

# How to Market a Place and How to Market a Destination



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# Place Marketing

- ◆ The challenge of *place marketing* is to *strengthen the capacity* of a community or a region to adapt to the changing marketplace, seize opportunities, and sustain its vitality.
- ◆ *Place marketing* succeeds when *stakeholders* such as citizens, workers, and business firms *derive satisfaction* from their community, and when visitors, new businesses, and investors find their *expectations met*.

# Core Activities of Place Marketing

- ◆ Designing the *right mix* of community features and services
- ◆ Setting attractive *incentives* for the current and potential buyers and users of its goods and services
- ◆ Delivering a place's *products and services* in an efficient, accessible way
- ◆ Promoting the place's *values and image* so that potential users are fully aware of the place's distinctive advantages

# *Strategic* Place Marketing

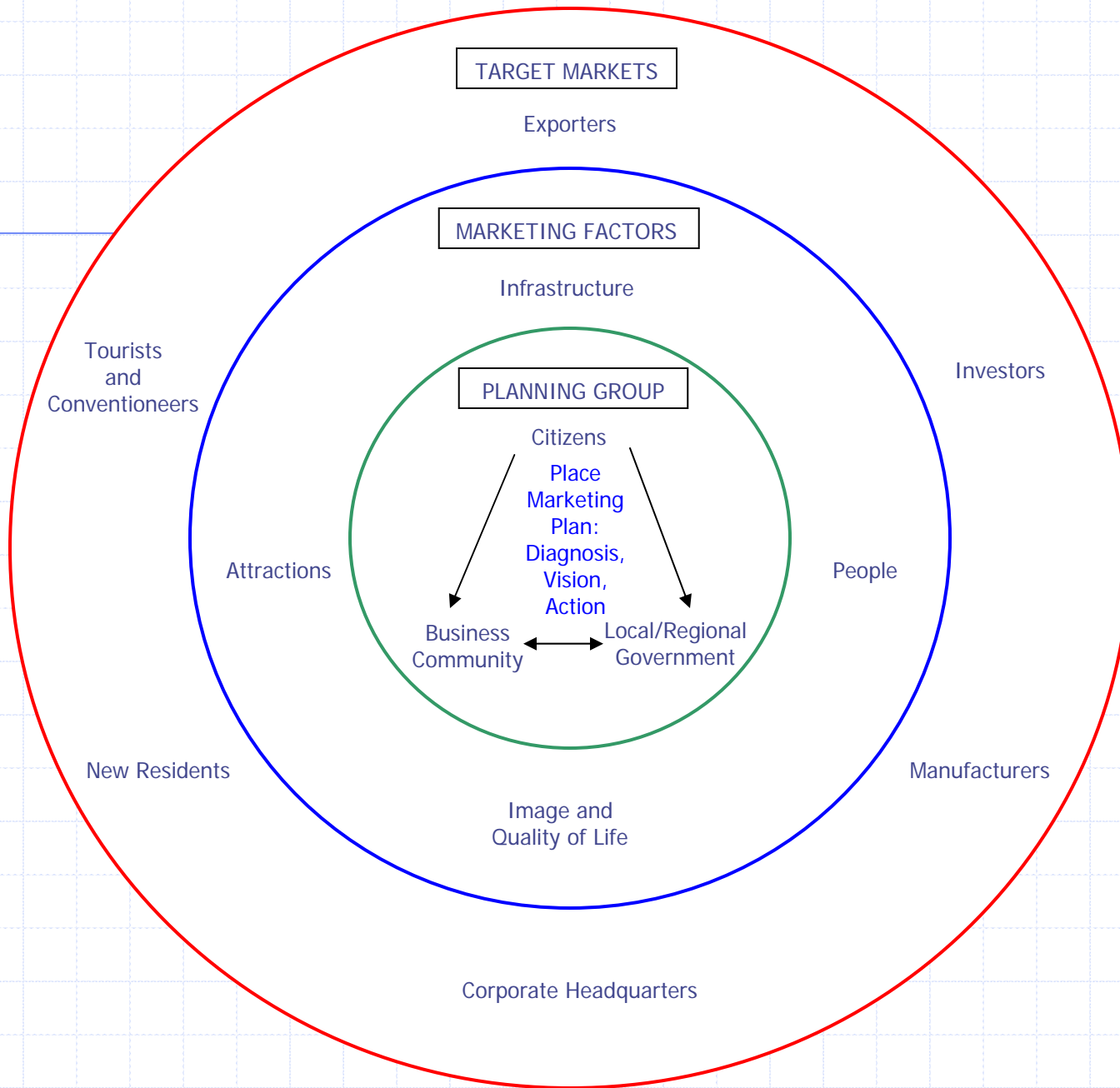
- ◆ Organize a *planning group* of citizens, business people, and local and regional government officials.
  - Define and diagnose the *community's condition*, its major problems, and their causes.
  - Develop a *vision* of the long-term solutions to the community's problems based on a realistic assessment of the community's values, resources and opportunities.
  - Develop a *long-term plan of action* involving several intermediate stages of investment and transformation.

## *Strategic Place Marketing* (2)

- ◆ The *long-term solution* involves improving four major marketing factors found in every community.
  - Assure that *basic services* are being provided and *infrastructure* maintained to the *satisfaction* of its citizens, businesses and visitors.
  - Develop new *attractions* to improve the *quality of life* to sustain current business and public support and to attract new investment, businesses or people.
  - *Communicate* the improved features and life quality through a vigorous image and communication program.
  - *Generate support* from its citizens, leaders and institutions for making the place hospitable and enthusiastic about attracting new companies, investment and visitors to its community.

# Strategic Place Marketing (3)

- ◆ For a place to succeed, it must be able to carry out the following fundamental tasks:
  - Interpreting what is happening in the broad *environment*.
  - Understanding the needs, wants, and behavior choices of specific internal and external *constituencies*.
  - Building a realistic *vision* of what the place can be.
  - Creating an *actionable plan* to complement the vision.
  - Building internal *consensus* and effective *organization*.
  - *Evaluating*, at each stage, the progress being achieved with the action plan.



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# Major Actors in Place Marketing

## ◆ Local Actors

- Public sector actors
- Mayor and/or city manager
- Urban planning department
- Business development department
- Tourist bureau
- Convention bureau
- Public information bureau
- Infrastructure managers (transportation, education, sanitation)

## ◆ Private Sector Actors

- Real estate developers and agents
- Financial institutions
- Electricity and gas utilities
- Chambers of commerce
- Hospitality and retail industries
- Tour packagers and travel agencies
- Unions
- Taxi companies
- Architects

# Major Actors in Place Marketing (2)

## ◆ Regional Actors

- Regional economic development agencies
- Regional tourist boards
- County and state government officials

## ◆ International Actors

- Embassies and consulates
- International chambers of commerce

## ◆ National Actors

- Political head of government
- Various ministries
- National unions

# Four Main Target Markets

## ◆ Visitors

- Business visitors
- Tourists and travelers

## ◆ Residents and Workers

- Professionals
- Skilled workers
- Wealthy individuals
- Investors
- Entrepreneurs
- Unskilled workers

## ◆ Business and Industry

- Heavy industry
- “Clean” industry
- Entrepreneurs

## ◆ Export Markets

- Other localities within the domestic markets
- International markets

# How to Market a Place?

- ◆ Increasingly places rely on four broad strategies to attract visitors and residents, build their industrial base, and increase exports.
  - Image marketing
  - Attractions
  - Infrastructure
  - People

# "Attractiveness" Dilemma

- ◆ If a place could, it would first fix its fundamentals (the infrastructure), add some attractions, raise the friendliness and skills of its people, and then broadcast its distinct image.
- ◆ But if the place's infrastructure and finances are poor, it cannot raise the money to improve its infrastructure or build attractions.
- ◆ So with limited funds, the place ends up working on image first, and possibly encouraging its people to be friendlier. This often fails.

# Approaches to Place Development

- ◆ Community development – creates a quality environment for the people currently living and working in the community; good schools, strong neighborhoods, increased public safety, adequate health facilities.
- ◆ Urban design – places emphasis on the design qualities of a place; architecture, open space and land use, street layout and traffic flow, cleanliness, and environmental quality.
- ◆ Urban planning – land use, zoning, density concerns, and traffic control.

# Approaches to Place Development (2)

- ◆ Economic development – helps a place enhance its competitiveness; new industries, more productive use of resources and greater innovation.
- ◆ Strategic marketing planning – has progressed through three stages: smokestack chasing, target marketing, and product development.
  - Places have become more business-like and market-oriented in their economic development activities as a result of external competition and internal political pressures.
  - The public has grown more skeptical about public officials' assertions that incentive benefits always exceed incentive costs, and that governments can alter economic forces to stop businesses from moving.

# Strategic Market Planning Process

## ◆ Place Audit

- Establish the place's economic/demographic characteristics
- Identify the place's main competitors
- Identify the major trends and developments
- Analyze the place's strengths and weaknesses
- Identify the place's opportunities and threats
- Establish the main issues

## ◆ Vision

- Vision is greatly influenced by the *values* of citizens and government officials. If they highly value immediate jobs and profits, they favor growth. If they highly value preserving a way of life, they lean toward managed or restrained growth.

# Strategic Market Planning Process (2)

## ◆ Objectives and Goals

- Objectives are statements about what a place wants to achieve.
- Goals add specific magnitudes and timing to the objectives.

## ◆ Strategy Formulation

- Various strategic options are reviewed and the following questions are asked about each one.
- What advantages do we possess that suggest that we can succeed with this strategy?
- Do we have the resources required for a successful implementation of this strategy?

# Strategic Market Planning Process (3)

## ◆ Action Plan

- A plan is formulated to execute the desired strategy.
- This plan lists actions that specific people must take at specific times of the year; including who is responsible, how the action will be implemented, how much the action will cost, and the expected completion date.

## ◆ Implementation and Control

- The planning group needs to convene at regular intervals to review the community's progress toward its goals.
- An annual community report describing where the community stands in relation to its plan should be published.

# A Common Misunderstanding!

- ◆ Too many improvers believe that *marketing a place* means promoting a place. They view marketing as an image-building exercise, confusing it with one of its sub-activities, namely promotion.
- ◆ Marketing is a *strategic process* that aims to fit the resources of a destination to the opportunities existing in the market. It is as much about retaining tourists as it is about winning new business.
- ◆ *Place marketing* means designing a place to satisfy the needs of its target markets. It succeeds when citizens and businesses are pleased with their communities, and it meets the expectations of visitors and investors.

# Attracting the Tourism Market

- ◆ How important can tourism be to a place's economy?
  - Due to location, climate, limited resources, size and cultural heritage, some places have no real choice but to engage in tourism to grow, develop and improve their living standards.
  - Other places engage in tourism with mixed emotions, and at times, ambivalence.
  
- ◆ How can the tourist market be segmented and monitored for shifting trends, lifestyles, needs and preferences?
  - Places must decide on not only how many tourists they want and how to balance tourism with other industries or strategies but also what kind of tourists they want.

## Attracting the Tourism Market (2)

- ◆ What kinds of strategies and investments must places and businesses make to be competitive in the tourist industry?
  - Strategies may include a focus on heritage development, theme parks, a “green” image, or event-based tourism.
- ◆ How can a place gain access to or establish a niche in the tourist business, and what are the risks and opportunities of such a venture?
  - To attract tourists, places must respond to the travel basics of cost, convenience, and timeliness.
  - Places must market not only their destination but also their specific attractions.
  - Places must provide easy access to their attractions.

# Attracting the Tourism Market (3)

- ◆ What kinds of messages and media are effective in tourist attraction and retention?
  - Tourist competition, like business attraction and retention, involves image-making. Effective *place imaging* requires a congruence between advertising and the place.
  
- ◆ How should a place's tourism be organized and managed?
  - Making a place tourist friendly is the task of a central tourist agency which may be public, quasi-public, nonprofit or private.

# Destination Marketing

- ◆ Tourism marketing (*marketing a destination*) is much more than just selling a place to potential visitors.
  - It includes the uniqueness (*positioning*) of what visitors come to see (*the product*), the relative cost of one place compared to another (*the price*), the '*distribution*' or accessibility of the place to potential target markets, and the variety of methods used to inform and attract visitors (*the promotional mix*).
  - Matching the product, price and place with potential visitors is at the core of tourism marketing.
  - Although advertising and information services are significant and tend to dominate local tourism budgets, their emphasis alone will not necessarily ensure success.

# Destination Marketing (2)

- ◆ *Destination marketing* has progressed into a well-developed business, built on strategies, competitive advantages, targeted markets, and mixed marketing techniques and appeals to reach actual or would-be visitors.
- ◆ To maximize its effectiveness, *tourism marketing* must be integrated into, and at times, lead other place marketing strategies.
- ◆ Where development strategies are mixed—tourism and, say, business attraction—a *coordinated marketing effort* produces better results at less cost.

# The Challenges

How destination images are developed and competitively positioned, markets analyzed and targeted, images designed, visibility executed and sustained, and impact assessed are, in part, the marketing challenges that face those critical leadership entities most commonly called “destination marketing organizations”.