO operations in the United States

Sample Size (n) = 25

Median = \$750,000 - \$999,999

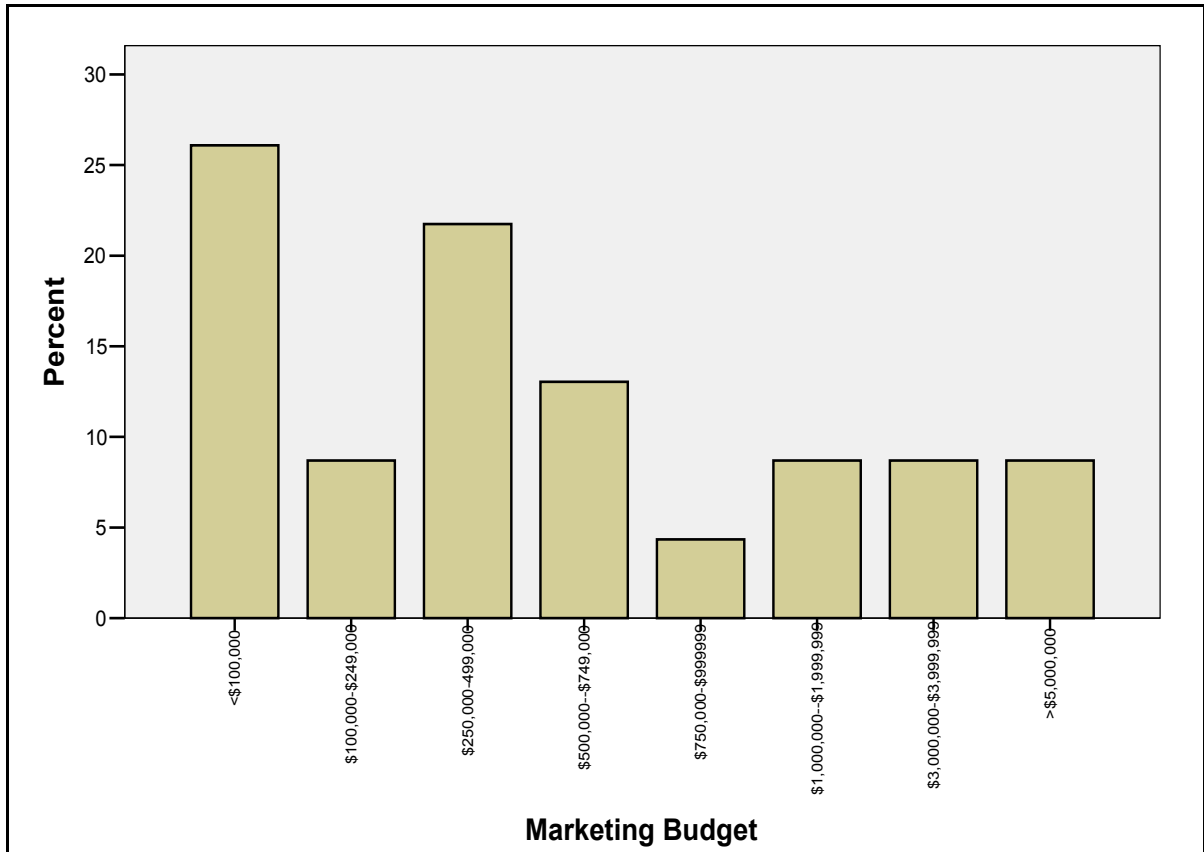


Figure 3.4: Marketing Budgets of NTOs operating in the United States

Sample (n) = 23

Median = \$250,000 – 499,999

Although these figures are substantial it is worthwhile noting that only a few NTOs have marketing budgets comparable to other consumer brands. A comparison with total budgets reported in the 1995 Morrison study suggests budgets may have reduced in the period between the two studies. In 1995 the median total budget was in the range \$1,000,000 – 1,999,999. In the 2001 study that figure had reduced to the range \$750,000 - \$999,000.

3.1.2.3 Target Markets

As may be expected of organizations building “destination brands”, consumer marketing is a key activity of NTOs. Almost 75% rate this activity as 5 or more on a 7 point scale of importance, with almost 60% rating it 7 (very important).

This is significant as marketing to consumers is a high cost exercise in North America relative to trade marketing. The focus on the consumer implies most NTOs apply a “pull” strategy through the distribution network.

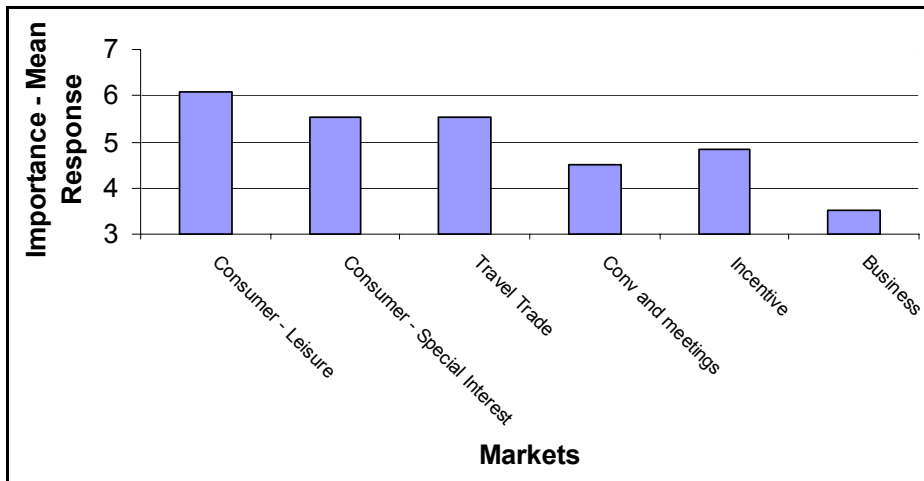


Figure 3.5: Target Market Priorities for NTOs in the United States
 Sample (n) = 27
 Scale 1 = Least Important; 7 = Most Important.

Marketing to consumers in special interest markets is also rated as being important to national tourist offices. Again almost 75% rate this activity 5 or more on a 7-point scale. Fewer NTOs however give this activity the highest level of importance rating. Similarly the travel trade has high importance to most NTOs.

Conventions and Meetings are less important to NTOs, with only 37% of NTOs placing this market in their most high importance rankings. Only a handful of NTOs rank this market “very important”. The incentive market is slightly more important to NTOs based on responses at the top 3 rankings as well as the

very important listing. Business travel is an area of least importance to the vast majority of NTOs.

3.1.2.4 Branding

NTOs operating in the United States consider branding an extremely important activity. Over 90% rated the activity 5 or more on a 7-point scale, with 7 being very important, and 35% gave the activity the highest importance rating. The mean level of importance was 6.04.

Table 3.5: Marketing Activities undertaken by NTOs in the United States

Marketing Activities	Frequency
Magazine Ads - Consumer	20
Trade Advertising	19
Direct mail	19
Newspaper Advertising	17
Cable TV	17
Email marketing - trade	14
Faxes - trade	13
Email marketing - consumer	13
Magazine Ads - Inserts	12
Banner ads	12
Newspaper Ad sections	10
Local TV	10
Web sponsorship	9
Trade Advertising - sections	8
Network TV	8
Infomercials	7

Multiple Responses

NTOs use a variety of marketing techniques to achieve their goals in North America, as noted in Table 3.5. Most popular activities include advertising to the consumers in consumer magazines and newspapers, direct mail activities, cable television and advertising to the trade.

3.1.2.5 Internet Marketing

In 2001/2002 Internet marketing was one aspect of the marketing mix that received considerable attention from NTOs. As shown in Figure 3.6, over 80% of NTOs surveyed considered the internet had a significant impact (more than 5 on a 7 point scale) on their marketing in North America and 60% report reallocating funds from other marketing activity to internet marketing. Over ¾ produced a web site for the North American market and almost half produced an email newsletter. Over 20 percent have a web-based newsletter.

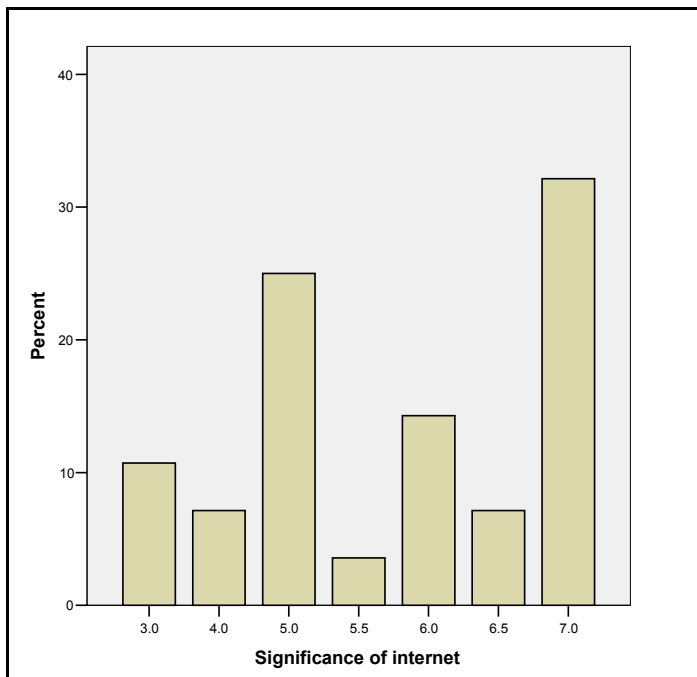


Figure 3.6: Significance of the internet on NTO marketing activity.

Scale: 1 = No change at all ; 7 = Significant Change

Sample (n) = 28

NTOs appear to believe the impact of the Internet to be greater on their partners than on their own operations. Over 52% of NTOs rank the impact on partners over 6 on a 7 point scale. They saw the impact as slightly less for their own operations with just slightly less than 50% rating the expected impact at 6 out of 7.

3.1.2.6 US-Market Specific Marketing

A branding process for North America would require a number of activities including development of marketing materials specifically for the market, market research to ensure key target markets were addressed effectively and tracking of consumer awareness of the brand. As noted in Figure 3.7 the vast majority of National Tourist Offices report that they are, in fact, undertaking these activities. Of respondents, 85% produce marketing materials especially for the North American market.

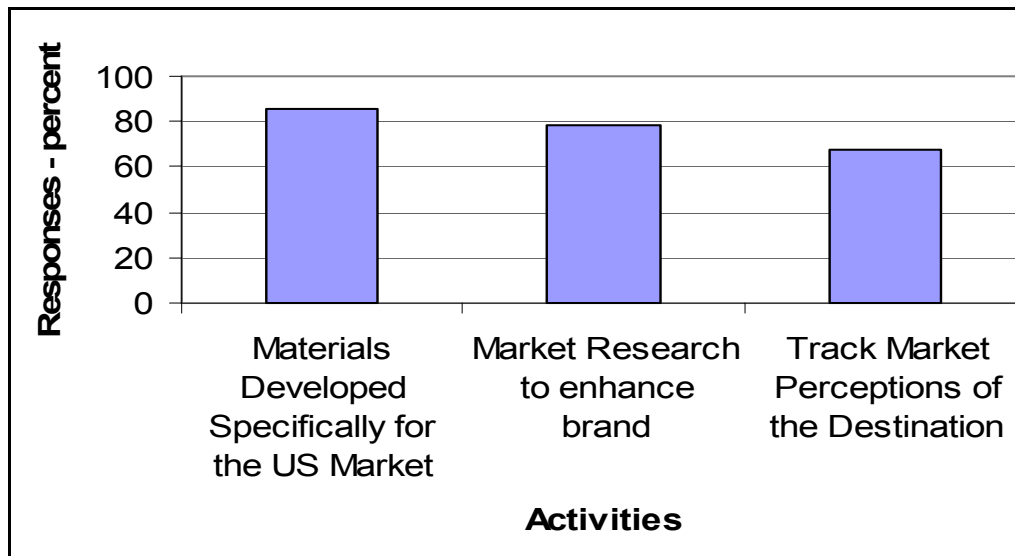


Figure 3.7: Branding related activities undertaken by NTOs in United States

Sample (n) = 28

Sample – Market Research (n) = 27

Slightly over 2/3s of NTOs have undertaken market specific research to enhance their brand marketing in North America. A similar number of NTOs track market perceptions of their destination.

3.1.2.7 Most Important Activities for National Tourist Offices

NTOs were asked what activities they considered to be their most important marketing activities in North America. Based on the median rankings of those responses, providing up to date information on their website and coordinating media familiarizations were the two most important activities, followed by developing a database of enquiries and distributing brochures to consumers, trade familiarizations, and distributing brochure to the travel trade.

As noted, providing support for media familiarizations ranks as the second most important activity undertaken by NTOs after maintaining the accuracy of their websites. The NTOs role in the creation of publicity driven media exposure for their destinations represents an important brand building activity that NTOs can undertake given their limited budgets. Through public relations NTOs can leverage relatively small amounts of funding, often donated by stakeholder operators such as hotels and attractions, into significant exposure in media they could not hope to “buy”.

The NTOs ranked “advertising in consumer magazines/newspapers” at 4.8, below 8 of 13 activities identified in the question. The relatively low importance of this activity which directly contributes to the development of brand is somewhat expected given the marketing budgets of these organizations. However, it is low given the importance the responders give to Branding as an activity.

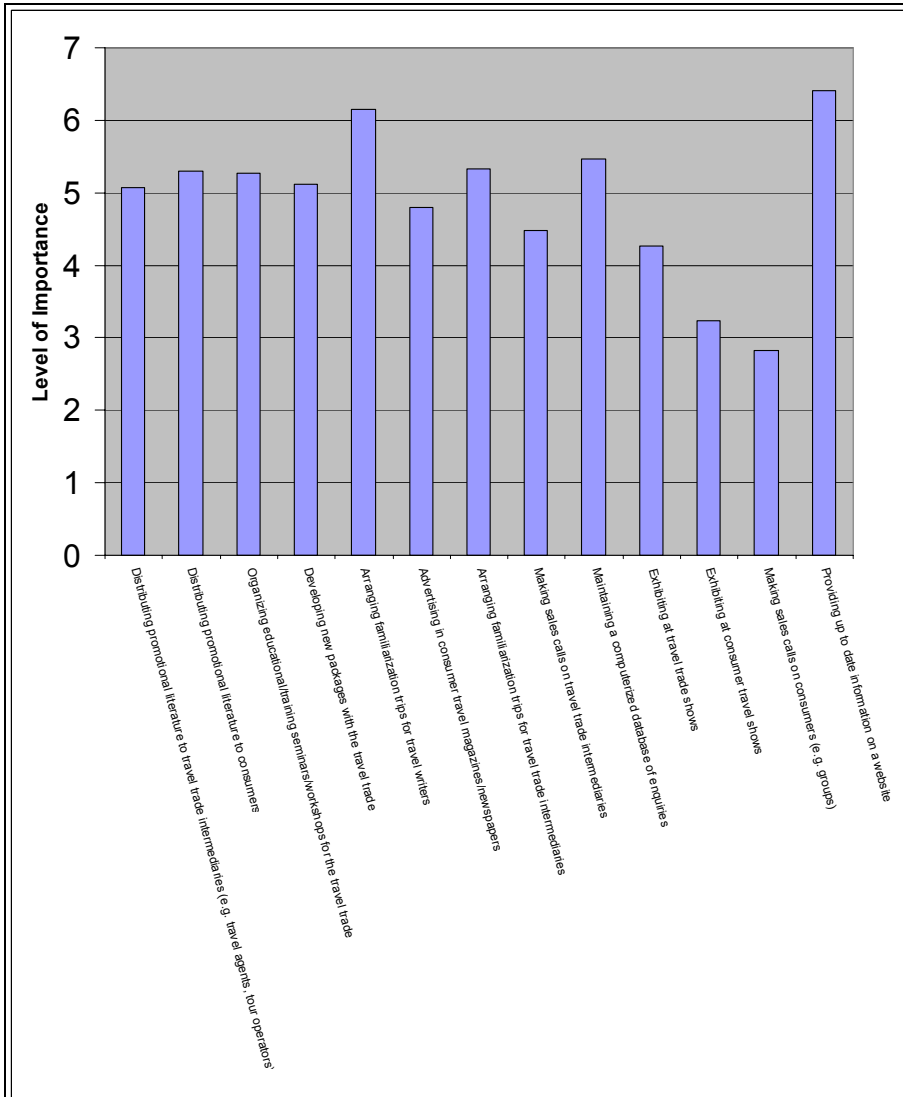


Figure 3.8: Most Important marketing activities of NTOs in the United States.

Scale: 1 = Not at all important; 7 = Very important

This question was modeled on the earlier study although the scales used in the two studies were different. A statement about the importance of the internet, a phenomenon that wasn't included in the 1995 Morrison study, was added to the 2001 study and a statement regarding trade media was omitted. In order to compare the two studies the rank order of results for each study

was identified and the two sets of rankings were then compared to observe changes in the relative importance of responses.

Table 3.6: Comparison of the importance of marketing activity undertaken by NTOs in the United States:1995-2001

Marketing Activities	Rank		
	1995	2001	Change
Distributing promotional literature to travel trade intermediaries (e.g. travel agents, tour operators)	1	8	7.00
Distributing promotional literature to consumers	2	5	3.00
Organizing educational/training seminars/workshops for the travel trade	3	6	3.00
Developing new packages with the travel trade	4	7	3.00
Arranging familiarization trips for travel writers	5	2	3.00
Advertising in consumer travel magazines/newspapers	6	9	3.00
Arranging familiarization trips for travel trade intermediaries	7	4	3.00
Making sales calls on travel trade intermediaries	8	10	2.00
Maintaining a computerized database of enquiries	9	3	6.00
Exhibiting at travel trade shows	10	11	1.00
Advertising in travel trade magazines/newspapers	11	n/a	n/a
Exhibiting at consumer travel shows	12	12	0.00
Making sales calls on consumers (e.g. groups)	13	13	0.00
Providing up to date information on a website	n/a	1	n/a

The earlier NTO study, undertaken by Morrison et al (1995), ranked distributing promotional materials to the trade and consumers as the most important activities of NTO's in North America. Six years later that activity had dropped 7 places in the rankings and providing up to date information via the internet was ranked the number one marketing activity. In the same period the

importance of maintaining a computerized database of enquiries moved up 6 places in importance.

3.1.2.8 Statements about Destination Marketing

In another question modeled after the Morrison study, NTO managers were asked to state their level of agreement with a series of statements. The rating was based on a scale from 1 to 7 with 1= totally disagree, 7= totally agree.

Table 3.7: Key activities of NTO management in the US market.

	Average Rating
Joint ventures or cooperation with other travel related business (hotels, wholesalers, airlines, travel agencies, etc) in the USA and Canada increase the effectiveness of your country's promotional efforts	5.96
Fast responses to consumer and travel trade enquiries are essential for an NTO to increase tourist arrivals.	5.61
Database marketing is an essential step in effective NTO promotions in North America	5.54
Employees should have training in marketing or sales in order to work in an NTO office.	5.36
It is essential that an NTO places advertisements about its country in consumer travel magazines (e.g. Travel & Leisure, Conde Nast Traveler).	4.54
In North America, it is more effective for an NTO to work closely with travel trade intermediaries rather than concentrating on consumer advertising.	4.5
It is important for NTO employees to have prior work experience in tourism before joining an NTO.	4.32
Joint ventures or cooperation with non-travel businesses (e.g. manufacturers) in the USA and Canada increase the effectiveness of your country's promotional efforts.	4.22
Employees should have formal education in tourism to qualify for positions with NTOs (e.g. university degree, travel-related certification).	4.14
It is essential that an NTO places advertisements about its country in North American travel trade magazines /newspapers (e.g. Travel Weekly).	3.93

Sample (n) = 28

Scale 1= totally disagree, 7=totally agree.

Again this question reveals the NTOs relationship between brand-building, the importance of collaboration for destination brand leaders and the realities of small budgets.

The statement “Joint ventures or cooperation with other travel related business (hotels, wholesalers, airlines, travel agencies, etc) in the USA and Canada increase the effectiveness of your country’s promotional efforts” is most highly rated (5.96). The importance of direct advertising in consumer publications ranks far lower (4.5). This question was also modeled on the 1995 Morrison et al study. Like the previous question modeled on the earlier study, a comparison of the rankings of the level of importance was conducted. The results are summarized in table 3.8. Perhaps most noteworthy is how little change took place in the rankings given the increasing importance of the internet and database marketing noted earlier.

Table 3.8: Changes in NTO Director’s opinions of key activities between 1995 and 2001

	Ranking of the importance of each activity.		
	1995	2001	change
Joint ventures or cooperation with other travel related business (hotels, wholesalers, airlines, travel agencies, etc) in the USA and Canada increase the effectiveness of your country’s promotional efforts	1	1	0
Fast responses to consumer and travel trade enquiries are essential for an NTO to increase tourist arrivals.	2	2	0
Database marketing is an essential step in effective NTO promotions in North America	3	3	0
It is essential that an NTO places advertisements about its country in consumer travel magazines (e.g. Travel & Leisure, Conde Nast Traveler).	4	5	1
Employees should have training in marketing or sales in order to work in an NTO office.	5	4	1
Employees should have formal education in tourism to qualify for positions with NTOs (e.g. university degree, travel-related certification).	6	8	2
In North America, it is more effective for an NTO to work closely with travel trade intermediaries rather than concentrating on consumer advertising.	7	6	1
Joint ventures or cooperation with non-travel businesses (e.g. manufacturers) in the USA and Canada increase the effectiveness of your country’s promotional efforts.	8	7	1
It is essential that an NTO places advertisements about its country in North American travel trade magazines /newspapers (e.g. Travel Weekly).	9	10	1
It is important for NTO employees to have prior work experience in tourism before joining an NTO.	9	9	0

3.1.2.9 Marketing Focus

The development of marketing activities that focus on the destination's image rather than the specific products available to consumers remains important to NTO branding. Nevertheless many destinations find it expedient to combine "tactical" marketing with "brand marketing".

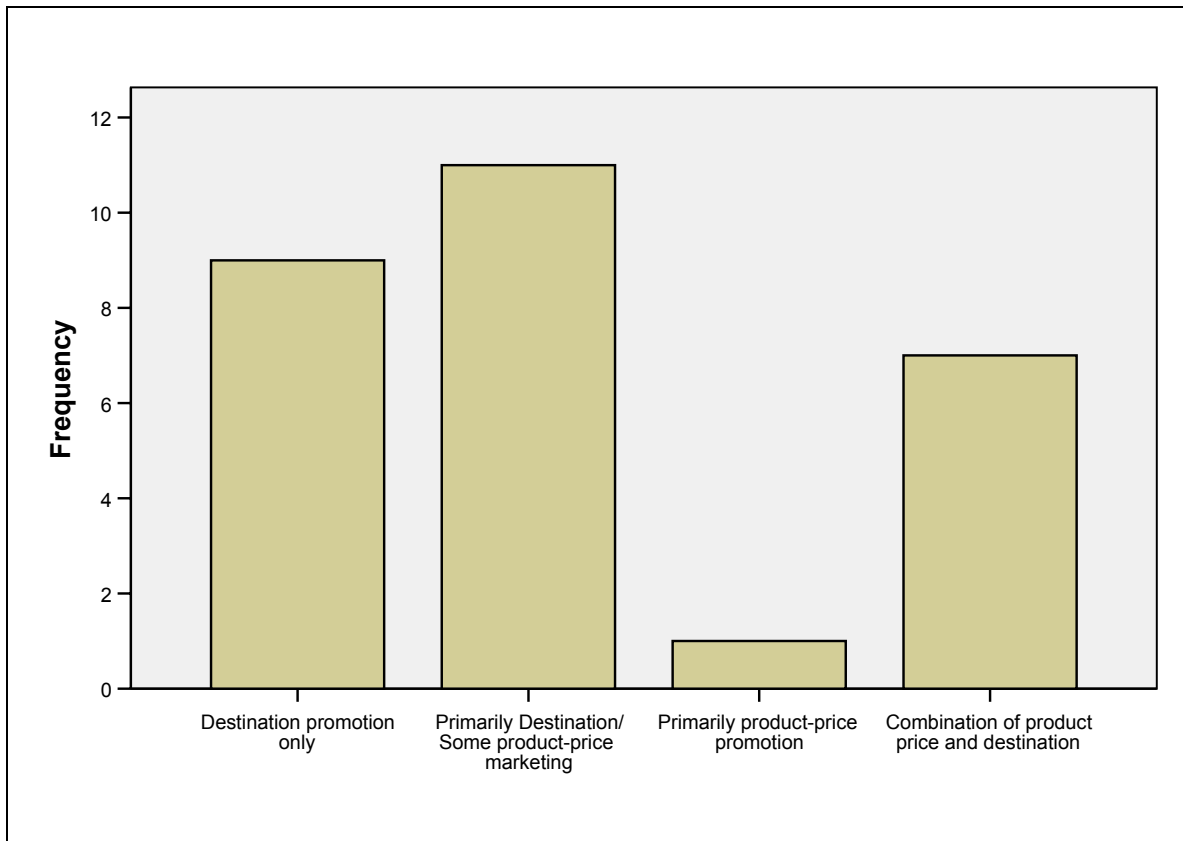


Figure 3.9: Marketing Focus

Destination promotion, that is marketing that promotes the destination but does not include tourism products, either as the only focus or as the primary focus of activity best describes the majority of NTOs activity. A quarter of respondents consider a combination of product/price – advertising that promotes tourism product in the destination – combined with destination promotion best

describes their focus. Only one NTO describes product/price alone as their focus.

3.1.2.10 Collaborative marketing/cooperative marketing

Over 85% of NTOs advise that their marketing plans are developed with industry, as shown in red in Figure 3.10. The majority of these NTOs report that they receive feedback through general conversations with stakeholders. Approximately 40% have formal advisory panels.

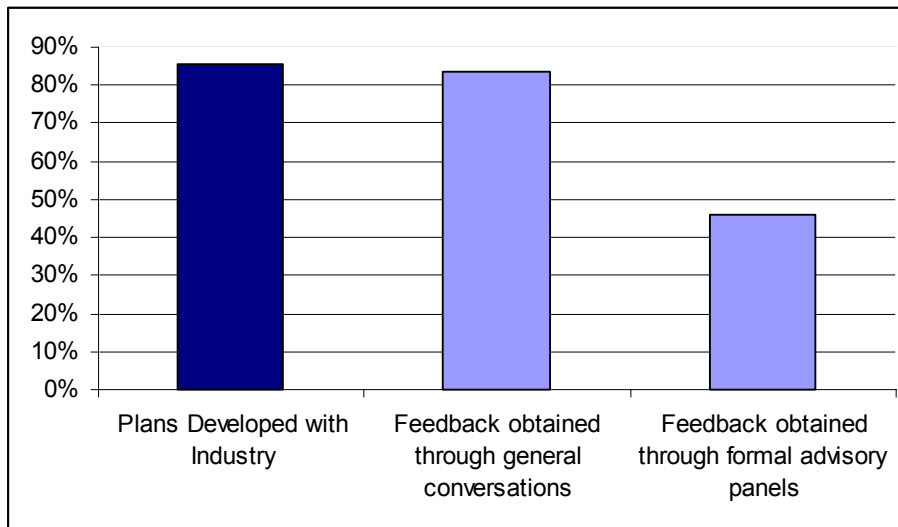


Figure 3:10: Collaborative Style of National Tourist Offices in Business Planning.

Sample of total (n) = 28

Sample size for NTOs who develop plans with industry (light blue) (n) = 24.

Most NTOs undertake at least some of their marketing with partners. Figure 3.11 shows the extent of activity undertaken in cooperative marketing with partners. Almost 36% conduct between 25-50% of their marketing activities and over 40% conduct more than half their marketing with partners.

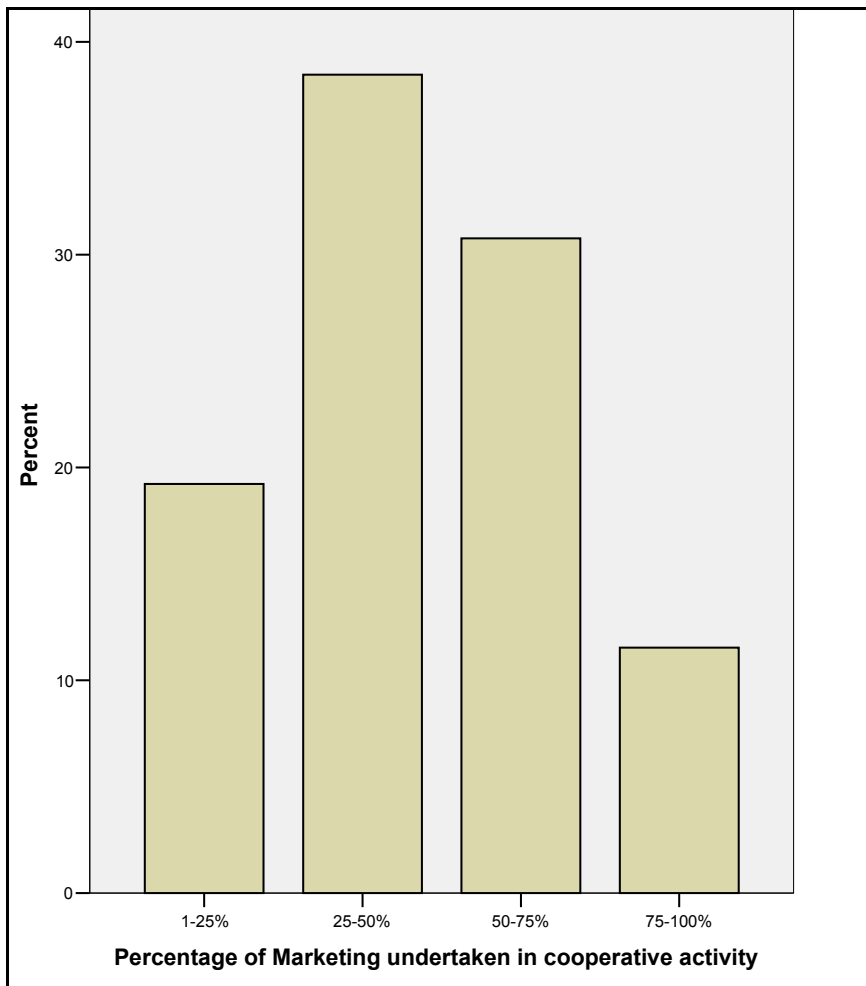


Figure 3.11: Proportion of Marketing undertaken co-operatively with industry.

Sample (n) = 26

3.1.2.11 Hot Topics in Destination Marketing and Greatest Challenges for NTO Management.

The study asked a number of questions designed to identify the key issues of importance to destination marketers. The NTOs were asked what they considered to be the “hottest topics” in Destination marketing. Figure 3.12

shows the distribution of responses that shows collaborative and cooperative marketing and the internet to be the two “hottest” topics in 2001. Based on the average ratings, the hottest topics are;

- Collaborative and cooperative marketing,
- Internet marketing,
- Destination Brand marketing, and
- Segmentation.

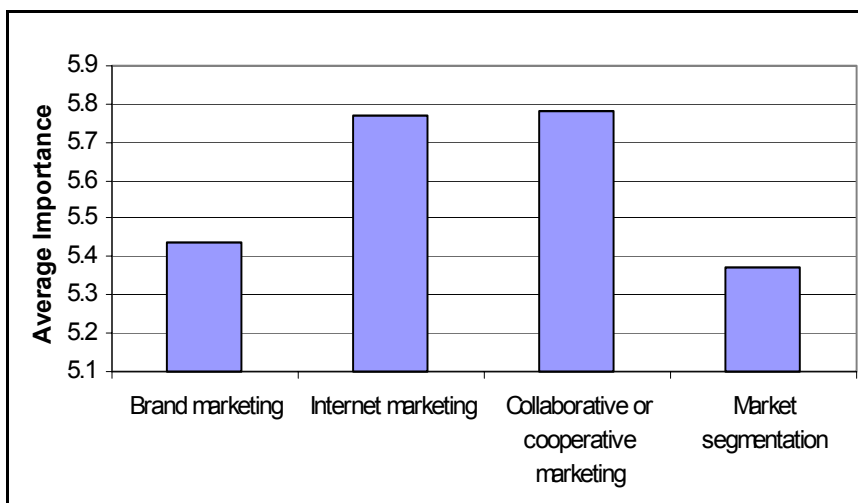


Figure 3.12: Hot Topics in Destination Marketing
Scale: 1= Not at all important; 7 = very important.

In response to a related question, Figure 3.13 shows the greatest challenges faced by NTOs. Based on the highest average rating, the following challenges have been identified as the most important;

1. Reaching target markets efficiently and effectively,
2. Proving Return on Investment,
3. Maximizing new technology benefits,
4. Increasing costs of marketing activities, and
5. Reducing budgets.

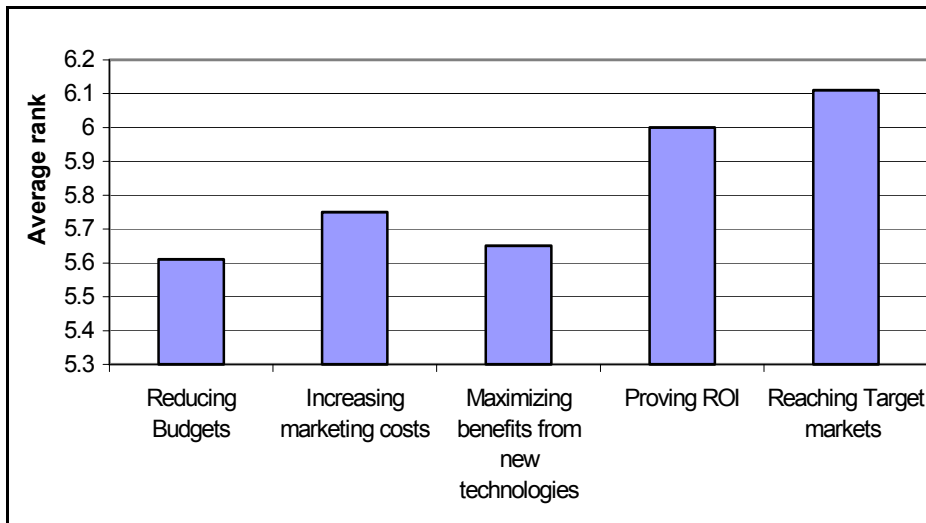


Figure 3.13: Greatest Challenges for NTO managers in the United States.

Scale: 1= Not at all important; 7 = very important.

3.1.2.12 Summary of findings for Study 1.

In summary, this 2001 update on the operations of National Tourist Offices in the United States reveals a group of relatively small operations working in the United States to promote their destinations to consumers. These NTOs are undertaking their marketing activities with a priority on what could be described as low cost/high impact activities including web marketing and public relations. These organizations create at least some of their own marketing materials and track and measure their US branding activities.

This 2001 study finds NTOs rapidly transitioning one of the key roles identified by Morrison et al (1995), that of information distribution, from the physical distribution of brochures to a web-based distribution of information. This approach – both less expensive and less labor intensive – clearly provides a paradigm shifting solution to the problem of poor responsiveness to requests

for brochures identified by Braunlich, Morrison and Feng (1995) in their study of NTO service levels.

This preliminary assessment of National Tourist Office operations was in NTO Study 1 was followed by a series of discussions with National Tourist Offices leaders to identify the specific issues associated with National Tourism Branding.

3.2 Study 2 – National Tourist Office Leadership Opinion Analysis

A supplemental telephone interview was conducted with select NTO managers to examine in more detail issues of the importance of branding and the value migration of brand equity through the distribution network in more detail.

3.2.1 Interview Targets

Following analysis of the initial questionnaire administered in late 2001/early 2002 an additional set of questions was developed to further examine the nature of destination branding for NTOs in the United States.

The interviews were conducted in person and by phone with senior US based members of select NTOs. Two NTOs were chosen from each of three geographic regions representing long haul travel destinations, operating in the United States: Asia, Europe and the Pacific. In addition one Caribbean destination - Jamaica – was included in this round of interviews. Participants in the study are noted in Table 3.9.

Table 3.9:Participants NTO Study 2

National Organization	Tourist	Title of respondent	Name of respondent
Australian Commission	Tourist	Vice President – Americas	Michael Londregan
Tourism New Zealand		Regional Director – Americas	Gregg Anderson
Tourism Hong Kong		Vice President – Americas	Lily Shum
Singapore		Vice President – Western US, Canada and Central America	Mark Yeo
British Tourism Board		Director of Consumer Marketing	Simon Mills
German National Board	Tourist	General Manager – North America	Michaela Klare
Jamaica Tourist Board		Deputy Director - Sales	Donnie Dawson

Interviews were conducted between September 2002 and February 2003. Questions for the interviews were organized in three key topics: The importance of branding activity and the management processes required for national tourism branding; questions regarding the value flows to and from tourism operators in the branding process and questions regarding the value flows to tourism wholesalers in the branding process. A copy of the question guide used in this study is included in Appendix B.

3.2.2 Destination Branding

Each of the respondents considered their destination to be a brand. Several respondents, including representatives of New Zealand, Singapore and Hong Kong referred to the “broad” sense in which the term brand is applied. The destination was brand from “beginning to end” and, as Lily Shun from HKTB described, there were “both tangible and intangible” aspects to “the brand”. Gregg Anderson of New Zealand Tourism summed several responses when he identified that destination branding included the geography, personality and people of the country. There was also clear acknowledgement that, while the destination was a tourism brand, in many cases it was a trade/development

brand as well. In some cases other government organizations were working to establish the 'Brand" of the nation in these endeavors. Both the managers of the NTOs for New Zealand and Hong Kong referred to interaction with these different organizations. Australia's NTO manager referred to plans to extend the branding established by tourism to a broader range of "exports" – manufacturing, intellectual capital and so forth. Despite the variety of organizations actively promoting these destinations it is rare that messages conflict with the core attributes of the country "brand".

Destinations behave like brands in a number of ways. As Michael Londregan of the Australian Tourist Commission states "Destination brands create context, synergy and competitive positioning." Several challenges were raised by the NTO representatives in referring to their branding issues. They included:

- The somewhat unusual nature of "the product", incorporating the tangible and intangible aspects of the destination clearly creates challenges for destination branders. According to Londregan, "Australia" is "an experience" more than "a product";
- NTOs are responsible for the branding of the destination but have little or no control over many of the aspects that constitute the brand. They cannot control customer experience – in the same way as the Disney organization can control the customer experience at Disneyland. They do not control the product mix. Furthermore – there are the many socio/political, cultural activities that take place that impact potential tourist perceptions;

- Effective destination branding requires long term commitment to build. This can be rare given the public nature of the activity;
- The dynamic nature of destinations can create a “moving target” for destination marketers. The response by several of the NTOs to this challenge of rapidly changing destinations is to develop a core set of attributes which can be consistently promoted together with “new attributes”. The process of building understanding of the destination and destination brand is anchored in the core attributes so as to minimize “confusion’ in the marketplace; and
- At the same time, two NTOs referred to the tension this process causes with “at home” constituencies, many of whom feel that their countries have advanced beyond the “core attributes” being promoted.

Each of the NTOs interviewed identified brand development as a core part of their strategic planning process. Typically brands are developed centrally with National managers responsible for the US interpretation of the branding. Ultimately the regional manager is responsible for the branding in the United States. There were a distinct range of responses in regard to the involvement of the NTOs in the branding process. In this aspect of branding New Zealand was exceptional in its completely integrated approach. All staff have brand guidelines that they carry with them as a “touchstone to the values they wish to communicate”.

Each of the respondents confirmed that they had specific goals associated with the development of the brands in market. The detail of the goals varied

considerably from specific goals regarding changes in the levels of “aspiration, consideration and active enquiry” to more general goals of “raising awareness” and “building on key themes”. Several of the respondents reported undertaking “tracking” studies to measure the brand. In some cases this tracking was conducted specifically to measure brand health and to provide data against which brand goals could be measured. In other cases the brand tracking research was part of a broader raft of consumer research conducted in market. Ad-hoc research, including focus group research, also provides the NTO management with insight into brand health. Only one NTO, Australia, explicitly tied measurement of brand strength to lead generation for marketing campaigns.

3.2.3 Value Migration – Operators

The NTO representatives saw a number of benefits for tourism products from their destinations branding activity. In the first instance branding was seen to raise primary demand for the destination in which the products were located and increased demand for tourism products within the destination.

One strong theme that emerged was a general belief that the branding activity for the destination helped the product focus their sales message on their own key attributes. It was considered likely that in the absence of destination branding these products would need to devote more effort to promoting and explaining the destination – thus wasting resources that would otherwise be devoted to selling the product itself. As New Zealand’s NTO manager stated “it allows product to simplify their message. The positioning is established and

products are able to focus on the sales message.” As Australia’s NTO manager proposes – “this branding increases the sales efficiency of the destinations’ products”.

In a related issue, branding is also seen to reduce the barriers to market entrance for new product by reducing the marketing expense required to enter the market. New tourism product can build positioning on the substantial brand equity of the destination. Taking this concept one step further, Germany’s NTO manager reported that the key themes identified in their branding stimulated product, not currently engaged in the market but that were aligned to the message, to enter the market.

Additional benefits were also identified. Australia’s NTO Manager contends that the benefits of destination branding include the ability of products to charge a price premium with the competitive set.

Each of the NTOs had programs to encourage usage of the brand by operators working the market. These activities were undertaken by the corporate offices of the NTOs and were not high priority to the US based management. These programs include a variety of tools and online resources including image libraries, brand toolkits and brand guidelines. For the most part the NTOs used these programs to encourage use of the branding on a voluntary basis with little control over the final usage of the materials. Some NTOs, Jamaica for example, allow access by operators to campaign taglines

and creative. In these cases the usage of the creative tends to be more closely monitored and may require corporate approvals.

When asked whether they believed the operators spent more or less on the market given branding activity undertaken by the NTO the response was neutral. The general response was that operators working the market did not spend more or less, but that their spend in market was more effective. Operators were largely, but not completely, freed from spending resources on destination promotion and were thus able to spend more of their marketing funds with channel members, who were in turn better able to convert sales.

NTOs were also asked what, if any, component products contributed to the consumers understanding of their destination. Of purely tourism products, national carriers were seen to be most likely to add to destination brand equity across the destination. Qantas, Singapore Airlines and Britain's Virgin were all cited as carriers that reinforced brand messages for their destinations. Other than airlines, examples of specific products that supported brand positioning were limited. Raffles in Singapore was cited, London's Savoy. As a range of product, New Zealand's NTO manager also referred to his country's lodges as consistent with the NZ brand message as did Germany's NTO manager with her country's river cruises. Culturally iconic attractions and events – such as the Sydney Opera House, Big Ben and Oktoberfest were also cited as significantly adding to the value of the brand in their respective countries. As Lily Shum of the HKTB noted “product and destination are both interrelated and complementary.”

3.2.4 Value Migration – Wholesalers

A key part of the distribution channel for international tourism product are travel wholesalers who aggregate product – including hotels and ground product with international air – into “packages” and “distribute” the packages either through travel agencies or directly to the consumers. These wholesalers tend to be key partners with NTOs in increasing passengers to nations in which they specialize. As such they have a role in the destination branding of the nation.

In the most general sense there is a belief among the NTOs that wholesalers benefit from the increased demand created by advertising campaigns, whether or not the wholesalers are specifically involved in the campaigns as a point of conversion. Like the individual product itself, wholesalers are seen to benefit from the branding process. A key benefit is a reduced need to promote the destinations they are packaging. The focus of the destination message created through the branding process is seen also to increase the efficiency of the wholesaler marketing.

In addition, the research and learning required to be undertaken by the NTO to develop a brand campaign can provide benefits to wholesalers. New Zealand’s NTO manager identifies that increased understanding of the communication triggers that stimulate sales is being used by wholesalers to increase their conversion of leads to sales to New Zealand. Additionally, product

development driven by brand research is increasing the ability of wholesalers to create target market specific product offerings.

Again it was noted that destination branding lowers the barrier to entry for new wholesalers considering selling the destination. It was noted by Singapore that new wholesalers tend to rely heavily on the branding tools available from the NTO when entering the market. Established wholesalers tend to be “in sync” with the destination.

The NTOs identify a number of marketing support tools used to encourage wholesalers to use brand elements when presenting the destination. In addition to online brand toolkits and image libraries, NTOs referred to efforts to inform and educate the findings of brand related research and to share the business rationale of the “branding” process with wholesalers.

Each of the NTOs include wholesalers in the development of brand campaigns in the United States. In these cooperative campaigns wholesalers may provide a significant proportion of the funding for the campaign as well as be the point of sale for the advertising’s call to action.

Although wholesalers and NTOs are partners in these campaigns there was recognition by the NTOs that each partner has a different agenda in the endeavor. Wholesalers are primarily driven by short term sales and will favor mediums that solicit responses likely to convert immediately. These wholesalers argue that it is in the best interest of the destination, and certainly

their own best interest, to have campaigns heavily weighted to newspaper and web based advertising designed to generate immediate results. NTOs have the dual responsibility of the long term growth of the brand while also needing immediate results. They tend to seek a media mix that includes magazine, television advertising and public relations as these activities tend to be more effective at conveying the more complex, more visual messages required for brand building. As the ATC acknowledges, one of the trade-offs of partner campaigns is a greater focus on the short term.

NTOs tend to be the coordinator of these campaigns and use that leadership role to drive their own brand agendas. Destinations often have greater brand strength than wholesalers corporate brand equity. These campaigns generally incorporate NTO branding and creative elements. NTOs use the leverage of their cooperative funding to “incentivize” wholesalers to use brand elements in campaigns. NTOs described several models on which these campaigns were developed and the messages controlled. Those models ranged from campaigns in which wholesalers simply “bought leads” from a major campaign developed by the NTO to campaigns in which operators who supported destination branding television commercials with a 5 second product “tag” received contra support in newspaper and radio advertising in which their product was the core message.

NTOs did not see that their destinations received significant brand equity from the wholesalers selling them in the US market. It was generally acknowledged that wholesaler brand equity was not great and that destinations, not the

wholesale companies themselves, tended to be the primary driver of consumer interest in most wholesalers product offerings.

Interestingly the NTO manager for New Zealand identified that the media chosen to deliver the campaign message could add significant equity to the campaign itself. New Zealand Tourism Board partnered with the Discovery Channel in their most recent campaign, in a case where the medium 'endorsed' the destination brand message of nature and adventure. Australia reported a similar experience when the ATC partnered with the National Geographic Society.

In the final question – do wholesalers spend more on marketing the destination because of the NTOs campaigns, or less – there was little consensus in the group. Australia's NTO manager contended that effective brand campaigns give wholesalers a "license to do less (brand marketing and) to market their own brands more". Jamaica's NTO manager concurs that wholesalers are able to focus more on their own company awareness because of the national branding campaign. But NTOs managers from Germany and New Zealand indicate that effective branding attracts wholesaler marketing money as there is an expectation of more efficient marketing and greater returns from the marketing money spent.

In summary, NTO opinion leaders considered branding an important activity in their portfolio that yields significant benefits for their destinations. They were conscious of their lack of ability to control their product and they considered

some product brands to significantly enhance consumers understanding of the destination brand. The NTO managers have key markets they are addressing with their branding and undertake research to ensure the effectiveness of their marketing. The NTO managers consider their branding efforts to assist both product and wholesalers in converting sales to their destinations. The greatest perceived benefit of the NTB was that it created an environment in which product and channel members can focus on their product sales and not be as concerned about explaining the destination.

Based on the findings of these discussions with NTO opinion leaders and the earlier NTO study a further study of NTOs was undertaken to focus queries on the branding process, the interaction of the NTB and the tourism industry and to explore the benefits perceived to accrue from this type of activity.

3.3 Study 3 – National Tourist Office Study 2005

The third study built significantly on the insights from the first two and focused on two key objectives. The first objective was to update the general understanding of National Tourist Office operations in North America. The second objective was to examine, more deeply than previously, NTOs role in branding and its relationship with other stakeholders in the branding process.

Based on these two objectives the questionnaire examined organizational issues in NTOs and market priorities of NTOs. It also examined the collaborative/cooperative marketing, with particular focus on the control aspects cooperative activity can play in brand element adoption. In the expanded branding section the instrument examined the importance of branding to the NTOs; the research undertaken by NTOs to ensure successful branding activities, the goals and rationales for branding and the media utilized to achieve branding. The study also provided an examination of the perceived importance and benefits of NTB for product and wholesalers selling the destination. Finally the study examines future NTO branding requirements.

3.3.1. Methodology

3.3.1.1 Questionnaire

The questionnaire was developed after reviewing the information from the first questionnaire and subsequent personal interviews. Care was taken to include questions from the original questionnaire to compare trends over time as well

and focusing the questionnaire to the branding issues. A copy of the questionnaire is in Appendix C.

3.3.1.2 Administration

The National Tourist office list was developed after combining several lists and checking current information through phone and email contact. The list intended to capture the population of National Tourist Offices operating in the United States. It should be noted that the list reduced in size between the two studies.

The questionnaire was developed onto a website and emails were distributed directly to potential participants. A total of 4 emails were sent requesting participation in the study between February 1, 2005 and April 1, 2005.

The response rate for the questionnaire was as follows:

Distributed	63
Returned - undelivered	6
Effective Distribution	56
Responses	23
Response Rate	41%

3.3.2 Study 3 – Results

3.3.2.1 Organization

As noted in the 2001 study, the 2005 study identified that most National Tourist Organizations in North America are relatively small operations in North America (Table 3.14). Almost a third of respondents have a single North America office; and the median number of offices is 2. Of these operations,

95% have 4 or less offices; a single respondent reported operating 8 offices in the United States. The 2005 study found the median number of employee for National Tourist Offices is 8.5 people (Figure 3.14). Once again New York was the most popular location for NTO offices; with Los Angeles the second most popular city in which to locate an office (Table 3.10).

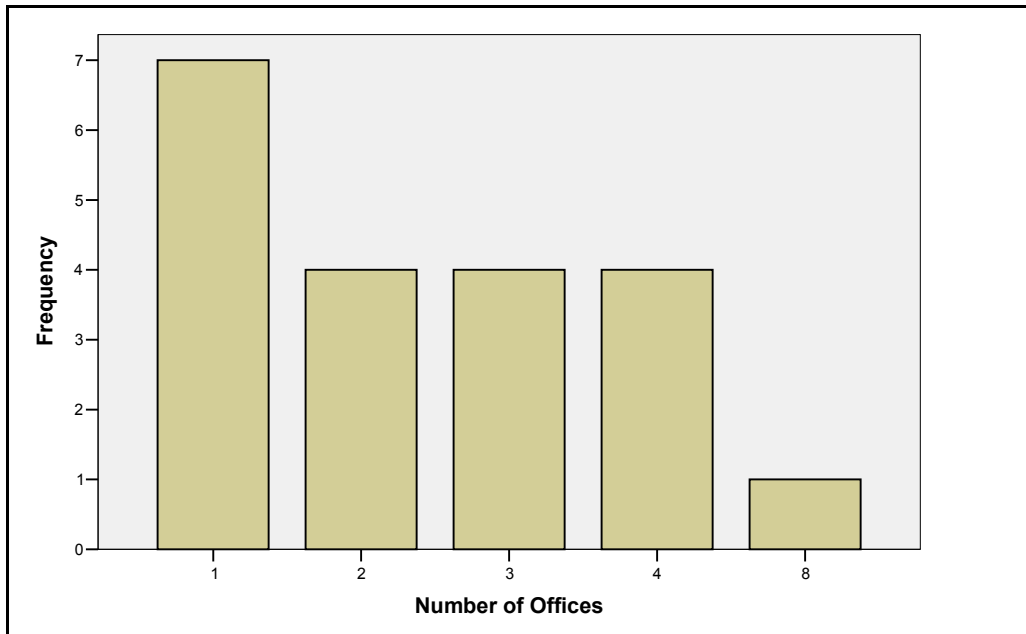


Figure 3.14: Number of NTO Offices in USA- 2005.
Sample size (n) = 20

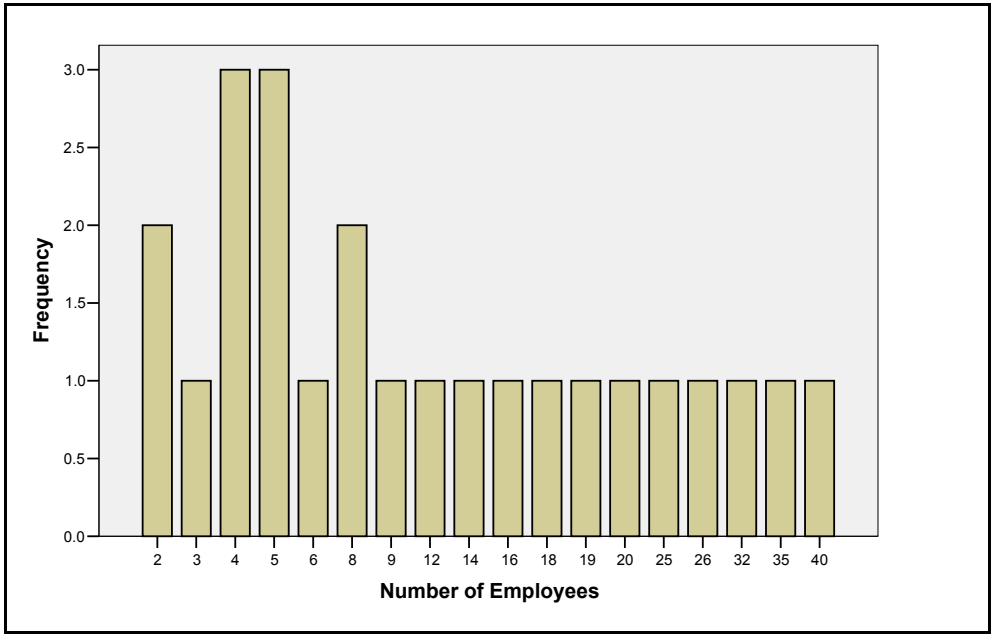


Figure 3.15: Number of Employees in USA per NTO
 Sample (n) = 24

Table 3.10: Office Locations of NTOs operating in the United States.

Office Locations	Responses Frequency
New York	20
LA	14
Chicago	6
Washington DC	3
Miami	3
San Francisco	1
Dallas	1
Atlanta	1
Boston	1

Multiple responses

3.3.2.2 Budget

A series of questions were asked regarding the nature of the NTO budgets in North America. Two questions asked NTOs to provide actual funding amounts for their total operation, and of their marketing operations. The question was framed in a slightly different way to the previous questionnaire. In the first questionnaire the NTOs were asked to respond to budget ranges whereas in this questionnaire they were asked to respond with an actual amount. The effect of this change was to reduce the response rate on these two questions to zero.

Despite reticence to provide actual numbers for budgets these NTOs were happy to provide an indication of both recent changes in marketing budget levels and expected changes in future budget levels. During the last three years a third of these organizations report stable funding and a further 42% had their budgets increased.

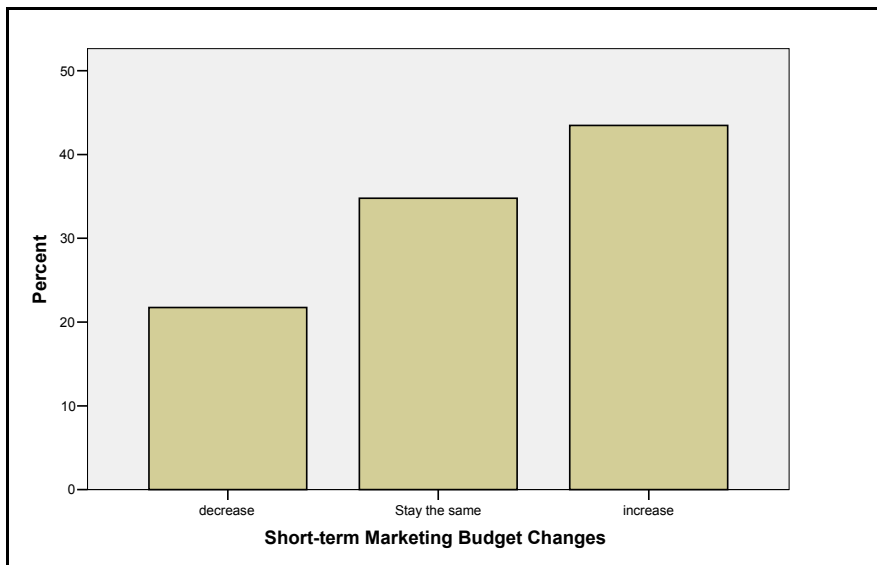


Figure 3.16: Marketing Budget Changes in past 3 years.
Sample size (n) = 23

Expectations for future funding are positive with half of responding organizations anticipating increased funding for marketing.

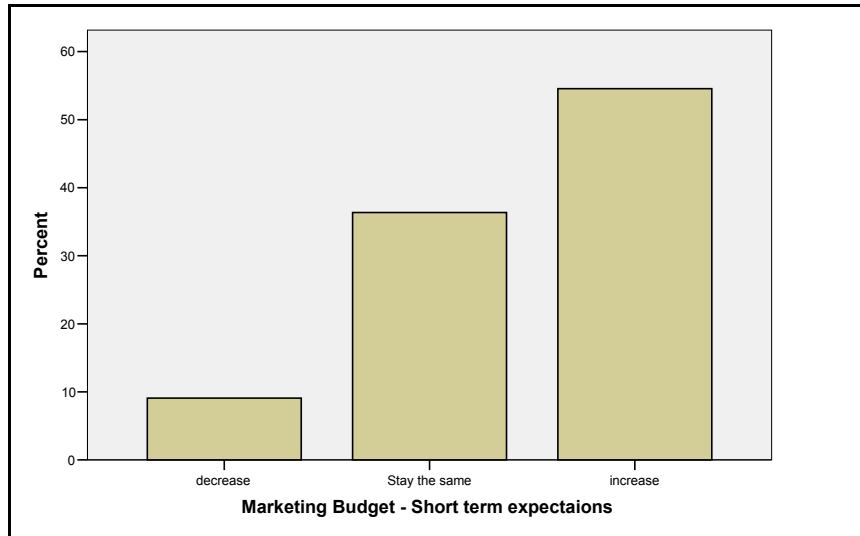


Figure 3.17: Marketing Budget expectations for NTOs operating in the United States.
Sample Size (n) = 22

3.3.2.3 Destination Branding Issues for NTOs operating in the United States.

The NTOs were asked to rate their greatest challenges as a marketers. As in the 2001 study, the respondents in 2005 identified proving return on investment as one of the greatest challenge facing NTO destination marketers. Destination branding was rated 5.55; and so was considered a more challenging issue than the increasing costs of marketing activities; reducing budgets or undertaking collaborative/cooperative marketing.

Table 3.11: Marketing Challenges experienced by NTO managers operating in the United States.

Challenge	
Providing proof of benefits in return of marketing expenditures	6.22
Maximizing benefits from new marketing techniques like the internet	6.04
Reaching target markets efficiently and effectively	5.61
Destination brand marketing	5.55
Increasing costs of marketing activities	5.52
Reducing Budgets	5.35
Collaborative marketing/cooperative marketing	5.05

Scale: 1= least challenging; 7 most challenging.

Content analysis of responses to an open-ended question “what do you consider the three most important issues facing NTOs operating in North America’ reveals some additional issues while reinforcing the importance of those issues outlined above. Pressures on marketing budgets are the most commonly referred to issue (5 responses) in the open response question, followed by segmentation issues (4). The challenge of keeping up with changing technology, the difficulty of maintaining destination awareness and competition each received 3 responses. The need to develop new product to meet changing consumer demands, the challenge of correctly allocating funds across changing marketing and distribution networks and external economic issues were identified by two respondents. Other issues identified include recruiting staff for the destination marketing role, the pressure to trade-off strategic activity with tactical activity; aviation issues; the growth in consumer power in the marketplace and the challenge of converting desire to actual travel.

Table 3.12: Additional Marketing Challenges for NTO managers

Issues	
Marketing Budgets	5
Segmentation issues – reaching target markets	4
Information Technology	3
Destination Awareness	3
Competition	3
Channel management issues	3
New product development	2
Economic issues (Macro)	2
Resource allocation issues	2
The following issues were identified by single respondents	
Staffing issues; strategic vs. tactical; measuring results and ROI; marketing communications effectiveness; aviation issues; converting consumer awareness to travel; growing consumer power in the marketplace.	

3.3.2.4 Marketing

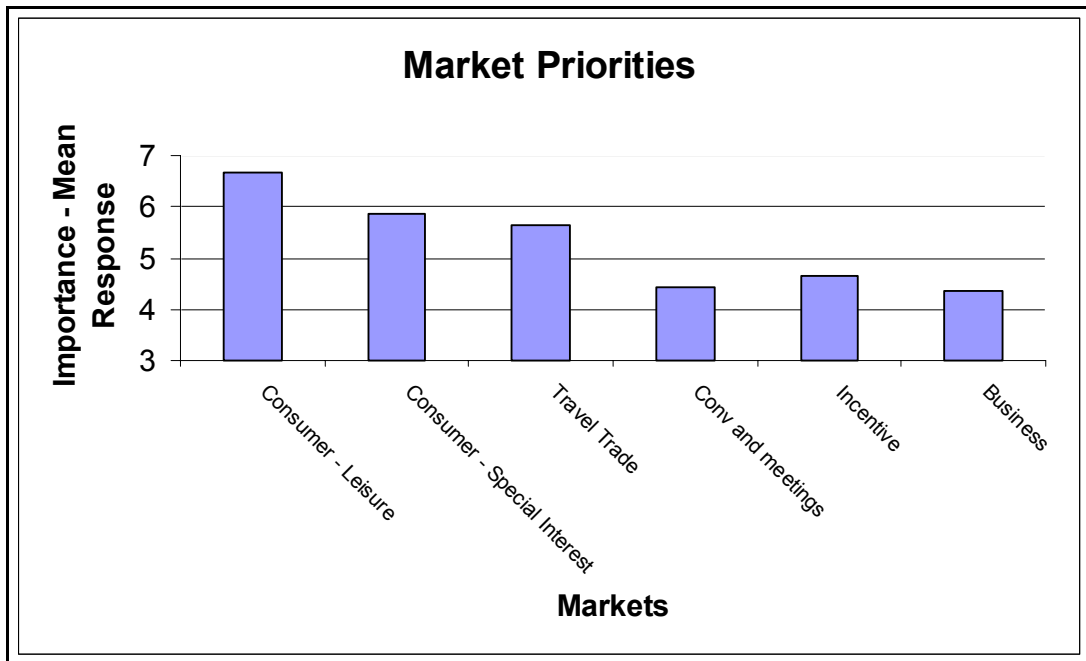


Figure 3.18: Market priorities of NTOs in the United States.

Scale: 1= least important; 7= most important

The marketing priorities of National Tourist Offices are displayed in Figure 3.18. The ranking of the markets by priority did not change between the studies conducted in 2001 and 2005; with consumer marketing rating the highest level of importance followed by consumer special interest and the travel trade. Incentive travel, convention and meetings; and business travel all rate as substantially lower priorities for national tourist offices.

Of National Tourist Offices, 78% develop marketing plans for North America with industry input (Figure 3:19). This input most frequently takes the form of informal conversations with industry. This planning style is undertaken by 2/3s

of all NTOs. A third of NTOs have formal advisory panels to provide industry input into market planning.

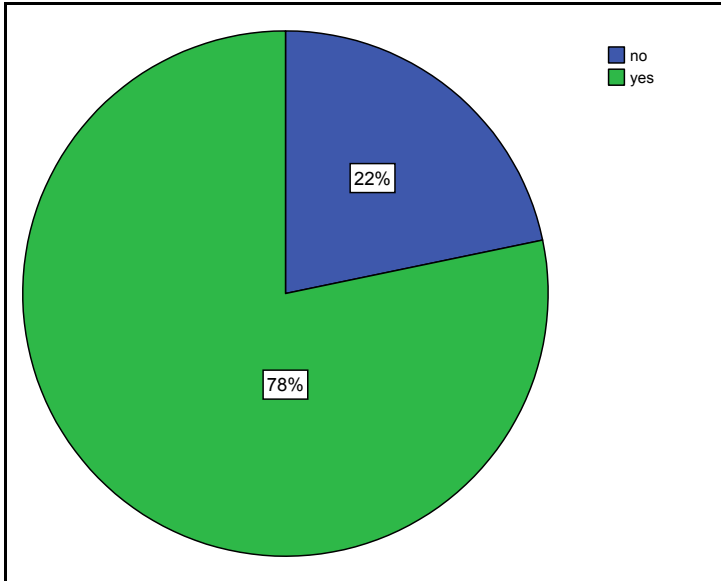


Figure 3.19: Industry involvement in NTO Planning
Sample size (n) = 24.

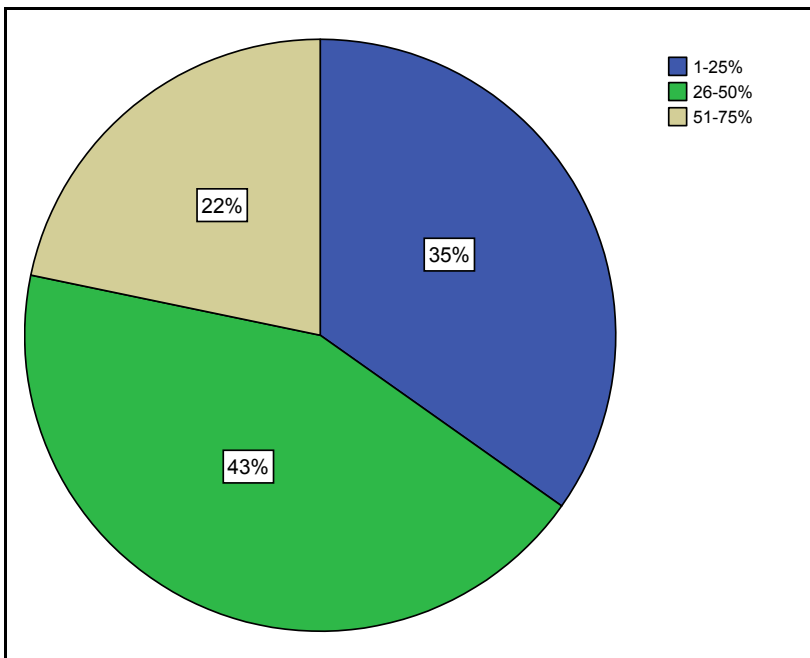


Figure 3.20: Percentage of NTO Marketing undertaken with Partners
Sample Size (n) = 24

In addition to consulting with industry in their marketing planning, NTOs work extensively with other members of the tourism system in their marketing efforts. Almost 43% of respondents report undertaking between 25 and 50% of their marketing with partners (Figure 3.20). This investment in marketing allows NTOs to extend control of their marketing messages and images. Almost 96% of respondents confirm that they maintain control of their advertising creative images and messages in cooperative marketing activities. As shown in Figure 3.21, in the majority of cases, over 60% of the time, utilization of the NTO's brand elements and/or brand creative is a requirement for travel trade participation in co-operative marketing. None of the NTOs participating in the study reported that they did not require utilization of brand elements at least some of the time in cooperative marketing.

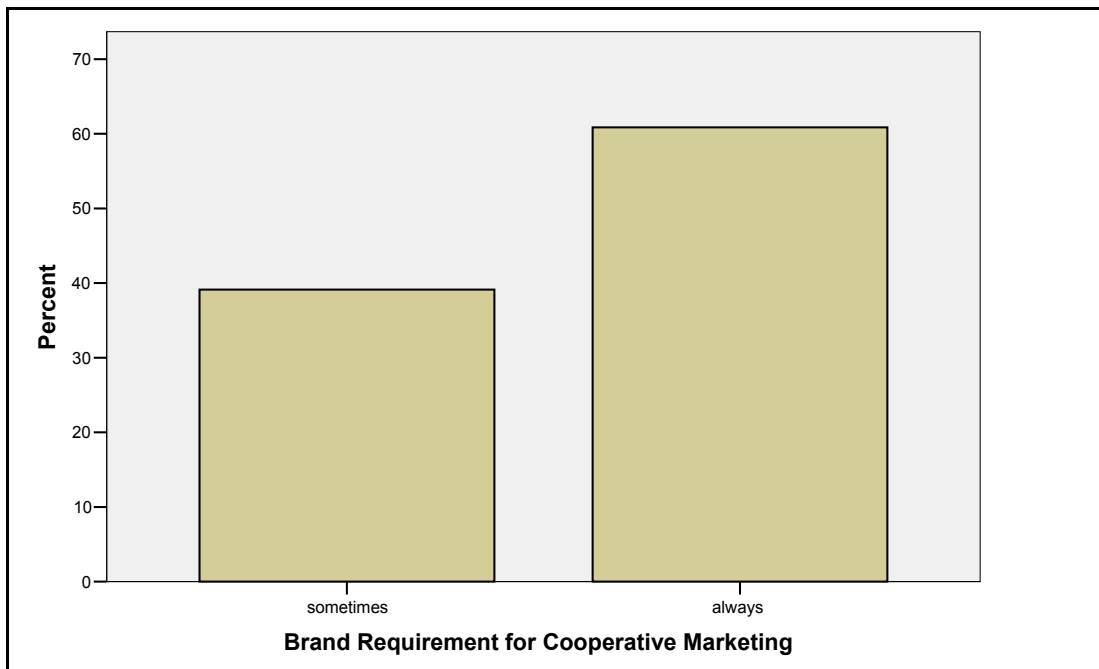


Figure 3.21: NTO Brand Requirements as a pre-requisite for Cooperative Marketing Support
Sample size (n) = 23.

National Tourist Offices marketing efforts and budgets are allocated to several marketing communications goals. Over 55% of efforts are directed to raising awareness of their destination; 31% is allocated to building greater understanding of aspects of the destination and less than 14% is directed to generating leads for conversion by private sector partners.

NTOs use a variety of metrics to measure the effectiveness of their marketing activity, the most common being leads generated from the marketing activity, and publicity based on the EAV (Equivalent Advertising value) of story, that is, the cost to purchase as advertising the same amount of space as the article generated through the PR efforts. These, and other marketing metrics identified by the respondent are listed in Table 3.13.

Table 3.13: Marketing Metrics used by NTOs operating in the US.

Measure	%
Leads generated	83.3
PR – EAV	83.3
Partner reporting	66.7
PR – Impressions	66.7
Brand Tracking Research	50.0
Conversion studies	45.8
Other	29.2

Multiple responses

Almost three quarters (73.9%) of NTOs have undertaken market research in the United States to improve and enhance destination marketing during the last three years.

3.3.2.5 Brand Activity

NTOs consider branding of their destination an important goal of their marketing. Using a scale of 1-7 in which 1 is “not at all” and 7 is “very

important” branding of the destination recorded 6.3. Only 1 respondent reported “not at all”. This compares favorably with the rating of 6.04 out of the same 7-point scale in the 2001 study.

Of NTOs, 60.9% report that they set goals for growth in key dimensions of the brand as measured through consumer brand tracking studies. These brand-tracking studies show measurement of awareness of the destination and intention to travel as most frequently measured.

Table 3.14: NTO goals for destination brands in the US.

	%
Awareness of destination	63.6
Intention to travel to destination	60.0
Changes in perceptions of key brand attributes	50.0

Multiple responses.

As noted in Table 3.15, branding is undertaken by NTOs for a number of reasons. In a question using a scale of 1-7 in which 1 is “not at all” and 7 is “very important”; raising the profile of the country is considered the most important reason for undertaking destination branding (6.41). This is followed by increasing marketing effectiveness for the NTO (6.23), tourism product (5.95) and tourism intermediaries (5.86). It is interesting to note that the benefits to third parties, like tourism product and intermediaries rate so highly in this question.

Table 3.15: Reasons NTOs undertake Branding

Increase the efficiency and effectiveness of NTO marketing efforts	6.23
To raise the profile of your country in the United States	6.41
Increase the efficiency and effectiveness of tourism product	5.95
Increase the efficiency and effectiveness of tourism intermediaries, like travel agents and travel wholesalers to sell your tourism products.	5.86
Increase sales of product and services from your country including non tourism products	3.86
For political reasons in your own country	2.82

Sample size (n) =22

Scale: 1= least important; 7 = most important.

The process undertaken by NTOs for development of the brand for use in the United States varies across organizations. Figure 3.22 shows the spectrum of brand development involvement possible for the US operation of a NTO – from the case of central development where the regional US office has no control on the brand implementation to the case where the US office has complete control of the brand implementation. The majority, 77.2%, have at least some input from the USA operation.

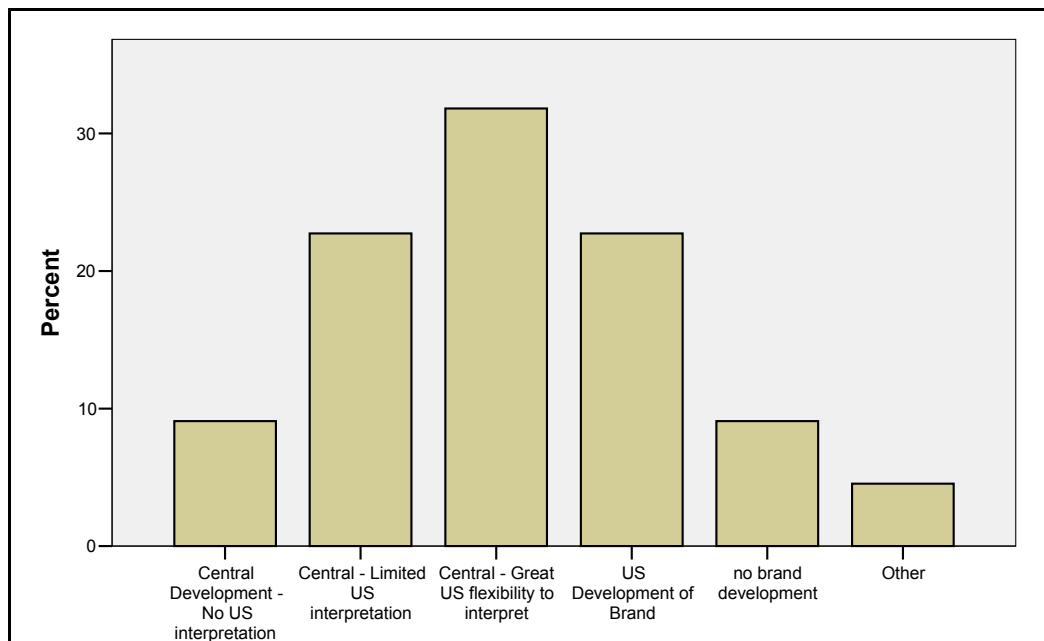


Figure 3.22: NTO US operations level of brand development responsibility
Sample size (n) = 22

Over half of the NTOs report that the American operation has great flexibility to interpret brand execution in market (31.8%) or has responsibility for developing the brand strategy.

Another indicator of control of brand implementation is the ability to produce customized promotional materials for the US market. Over ¾ of the NTOs produce their own marketing materials for the US target markets and more than 4 out of 5 produce web pages especially for the US market.

The development of web content (6.35), brochures (6.09), web marketing other than banner advertising (5.58), magazine advertisements (5.36) and web banner advertising (4.81) were rated the top five marketing media for brand building by the NTOs in a question using a scale of 1-7 in which 1 is “not at all” and 7 is “very important”.

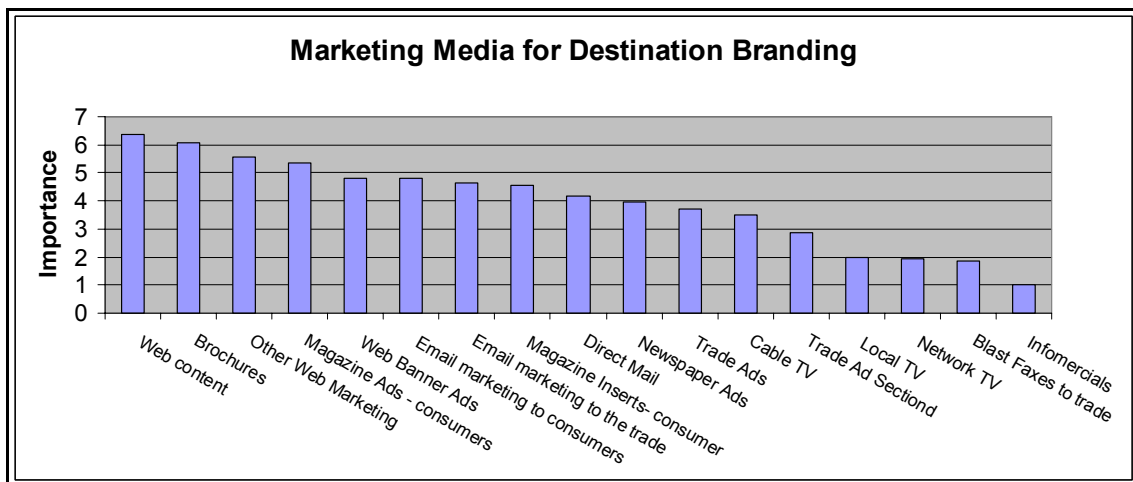


Figure 3.23: Marketing Media used by NTOs used for Destination Branding in the US

Scale: 1 = not at all important; 7 = very important
Multiple responses.

3.3.2.6 Branding and the Tourism Industry

NTOs were asked to rate the importance of their branding activity for tourism product and travel intermediaries. Table 3.16 summarizes the responses to these questions. Using a scale in which 1 is “not at all important”; 4 is “neutral”, and 7 is “very important”, NTOs rated “importance of destination brand marketing for the tourism product from your country that target the US market at 6.45; the level of importance for intermediaries is 5.55.

Table 3.16: NTO perceptions of the Importance of destination branding to tourism product and intermediaries.

	Level of importance
How important is your destination brand marketing for the tourism product from your country that target the US market	6.45
How important is your destination brand marketing for the tourism intermediaries – like travel wholesalers and travel agents- who sell your country’s tourism product in the US market	5.55

Scale: 1 = not at all important; 7 = very important

NTOs identify a number of benefits they believe their destination branding activities deliver to products selling to Americans. Interestingly, one potential benefit of branding – the ability to charge a premium for products – is not considered a benefit of destination branding by most NTO respondents. As noted previously, Aaker (1996b) has described the ability to charge a price premium as the key measure of brand equity.

Table 3.17: Benefits of branding

Benefit	Frequency
Increased business as a direct result of participation in NTO sponsored campaigns	18
Increased business as an indirect result of campaigns	16
Easier introduction of product to the US market because of NTO brand marketing	17
Ability to focus on product sales knowing "destination message" has been covered.	15
NTO brand marketing makes it easier to convert "sales" to your country.	16
NTO brand marketing allows our tourism operators to charge a "price" premium.	5
Other	2

Multiple responses

NTOs were asked whether their branding activity impacts the marketing expenditure of tourism product. The majority (63.6%) felt that NTO branding did not impact the marketing expenditure of tourism product.

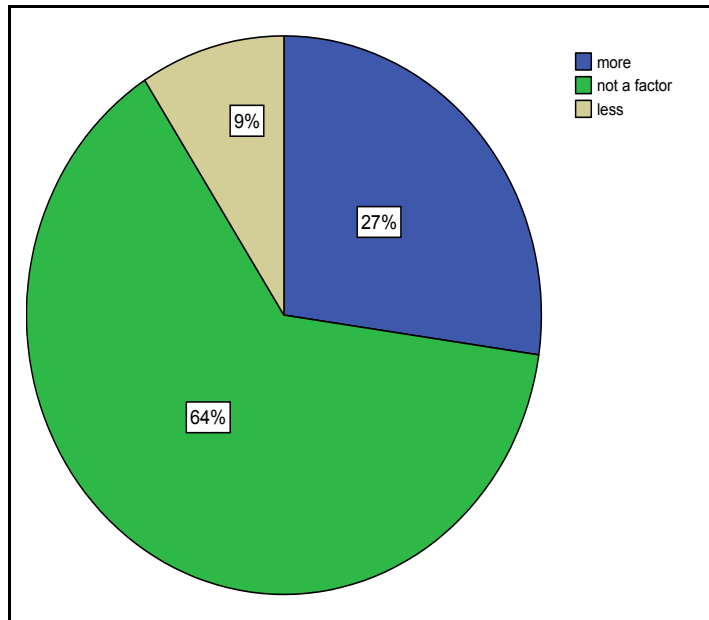


Figure 3.24: Impact of NTO Branding on Product Marketing Expenditure
Sample size (n) =24

Almost 2/3 of the respondents felt that marketing efforts of their country's tourism product would not change if there was no NTO country branding.

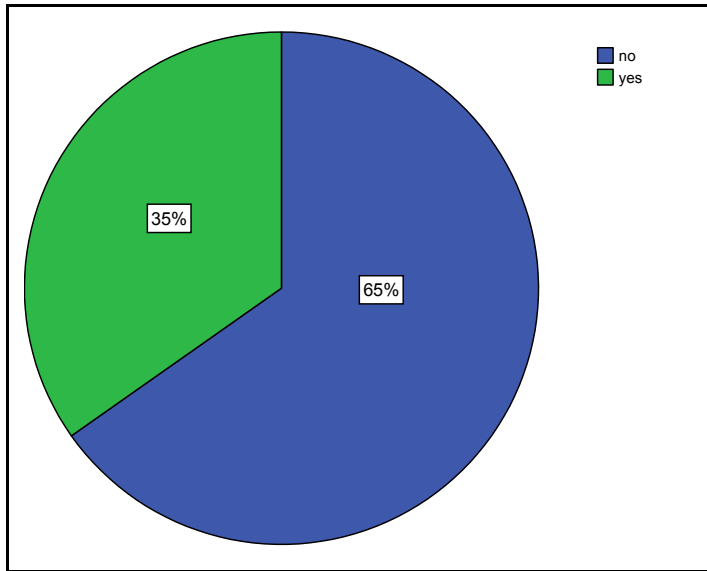


Figure 3.25: Would Product Marketing Change Without NTO Destination Branding?

Sample size (n) = 24

Those NTOs who anticipate changes in marketing without NTO branding see significant negative impacts on their destination's tourism. A content analysis of open ended responses to the question – "In your opinion – how would the marketing efforts of your country's tourism product change if there was no NTO country branding or promotion?" revealed the most frequent response was that funds would be re-allocated to alternative marketing activities, and a loss of focus /fragmentation in the message were reported by 3 respondents. A loss of marketing direction and a loss of profile in that marketplace were each predicted by two respondents.

3.3.2.7 Brand Utilization

A series of questions asked NTOs to determine their opinions on the degree to which product understand the NTB strategy and utilize it in their own work. These questions used a scale in which 1 is “strongly disagree”; 4 is “neutral” and 7 is “strongly agree ” and the summary of the results is presented in Table 3.18. The NTO respondents most strongly agreed that travel product should present a “uniform” message about their destination. The NTOs perceived that sellers of travel were not as aware of the destination branding undertaken by the NTO; the destination’s key design components and messages. Interestingly they were least clear about the NTO’s brand goals.

Table 3.18: NTO perception of brand utilization by operators and intermediaries.

Travel product from my country should present a “uniform” message about our destination when selling in the United States	5.70
Sellers of travel to my country are aware of our destination brand’s key messages	5.41
Sellers of travel to my destination are aware of our destination brand’s key design components	5.18
Sellers of travel to my destination are aware of destination branding undertaken by the NTO	5.04
Sellers of travel to my country are aware of the goals of our national tourism branding.	4.68

Scale: 1 = not at all important; 7 = very important

Of NTOs, 95.5 % have brand information available to product for use in their own marketing. A total of 69.6% encourage product to use elements of branding, such as specific images or copy in their marketing activities in the US. A content analysis of the responses to the open ended question “how do you encourage them (to use elements of branding) revealed that the most frequently used technique was to provide access to images.

Table 3.19: Methods of encouraging adoption of brand positioning

Access to images	8
Access to “copy”	4
Brand Manuals (hardcopy and/or online)	2
Access to brand logos	5
Training and seminars on how to utilize the brand	5

When asked whether their NTO should be involved in Destination Branding respondents expressed that it was important to continue the activity. Asked “ 10 years from now should your country- through its NTO – be spending more or less time and/or money on developing its brand in the United states the response was 5.78 on a scale where 1 is “less active”; 4 is “about the same” and 7 is “more active” .

3.4 Summary and Observations

The studies described in this chapter provide an interesting insight to the work of National Tourist Organizations operating in the United States. These organizations operate in the world's largest media marketplace, with ambitious goals and limited budgets. These organizations accept that branding is a valid activity of a National Tourist Organization and work towards building their NTB. This branding activity is undertaken in the context of larger goals including raising destination awareness and increasing visitation from the United States.

NTOs undertake much of their branding activity with channel members in cooperative marketing activities. This process leverages expenditure and brand exposure but raises the potential for greater conflict between the objectives of various partners. Of particular challenge is managing the tension between generating sales leads for short term benefit and creating greater understanding of the brand for long term brand equity development. NTOs, on average, recognize that their branding activity does little to stimulate additional marketing by commercial stakeholders. It does however allow product and channel members to focus on sales related activity and reduces the allocation of resources by these stakeholders to destination messaging.

These NTOs have identified significant benefits associated with branding and undertake the branding activity based on sound business objectives. Nevertheless, proving ROI is a challenge for NTOs undertaking branding activity. This can be partly attributed to the difficulty and greater expense of

measuring brand health. It is interesting to note that NTOs rank their communication goal priorities as firstly; raising awareness, secondly; increasing consumer understanding of the destination and finally, lead generation. Whereas their measurement priorities are almost the exact reverse, with measuring lead generation cited as the most important metric.