



Research Paper

Destination Innovation Matrix: A framework for new tourism experience and market development

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ABSTRACT

Destination managers must consider whether to continue to consolidate their experiences and markets or innovate by developing new experiences and targeting new markets when planning their tourism destination development. Although these approaches are not mutually exclusive, adopting a strategic approach to identifying which experiences will be iconic visitor drawcards featured in the destination's brand image and marketing, and which markets to focus their marketing efforts on, is important to destination competitiveness. Most destination managers adopt a consolidation strategy because this is often the most efficient, safest and least controversial approach. The alternative is to innovate through developing new experiences and attracting new visitor markets to expand the destination's appeal. This paper studies this destination development challenge in a popular, yet mature tourism destination, the Gold Coast, Australia. Four experience development strategy options are proposed and organised into a Destination Innovation Matrix. These options are then tested using an online survey (N = 1759), followed by four focus group interviews. This matrix provides a new framework to assist managers to prioritise innovation opportunities for a destination.

1. Introduction

Creating perceived newness through innovation in the destination experience offering is at the forefront of destination marketing and management theory and practice (e.g. Carlisle, Kunc, Jones, & Tiffin, 2013; Hjalager, 2010; Hjalager & Nordin, 2011; Rodríguez, Williams, & Hall, 2014; Souto, 2015). Innovation in destinations has traditionally been organic, market-led and incremental (Weaver, 2012). However, some governments are now playing a more proactive role in shaping the experience mix of their destination, using policies, laws, regulations and, in some cases, co-investment in tourism experiences to influence outcomes. Weaver (2012) considered that this convergence of organic, incremental innovation and government-led development can lead to sustainable mass tourism.

In order to influence and create a shared vision for tourism development, some destinations have prepared destination tourism management plans (DTMPs). These plans have a destination management rather than destination marketing focus, thus, destination experience development and innovation are central. Such a plan is usually government-led and developed in consultation with tourism operators and other stakeholders in the destination. The plan typically aims to articulate the tourism development objectives and priorities of the destination, aligned with the tourism vision for the destination. This

planned approach is seen as a way to influence market-led development and improve the management of tourism in destinations to achieve economic, social and environmental imperatives of the tourism stakeholders and host community (Moscardo, 2008; Scott & Cooper, 2010). Innovation is often a central part of these plans. This more sophisticated approach to destination management focuses on innovation as a means to enhance, improve, and in some cases diversify the destination experience offering.

The quest for new tourism experience offerings is particularly important for destinations that are suffering from stagnant or declining visitation because it is a way to renew interest among consumers in visiting. Ways to create destination newness through experience development range from small step incremental innovations or enhancements that may improve the experience for existing visitor markets to new major tourism attractions that simulate visitation to a destination. These major tourism attractions are here termed 'tourism experience drawcards' (Benur & Bramwell, 2015). These drawcards are central to consumers' perception of the destination brand image, that is, how a destination is perceived in the minds of consumers. If developed strategically, tourism experience drawcards will complement the desired destination brand image to build the Destination Marketing Organisation's (DMO's) preferred image in the minds of consumers. Tourism experience drawcards are typically high volume experiences that create

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Table 1
Key terms and definitions.

Term	Definition in this study	Informed by:
Destination experience improvement	Cultivating and developing <i>existing experiences</i> to make the destination more competitive than its current offering.	Johnston and Kong (2011)
Destination experience diversification	Expansion to develop <i>new experiences</i> to create more diverse and varied experiences in the destination experience offering.	Benur and Bramwell (2015); Peters & Pikkemaat (2006)
Experience-market innovation	Creating newness in existing experiences, developing new experiences and/or attracting new markets to the destination.	Hughes et al. (2010)
Tourism experience drawcards	Major tourism attractions that simulate visitation to a destination.	Benur and Bramwell (2015).
Destination image	Mental picture, perceptions and representations associated with the destination in the minds of consumers.	Pike (2016).
Incremental destination innovation	Small step changes to the destination experience offering, created by improvements to or enhancements of an existing experience and/or consumer market.	Souto (2015); Wei et al. (2014).
Radical destination innovation	Big leap changes in the destination experience offering through introducing a new experience and/or attracting a new consumer market to the destination.	Souto (2015); Wei et al. (2014).

visitor demand for the destination. Destinations can have existing tourism experience drawcards, such as the Eiffel Tower in Paris or Disneyland in California. They can also create new tourism experience drawcards, particularly to leverage natural, cultural or man-made environments. Examples include the Langkawi Sky Bridge in Malaysia and the Museum of Old and New Art (MONA) located in a winery in Australia. They can also be more niche experiences, such as small group activities and cultural experiences that add to the destination experience mix and generate interest and novelty (Benur & Bramwell, 2015). Examples include special-interest sporting activities and events, and food-and-cooking experiences. Identifying and developing new tourism experience drawcards as part of an innovation process is a central part of a more planned, strategic approach to destination development.

The discussion above uses the term 'experience development' rather than 'product development' the strategic marketing and innovation literature innovation relating to targeting new markets the concept of product-market innovation (e.g. Hughes, Martin, Morgan, & Robson, 2010; Wei, Yi, & Guo, 2014). Given the experiential, co-creative nature of tourism (Prebensen, Vittersø, & Dahl, 2013), this paper refers to experience innovation, although it acknowledges that both of these terms are referred to interchangeably in the tourism literature. This paper therefore employs these concepts to refer to experience-market innovation.

Much of the tourism research on experience-market orientation concentrates on business-level innovation strategies, relating to hotels (de la Peña, Núñez-Serrano, Turrión, & Velázquez, 2016; Nieves & Segarra-Ciprés, 2015; Thomas & Wood, 2014), restaurants (Lee, Hallak, & Sardeshmukh, 2016) and technology (Aldebert, Dang, & Longhi, 2011). Yet, there are some conceptualisations of experience-market innovation at the destination-level. For example, Aarstad, Kvitastein, and Jakobsen (2015) discusses specialisation and diversification of experiences in destination development, discussing the concept of knowledge sharing within the industry and with other industries to leverage related and unrelated variety. Similarly, Carlisle et al. (2013) studied multi-stakeholder participation in destination innovation strategy-making. Of particular relevance to destination innovation and experience-market growth, Benur and Bramwell's (2015) conceptual model considers opportunities to concentrate or diversify the destination's experience offering, suggesting that there should be fluidity between the demand (end-user) and supply (experience) in the destination's experience/product development strategy formulation and assembly. Benur and Bramwell (2015) propose a matrix-based model to assess the experience development options for destinations such as concentrated or diversified niche or mass tourism development depending on the intensity and diversity of experiences. Shaw and Williams (2009) propose that incremental innovation – that is, small shifts in the experience-market orientation – may only require additive knowledge, however more radical changes in the experience-market orientation require substantial knowledge acquisition.

Despite some advances in the conceptualisation of destination innovation and an emergent body of research in tourism on the stakeholder and knowledge structures that promote it, empirical studies that inform destination innovation theory and practice are lagging interest in this topic, particularly for a consumer-led perspective. Indeed, several tourism researchers have called for further academic research to advance understanding on innovation in tourism and, specifically, relating to destinations. Benur and Bramwell (2015) stress that, "There is a need for more research with a consistent focus on understanding the features and relationships associated with primary tourism products in destinations" (p. 222). This intent is also echoed by Hjalager and Nordin (2011) who, based on their review of innovation methodologies, conclude that there is a need for more end-user demand-driven innovation research in tourism to advance understanding, and warns, "There is still only limited systematic and comparable empirical evidence of the level of innovative activities and their impacts and wider implications for destinations and national economies" (p. 1). Narduzzo and Volo (2018) suggest that, "Conceptual and prescriptive studies on tourism innovation are often rooted on models originated in the manufacturing and industrial literature, showing little evidence of empirical applications in tourism" (p. 745). Thus, empirically grounded theory building that advances understanding of the process of experience-market innovation in tourism destinations from the end-user demand perspective is important to further understanding.

This study intends to address these gaps through studying consumer demand for new and existing experiences in a mature tourism destination. In doing so, the study aims to further understanding of tourism experience innovation at a destination-level. To achieve this aim, the paper will first present a theoretical strategic planning model underpin by the literature. This model seeks to enable destination marketers and managers to evaluate the current and potential experience-market orientation of the destination in order to strategically identify potential destination experience drawcards targeted at specific markets. The model will then be applied in a destination to demonstrate its relevance and practicality within a specific site. Table 1 summarises key terms used in this study. The following section explains the theoretical framework for this study.

2. Theoretical framework: Destination Innovation Matrix

Boosting business performance through diversification (e.g. Benito-Orsorio, Ángel Guerras-Martín, & Ángel Zuñiga-Vicente, 2012; Su & Tsang, 2015) and entering new product markets (Kim, Min, & Chaib, 2015; Skilton & Bernardes, 2015) are established fields of study in the business management literature. Ansoff's (1957) seminal paper on strategies for diversification conceptualised four product-market quadrants to grow business through market penetration, product and market growth and diversification. Derivatives of this matrix were later popularised by organisations such as the Boston Consulting Group with

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