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Research Paper

Joint destination marketing in the South Central Coast region of Vietnam



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ABSTRACT

This paper examines joint destination marketing in Vietnam, a transitional economy experiencing a rapid growth in tourism. Based on in-depth interviews with representatives of provincial destination marketing organizations (DMOs) and the analysis of their web-sites, the paper considers destination marketing by the eight provinces of the South Central Coast, the most dynamic tourism region in Vietnam. A comparative approach is adopted to examine the mix of individual and joint destination marketing activities undertaken by the DMOs, to analyze the relationships and structures through which joint destination marketing occurs and to identify the factors that influence individual and joint destination marketing. Despite major political, economic and cultural differences in the setting and the relatively recent development of tourism there, similarities are found between destination marketing in the region and that which occurs in developed economies. It is likely that these similarities will increase as Vietnam continues down the path towards a more open market-oriented economy. A mix of individual and joint destination marketing occurs, motivated or conditioned by economic factors and behavior that is both competitive and cooperative. Other influential factors include the diversity and complementarity of products which satisfy visitors' total experience, enhanced market reach and economic conditions. This analysis and the distinction between individual and joint destination marketing brings out inter-connections and tensions, and highlights the trade-offs which DMOs are faced with making in their destination marketing strategies.

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1. Introduction

Tourism in Vietnam has developed rapidly over the past two decades. The country recorded 250,000 international visitor arrivals in 1990, 2.1 million in 2000 and 6.8 million in 2012. Domestic visitors have almost trebled since 2000 to reach 32.5 million in 2012 (VNAT, 2013). This growth is expected to continue over the next 10 years (WTTC, 2013). Much of this recent and rapid development results from the opening up of the country's economy following the introduction of the *Doi Moi* policy of economic reform in 1986 and growing recognition of the role of tourism in national development. These changes have enabled the varied natural and cultural resources which Vietnam has to offer to be developed to cater for domestic and international demand.

The introduction of *Doi Moi* marked the beginning of Vietnam's transition from a centrally planned command economy towards a 'socialist market economy under state guidance' (Beresford, 2008, p. 221). *Doi Moi* has encouraged a more market-oriented, multi-sector

economy to emerge as private investment and ownership, both domestic and international, are now permitted in addition to state-sector run businesses, which themselves are being re-structured (Beresford, 2008; Bui, Le, & Jones, 2006; Mok & Lam, 1997). This market-oriented transformation, which is still not complete, has in turn resulted in growing attention to research on various aspects of tourism marketing. Perhaps not surprisingly given the country's recent past, particular interest has been shown in the commodification of battlefield tourism and analyzing the demand for this segment (Agrusa, Tanner, & Dupuis, 2006; Alneng, 2002; Henderson, 2000; Le & Pearce, 2011). Others have considered the application of new approaches to marketing tourism, such as e-marketing and social marketing (Bui et al., 2006; Truong & Hall, 2013). Destination marketing, an increasingly researched topic in many developed countries, has to date been neglected by tourism researchers in Vietnam.

Destination marketing is a holistic approach which moves beyond marketing individual products and services to 'market the area as a single, unified tourism product' (Grängsjö, 2003, p. 427). Definitions of destinations vary but a fundamental dimension is that of the geographical scale (local, provincial, regional or national) at which destinations ('the areas') might be considered (Pearce, 2014). While tourists may have very fluid notions of a

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destination, which encompass multiple spatial layers as their journey unfolds (Pearce & Schänzel, 2015), destination marketing is generally undertaken by a destination marketing organization (DMO), whose ambit of responsibility and activity is frequently determined by existing administrative boundaries at these different spatial scales (Pearce, 1992; Wang, 2011). This, in turn, creates questions about which destination marketing activities are best undertaken at which scale and by which DMO or group of DMOs. Growing competition has led to more attention being given to the latter— joint destination marketing by a two or more DMOs— as ‘it is increasingly difficult for individual destinations to make decisions without taking other surrounding destinations’ interests and products into account’ (Naipaul, Wang, & Okumus, 2009, p. 463).

It is in this context that this paper examines destination marketing by the eight provinces of the South Central Coast, the most dynamic tourism development region of Vietnam. More specifically the paper seeks to:

- 1) examine the mix of individual and joint destination marketing activities undertaken by the provincial destination marketing organizations (DMOs);
- 2) analyze relationships and structures through which joint destination marketing occurs, and
- 3) identify the factors that influence individual and joint destination marketing by the provincial DMOs.

2. Literature review

Joint destination marketing is an established practice in many developed countries, as destination marketing organizations (DMOs) have recognized for some time the benefits of joining forces to market their destinations in conjunction with other marketing activities they undertake by themselves, that is, individual destination marketing (Pearce, 1992). Encouraged by the US Travel and Tourism Administration (USTTA), for example, various regional marketing programs were being developed in the USA in the mid-1980s by groupings of two or more state travel offices. The benefits of regionalization were seen to include the creation of stronger regional images which demonstrated the diversity of the country and better matched the travel patterns of foreign tourists, more cost-effective programs capable of penetrating international markets, and ease of coordination by the federal agency (the USTTA), which had fewer organizations to deal with (Pearce, 1992). At the same time tensions were noted. Morrison (1987, p. 16) observed that state travel office directors were faced with a difficult paradox:

... their neighboring partners are also usually a major source of tourism business... It seems difficult to join forces with someone who is at the same time trying to ‘steal’ your state residents and encouraging its own residents not to visit you. *Living with these anomalies requires a high degree of sophistication in marketing and a recognition that trade offs are necessary to achieve objectives.* (emphasis added)

A similar situation occurred in Germany, where the national tourism organization encouraged joint international marketing by groups of cities. However, as Pearce (1992, p. 80) noted, ‘this association ... is purely a marketing device to raise and stretch overseas marketing funds; in many other respects the cities are rivals’. Moreover, a common tendency in many of the cases examined in Pearce’s cross-national volume was for the DMOs of metropolitan areas and large resorts to opt out of joint marketing with their surrounding regions. Various factors contributed to this ‘go it alone’ approach: being of sufficient size to have a strong

image and adequate resources; having different products that appealed to different market segments; and more rapid and flexible decision-making. Pearce (1992, p. 186) concluded that ‘more generally, reluctance to participate in larger scale activities may stem from a perceived lack of control of funds generated locally, failure to recognize why certain activities are best carried out by a bigger organization or simple parochialism’.

Later research has taken a more systematic and theoretical approach to structure and explain many of these key issues in joint destination marketing. Questions of cooperation and competition were conceptualized by Watkins and Bell (2002) as falling along a continuum of business relationships from competition, through cooperation to collaboration, each of these categories being characterized by differing degrees on such dimensions as time scale, trust, commitment and decision-making. Wang and Krakover (2008, pp. 130, 132) adapted and extended this approach by proposing a four-fold configuration of relationships defined by ‘various degrees of formalization, integration, and structural complexity’: affiliation; coordination; collaboration and strategic networks. These relationships were seen to be influenced by four determining factors expressed along a series of continua: maturity of the destination marketing approach (low/high); leadership of local DMO (weak/strong); distance of marketing campaign (near/far) and focus of strategic thinking (micro/macro). In their interviews of stakeholders in a US county, Wang and Krakover also reported evidence of ‘coopetition’, wherein organizations simultaneously engaged in activity that was both cooperative and competitive (Bengtsson & Kock, 2000; Grängsjö, 2003). Elsewhere, Wang (2008) outlines factors influencing the dynamics of competition and cooperation, namely individual/common benefits; micro/macro thinking; perceived level of interdependence; perceived complementarity of products; personality; leadership and focus on the total experience of the visitors.

Another stream of research has sought to systematize the different facets of collaborative destination marketing drawing on various theories and empirical research in the USA. Wang and Fesenmaier (2007) and Wang and Xiang (2007) elaborated frameworks that integrate preconditions, motivations, stages/process and outcomes for destination marketing alliance formation, while Naipaul et al. (2009) propose another which brings together motives, facilitating and inhibiting factors, and outcomes. Preconditions include issues relating to crises, competition, economic conditions, organizational support and technology. Facilitating factors encompass such matters as geographic structure, homogeneity of target markets and common-but complementary-products. Inhibitors include different priorities and marketing directions, and human and financial resource constraints. Motivations have been grouped into those which are strategy oriented (e.g. expanding markets); transaction oriented (e.g. efficiency, economic scale and scope), learning oriented (e.g. expanding capability) or those that relate to cluster competitiveness or community responsibility. Collaboration is said to be an evolutionary process: one characterized by the stages of assembling, ordering, implementation, evaluation and transformation. Potential outcomes reflect the initial motivations and may include an increased product portfolio, greater destination competitiveness, wider market reach, cost efficiencies, knowledge transfer and relationship building.

The body of literature that seeks to explain and inform collaboration in destination marketing by reference to different theories has been usefully summarized and synthesized by Fyall, Garrod, and Wang (2012). Based on whether the collaboration is organic or mediated by a DMO and on whether it occurs within and/or between destinations, Fyall et al. (2012) firstly identify three dimensions of destination collaboration: organic collaboration; mediated intra-destination collaboration and mediated intra- and inter-destination collaboration. It is the latter and less commonly researched dimension, particularly its inter-destination

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