



Destination marketing and the service-dominant logic: A resource-based operationalization of strategic marketing assets



Nathaniel D. Line^{a,*}, Rodney C. Runyan^{b,c,1}

^a Florida State University, Dedman School of Hospitality, B4113 University Center, 288 Champions Way, Tallahassee, FL 32306, USA

^b Texas State University, School of Family and Consumer Sciences, 101 FCS Building, San Marcos, TX 78666, USA

^c Lancaster University Management School, UK

H I G H L I G H T S

- The resource-based view is considered within the context of destination marketing.
- The service-dominant logic is used to construct a destination resource hierarchy.
- Three stakeholder-based categories of strategic marketing assets are identified.
- A DMO's market-based assets are operationalized as a second-order latent construct.
- The implications of this construct for future research are discussed.

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A B S T R A C T

Despite the popularity of the resource-based view of the firm as a theoretical mechanism for the explanation of organizational performance, this framework has received surprisingly little attention within the context of destination marketing organizations (DMOs). The purpose of this research is to enhance extant perspectives of destination competitiveness by considering the destination marketing function from the dual theoretical lenses of the resource-based view of the firm and the service-dominant logic of marketing. In particular, this research focuses on the resource classification schemas underpinning these two frameworks and proposes a conceptual extension of their core phenomena to the domain of destination marketing. Within this discussion, a conceptual and operational definition of competitive market-based assets is proposed. This multifaceted construct is discussed as a potential outcome of market-oriented destination marketing and as an antecedent to DMO performance.

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1. Introduction

Destinations are recognized as the primary unit of analysis in the domain of tourism research (Pike & Page, 2014), and as such, destination marketing organizations (DMOs) have taken on increased importance for tourism scholars. Depending on the view one takes, the DMO is either a marketing organization, responsible for driving business to the destination (Gartrell, 1992; Pike & Page, 2014), or it is a management organization, providing leadership and direction for the multifaceted tourism system (Murphy & Murphy, 2004). Regardless of whether one sees the penultimate function of these organizations as management or marketing, DMOs are a

key component of destination success (Bornhorst, Ritchie, & Sheehan, 2010; Ford & Peeper, 2008). In this paper, we take the position that while marketing is the core function of a DMO (Pike & Page, 2014), stakeholder management (e.g., leadership, direction, coordination and management of a destination's value-proposition across stakeholders) is likewise an essential facet of strategic destination marketing. Utilizing prevailing theoretical lenses from the management and marketing literature, we develop our position by proposing and operationalizing a latent conceptualization of strategically valuable destination marketing assets emanating from key stakeholder markets.

Destination marketing organizations are unique as they exert little control over many of the resources they must leverage to achieve success. That is, DMOs control neither the destination infrastructure (e.g., roads, transportation, etc.) nor the privately owned suppliers of the tourism product (e.g., lodging, dining, retail, etc.). Lack of resource control notwithstanding, DMOs are still in

* Corresponding author. Tel.: +1 850 645 2710; fax: +1 850 644 5565.

E-mail addresses: nline@fsu.edu (N.D. Line), rcr56@txstate.edu (R.C. Runyan).

¹ Tel.: +1 512 245 2155; fax: +1 512 245 3829.

charge of managing their destination’s value proposition. Without the ability to control the product or its attributes, however, DMO’s must create value by coordinating the efforts of those stakeholders that directly control the destination’s core and supporting resources. But how do DMOs act strategically if they do not control (and therefore cannot directly deploy) destination resources?

Pike and Page (2014) suggest that the quintessential goal of all DMOs is sustained destination competitiveness and that to attain this requires the cultivation of resources that can build competitive advantage. Thus, given the networked makeup of the destination marketing industry (Ford, Wang, & Vestal, 2012; Wang & Xiang, 2007), the ultimate challenge for DMOs is to facilitate resource interaction and combination across destination stakeholders. While the strategic importance of interorganizational resource interaction is a relatively new course of academic inquiry (e.g., Baraldi, Gressetvold, & Harrison, 2012), the structure of the destination marketing industry suggests the utility of such a framework.

Unfortunately, because a unifying theoretical framework that clearly identifies the sources of sustainable competitive advantage for DMOs has yet to be achieved, tourism research has fallen behind the more general streams of marketing research in its ability to measure the organization-level latent phenomena associated with successful implementations of the marketing concept. In light of this important theoretical gap, the purpose of this paper is three-fold: First, we draw a series of parallels among the service-dominant logic of marketing (Vargo & Lusch, 2004), the stakeholder marketing movement (Bhattacharya & Korschun, 2008; Gundlach & Wilkie, 2010), and the resource-based view of the firm to propose a hierarchical classification of destination resources. Second, we explain the dynamic relationships among the resources within the proposed hierarchy. Finally, we provide support for this framework by developing conceptual and operational definitions of a DMO’s market-based assets through the formal scale development process (Churchill, 1979). This multidimensional construct is discussed as a potential outcome of market-oriented destination marketing and as an antecedent to DMO performance.

2. Conceptual framework

If the DMO is an organization that functions in both marketing and management capacities (Bornhorst et al., 2010), approaches to construct development must likewise draw from prevailing

perspectives in both the marketing and the management literatures. From the management literature we utilize the resource-based view of the firm (Barney, 1991) to provide a general framework of how resources are identified and leveraged by a firm to create competitive advantage and long-term success. Within this general framework, a more specific model of the DMO is derived through the incorporation of two separate theories of marketing: the service-dominant logic (SDL) (Constantin & Lusch, 1994; Vargo and Lusch, 2004) and market orientation (Kohli & Jaworski, 1990; Narver & Slater, 1990). This model demonstrates the strategic paths by which the DMO acts upon resources outside of its control (i.e., operand resources) using its own resources (i.e., operant resources) to create a higher-order (composite) resource base (see Madhavaram & Hunt, 2007). We propose that this process results in the development of a set of market-based assets that facilitate the achievement of a DMO’s ultimate goal, sustained destination competitiveness. Fig. 1 synthesizes these distinct constructs and provides an overview of the framework used to propose and operationalize the multidimensional market-based assets construct.

2.1. RBV, SDL and destination marketing organizations: an integrated framework

The resource-based view (RBV) of the firm seeks to explain the sources of long-term organizational success (Barney, 1991; Peteraf, 1993; Wernerfelt, 1984). Under the assumption that firms (organizations) are fundamentally heterogeneous in terms of resources and capabilities, the resource-based view posits that long-term financial success accrues to those organizations that most efficiently and effectively deploy resource endowments in the marketplace (Peteraf, 1993). Such resources may be tangible or intangible (Barney, 1991) and can have varied sources of origin (Hooley, Broderick, & Möller, 1998). In order for a resource to contribute to the creation of a sustainable competitive advantage, however, it must be valuable, rare, inimitable, and non-substitutable (Barney, 1991).

Despite the acceptance of RBV within the strategic management literature as a viable framework for explaining organizational performance (Crook, Ketchen, Combs, & Todd, 2008), the theory receives surprisingly little attention within the context of destination marketing organizations (DMOs). One potential reason for the

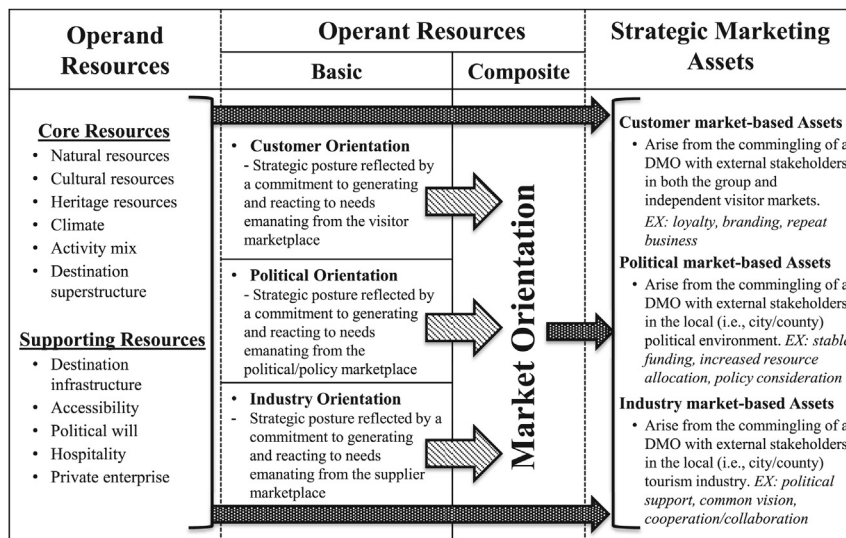


Fig. 1. An SDL-based hierarchy of destination marketing resources.

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