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# Marketing and destination growth: A symbiotic relationship or simple coincidence?

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## ABSTRACT

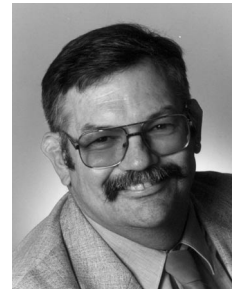
**KEYWORDS:** destination, marketing, Gold Coast, Sunshine Coast, local government authorities, branding

*This paper examines the relationship between destination growth and destination marketing by investigating the relationship between destination marketing organisations and local government authorities. A case study approach is adopted to explore this issue using two Queensland destinations, the Gold Coast and the Sunshine Coast. The findings of this research suggest that the manner in which private and public sector stakeholder organisations work together through a recognised destination marketing organisation will influence the overall rate of growth of destinations, particularly when origin markets are located in another*

*state or overseas. In particular the study supports previous research findings that the role of local government authorities is essential if destination marketing authorities are to operate effectively.*

## INTRODUCTION

Although marketing has been acknowledged as an integral component of destination development,<sup>1-3</sup> and there is agreement that effective marketing promotes growth, the organisation of marketing in destinations is not well understood. This paper examines aspects of the relationship between destination marketing and destination growth by investigating the relationship between destination marketing organisations, industry stakeholders and local government authorities (LGAs). While acknowledging that brand building is an important component of marketing and hence growth, this paper draws attention to the need for cooperation between destination stakeholders rather than focusing on the issue of branding, which should be a positive outcome after unity and cooperation has been achieved. A case study approach is adopted based on two coastal destinations, the Sunshine Coast and the Gold Coast, both located in Queensland, Australia. The findings of this research suggest that the manner in which private and public sector stakeholder organisations work together through a recognised destination marketing organisation will influence the overall rate of growth of destinations, particularly when origin markets are located in another state or overseas.



The significance of marketing as a factor in the ultimate success of destinations is recognised in the tourism competitiveness model originally suggested by Ritchie and Crouch<sup>4</sup> and later modified by Chon and Mayer.<sup>5</sup> The model identified five dimensions of competitiveness: appeal, management, organisation, information and efficiency. A review of the model by Faulkner *et al.*<sup>6</sup> noted that there was an absence of studies, with the exception of those on the appeal element, that had determined the actual contribution of these elements to the competitiveness of destinations from the consumer's perspective. This study did not approach the issue of destination marketing and destination growth from the perspective of the tourism competitiveness model, but the findings will contribute to future research using this model.

Because of their complex and multifaceted nature, destinations face a range of problems when determining marketing arrangements, including the division of responsibilities between public and private sector agencies. Not only are destinations comprised of a multitude of suppliers of tourism goods and services but they also compete in a heterogeneous market-place that has both domestic and international elements. Further, marketing occurs not only on the demand side, where the objective is to increase the volume or yield of visitors, but also on the supply side. Here, the aim is both to market the destination to intermediaries and to increase the numbers of sellers through investment in a range of destination goods and services, including lodgings, entertainment, retail and infrastructure services. While the results of marketing destinations to the demand side have been the subject of extensive research, the concept of marketing to the supply side has been largely ignored.

In Australia, responsibility for destination marketing is divided between destination marketing organisations (DMOs), many of which are funded by membership fees with additional support from LGAs and state and national tourism offices (STOs and NTOs). At state and national levels tourism promotion has enjoyed relatively high levels of

public funding, but at the local level DMOs often struggle for funds and face difficulties obtaining cooperation from LGAs and the industry, which is characterised by a divergent set of promotional needs. DMOs often experience difficulties with LGAs because of conflicting priorities and even the degree of support LGAs have for the local tourism industry.<sup>7,8</sup> Without cooperation between LGAs and DMOs, and other organisations that directly or indirectly affect tourism, little substantive progress may be achieved.<sup>9</sup>

According to Heath and Wall,<sup>10</sup> DMOs must possess the capability, structure and people to implement marketing strategies successfully; they suggested an eight-step framework that could assist this process by developing cooperation between stakeholders. In their framework, Heath and Wall<sup>11</sup> advocated the adoption of a sequential process that was designed to develop a strategic marketing plan for the destination. A marketing plan of this nature will significantly influence the shape, design and mission statement of the DMO.

Recent research<sup>12</sup> suggests that a key component of effective marketing is building a recognisable brand. For example, Morgan and Pritchard<sup>13</sup> state that '... the creating of brand saliency — the development of an emotional relationship with the consumer through choreographed and focused communications campaigns — holds the keys to destination differentiation'. Further, they note that brand building is difficult and requires a long-term effort underpinned by cooperation from key stakeholders. The converse to brand building is brand fragmentation, which occurs when LGAs and tourist organisations experience difficulties in developing the level of cooperation necessary to build a destination-wide brand. This paper finds that both situations can occur as a consequence of the relationship between major stakeholders such as LGAs and DMOs.

According to Heath and Wall,<sup>14</sup> problems of cooperation and coordination between LGAs and DMOs can be overcome, or minimised, by seeking a consensus between stakeholders on mission statements, objec-

tives and strategies for the destination as part of a participative management approach. Using this approach, close and amicable relations between the DMOs and LGAs can be developed. Where a close working relationship fails to develop, the benefits of a whole-of-destination approach to external marketing is lost. Where multiple marketing authorities represent a single destination or where there are two or more LGAs administering a destination, the need for cooperation is greater and the opportunity for disagreement is magnified. Evidence of close working relationships as well as of disunity is found in a number of Queensland coastal destinations, and evidence presented later in this paper appears to support the positions of both Wahab<sup>15</sup> and Heath and Wall<sup>16</sup> that cooperation is required as a precondition for effective brand building, which then becomes the stimulus for further growth.

## DESTINATION MARKETING

In recent decades governments, realising the importance of tourism as an economic sector, have committed funds to tourism marketing including, STOs, NTOs and to a lesser extent DMOs. However, the public sector has sometimes struggled to deliver effective destination marketing because of deficiencies in expertise, resourcing and the flexibility required to adopt a true marketing focus.<sup>17</sup> Often, too, public sector marketing agencies have limited powers to achieve co-ordination and product quality, resulting in a narrow focus on promotion with limited or no product development.<sup>18</sup> As a result, it is increasingly common to find partnerships of the public and private sector in DMOs.<sup>19</sup> The role that each sector exercises in marketing is usually a function of:

- the destination's size
- the philosophical stance of the various branches of government that share an interest in the destination
- the manner in which institutional arrangements are established to marry the divergent interests of the various groups into a representative body capable of

representing the destination in the market-place.

As King *et al.*<sup>20</sup> noted, it is increasingly important to factor in the demands of community-based stakeholders, as it is their place of residence that is being promoted and, rightly, they often demand a say in the design of the image and campaign. The plethora of stakeholders involved inevitably leads to a divergence of interests and the emergence of factions, while partly a factor of size and the functional complexity of the destination, is a gulf that must be bridged to maximise the effectiveness and acceptability of the marketing of a destination. The task of marketing and brand building in particular is therefore complex, subject to the influence of a range of interest groups and ultimately dependent on the level of resources contributed to the task.

In practice, marketing is undertaken on a collective basis as well as by individual stakeholders, often with little coordination. Collective marketing is usually undertaken by DMOs that ideally should represent the entire destination. Individual marketing is performed by organisations marketing their own product on a stand-alone basis. Both forms of marketing are necessary and should act in a coordinated and complementary manner. It is also possible to discern formal and informal approaches to marketing. The former relies on structures and strategies while the latter is more opportunistic, perhaps the result of the fame of leading figures in the destination, the spin-off from marketing by real estate agents or the attention of the media to some aspect of the destination or its residents.

Kotler<sup>21</sup> and Kotabe and Helsen<sup>22</sup> identified several key variables that influence the organisation of marketing. These are variables external to the organisation such as the competitive environment, the rate of environmental change, and the nature of the customer; and variables specific to the organisation – the business mix, product diversity, organisational heritage and the quality of managerial skills. Clearly, organisational competencies will vary according to the mix

of these variables, a mix that in turn will be dependent upon a destination's position on the life cycle. McDonnell and Dally<sup>23</sup> examined a continuum of destination marketing approaches, from the fully integrated to the totally fragmented, based on a comparison of the destination marketing strategies employed by Bali and Fiji. While a useful concept, the model is not developed to the point where it can be applied to destinations of the type examined in this paper.

### ORGANISING MARKETING IN THE DESTINATION

Destination marketing can be undertaken in a number of ways, including:

- membership-based organisations where members pay a subscription; members may include both public and private sector organisations
- public sector funded promotional organisations, including those funded by state and national governments
- promotional bodies funded through a bed tax or levy on business and in some cases residents
- bodies formed through a mix of private and public sector funding
- in some cases competing organisations each attempting to represent either the entire destination or specific areas within the destination.

Failure to develop a collective approach to marketing will create problems for the destination as it attempts to promote itself in a competitive market-place, particularly as it increases in size. If resources required to undertake primary market research followed by the development of a destination-wide marketing strategy are lacking, then the emphasis may shift to 'selling', with many stakeholders only vaguely aware of the holiday preferences of their customers. The support given by local residents to encouraging the development of tourism may also be a key factor in the level of support given to tourism promotion by the public sector.<sup>24</sup> Lack of an effective marketing body representing

the destination will reduce the destination's ability to project a positive image and provide the pull factors<sup>25</sup> that assist travellers to determine which destination they will develop. Further, poor marketing may also send the wrong signals to investors who represent the supply-side market.

Finally, a major element in the success of individual destinations will be their ability to develop and project a unique and recognisable brand. Lury<sup>26</sup> claims that branding was one of the most important developments in marketing in the 20th century. Brands such as McDonalds, Sheraton, Hilton, Lonely Planet and Nike have strong international recognition and are associated with professionalism and quality. Yet the difficulty of establishing a distinctive destination brand arises from the combination of products that make up a destination. The public and private sector as well as the natural and built environment provide products and services over which no single organisation has total control.<sup>27</sup> Given the success of many international brands associated with tourism, the need for branding is as apparent, as are the difficulties that need to be overcome to establish an effective tourism brand, particularly at destination level.<sup>28</sup> Development of an effective brand is unlikely to be a characteristic of a destination where the key stakeholders are in competition with each other.

### METHODOLOGY

Case study analysis has been defined as a research method employed when attempting to attribute causal relationships when the phenomenon under study is not readily distinguishable from its context.<sup>29</sup> Case studies are particularly applicable when investigation covers both a particular phenomenon and the context within which the phenomenon is occurring, because either the context is hypothesised to contain important explanatory variables about the phenomenon, or the boundary between phenomena and the context are not clearly evident.<sup>30</sup>

As a method of research, case study analysis enables an evaluation to be made of the

phenomenon and the context in which it is occurring. In this study, the phenomenon is destination marketing and the context is the geographic area occupied by a tourism destination, the economic market that the destination operate in and the level of growth achieved by the destination. Discussion of the context poses distinctive technical challenges that include:

- the number of variables are likely to exceed the number of data points
- the study will not rely on a single-data-collection method, therefore requiring multiple sources of evidence
- even if relevant variables are quantified, the research methodology needed for analysis will require distinctive strategies.<sup>31</sup>

Case study analysis is one method of creating a research design that will achieve these requirements, and is a widely used method of research in business and medicine as well as tourism. A possible disadvantage of adopting case studies as a research methodology is that the method lacks a clear framework to guide researchers.<sup>32,33</sup> Moreover, most common textbooks on social science and evaluation research methods hardly mention case studies.<sup>34</sup> Given the scope and ill-defined nature of the relationship between the cause and effect of marketing organisations and cooperation between stakeholders, comparative case study analysis was selected as the most useful method of analysis.

Research undertaken for this study was based on interviews with entrepreneurs and government officials involved in destination development on the Gold Coast and Sunshine Coast, and an extensive literature research that included local newspapers, local histories, consultancy reports and the academic literature. From the findings of this research a table was constructed to demonstrate the evolution of marketing structures as destinations increased in size from servicing a local market to servicing the international market. The process of destination marketing was then assessed and an illustrative framework was developed.

## SELECTION OF CASE STUDIES

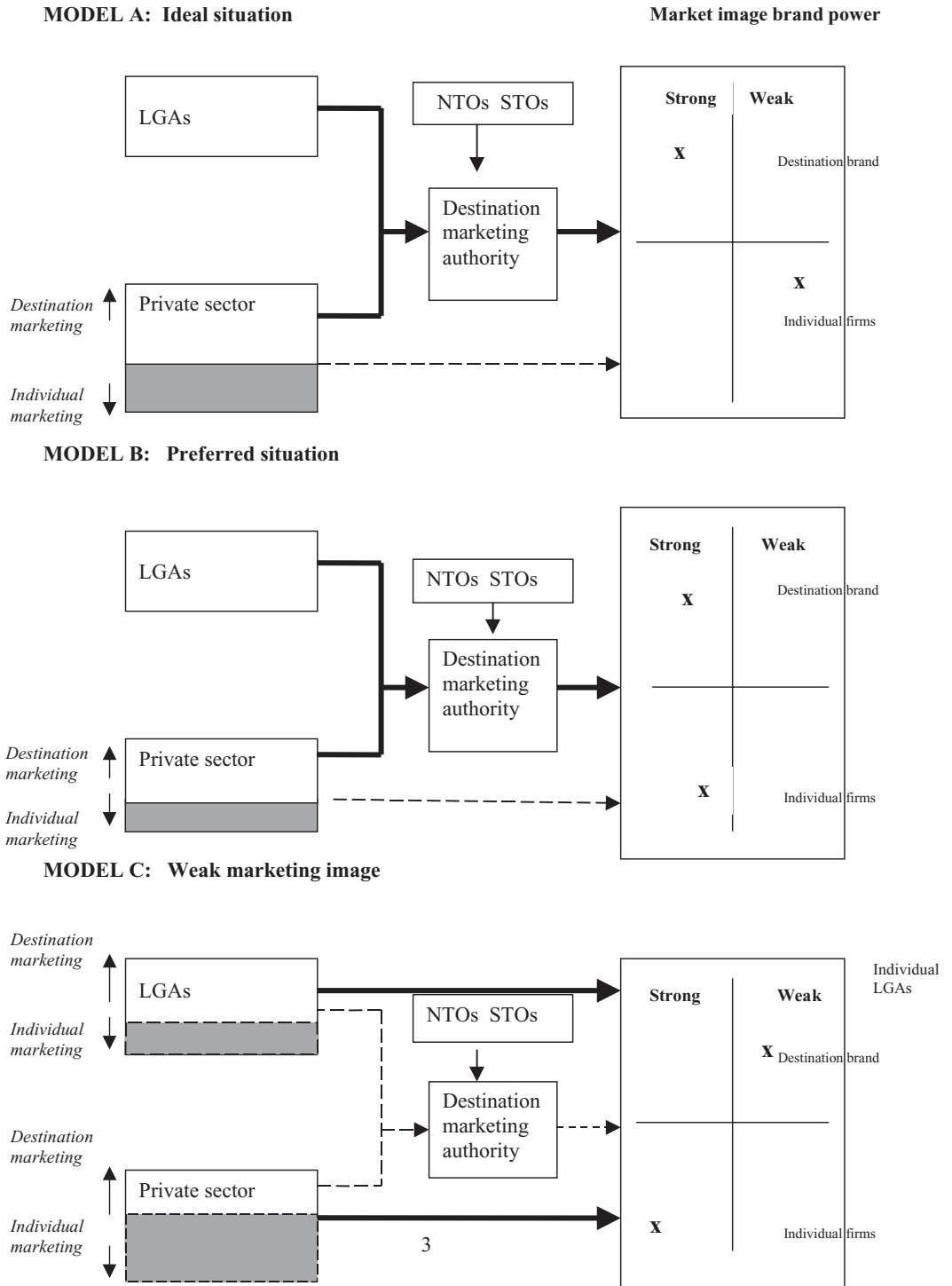
To reduce the number of variables that could explain differences in the effectiveness of marketing, case studies were selected on the basis of location, market size, LGAs' arrangements and DMOs. After looking at several states in Australia, Queensland was selected because it was the location of two major coastal destinations — the Sunshine Coast and the Gold Coast. Similarities shared by each destination were:

- each had similar institutional arrangements, such as the powers vested in LGAs and access to state funding
- both are located in a coastal area and have access to an international airport
- each is actively promoted by a common STO and NTO
- each is serviced by the same domestic and international airlines
- each offers coastal and rainforest experiences.

Moreover, the Sunshine Coast and Gold Coast are located almost equidistant from Brisbane, which is the major source of domestic visitors and the location of a major international airport servicing both destinations. Both the Sunshine Coast and the Gold Coast have built reputations as sand, sun and surf destinations with a developing hinterland region comprised of mountainous rainforests.

Research findings based on the two case studies and observations of the development patterns of other destinations in Queensland point to a pattern of marketing development that is illustrated in Figure 1. This figure illustrates three types of destination marketing scenarios ranging from the most effective through to the extremely fragmented. As destinations grow, stakeholders from both public and private sectors realise the need to synchronise cooperative marketing and develop a formalised destination marketing strategy to achieve this goal. Usually based on one of the methods previously outlined, a professionally staffed marketing organisation develops over time and is tasked with promoting the destination. DMOs may also be given additional responsibilities, including

Figure 1 Destination marketing scenarios



primary market research, organising events and festivals, attracting new investors and assisting or advising in planning issues dealt with by the public sector. Under these arrangements the destination marketing body represents the destination and becomes a source of information and perhaps support for new investors. Because of its leadership role in promoting the local economy through the growth of the tourism industry, local government usually acts as a catalyst here and becomes involved with the marketing organisation in a number of ways, including membership, financial support and use of the organisation as a source of advice on a range of matters concerning tourism and related issues.

If it is effective, the DMO can act as a strong unifying force that speaks on behalf of many of the destination's stakeholders (Model A). If, on the other hand, the marketing organisation does not enjoy the support of destination stakeholders, splinter marketing organisations might emerge, each claiming to represent the destination or a specific sector of the destination (such as hotels) and each competing for limited promotional funds. This scenario is illustrated in Model C. Marketing based upon this model has the potential to generate confusion in origin markets over issues of branding and even confidence in the destination. In situations of this nature it can be expected that the advantage of marketing based on primary research will be lost and destination businesses will adopt selling as a principal strategy. Situations where this form of

destination marketing emerge may be the result of a number of factors, including:

- competition between local authorities that administer separate geographical regions within a recognised destination
- inability of various sectors within the destination to work together
- a dysfunctional destination marketing body
- a tourism sector that does not recognise the need for 'cooperation' at the destination level
- development of several competing brands
- lack of vision on the part of the tourism sector.

In circumstances where these pressures are evident the destination may fail to reach its full potential. In particular, its competitors will capitalise on the disunity displayed and achieve better results in promoting to the demand side as well as attracting investment and government funding for new infrastructure. Model B in Figure 1 represents the median position where there is a balance between destination marketing on behalf of all businesses and an emphasis on self-promotion by specific businesses, including hotels and tourism attractions. In the following case studies the Sunshine Coast illustrates the situation where multiple marketing organisations operate in a large destination (Model C), while the Gold Coast illustrates the potential benefits for destinations that adopt a single marketing organisation (Model B).

Table 1<sup>35</sup> indicates the relative size of each

**Table 1: Domestic and international visitor nights for Sunshine Coast and Gold Coast, 1999, and increase on 1998 (%)**

	<i>International visitor nights 1999 (000)</i>	<i>% of total visitor nights for the state (1999)</i>	<i>Domestic visitor nights for state, 1999 (000)</i>	<i>% of total visitor night for state (1999)</i>
Gold Coast	5,338 (no change)	21.4	15,712 (+8.9%)	21.1
Sunshine Coast	1,284 (+29.4%)	6.6	10,411 (+4.7%)	13.3
Queensland total	24,982	100.0	78,083	100.0

Note: Seventy per cent of visitors to the Sunshine Coast stay in units, compared to 50 per cent for the Gold Coast.



**Table 2: Evolution of marketing as destinations grow**

<i>Factors</i>	<i>Local market</i>	<i>Regional market</i>	<i>Interstate market</i>	<i>International market</i>
Structure of DMO	Largely volunteer	Introduction of professional staff	Professional body with full-time staff	Professional body with specialised staff
Funding	Membership fees, sponsorships and local fund raising	Membership fees and support from LGA	Membership fees, LGA support, possible support by government	As for interstate but with higher level of government support as well as significant industry promotion by individual firms such as airlines and hotel groups
Type of media used	Brochures, billboards, Internet, limited local print and electronic media	Brochures, billboards, Internet, paid advertising in print media	Wide variety including electronic media, trade shows and Internet	Wide variety including electronic media, trade shows and Internet
Role assumed by LGA	Limited support for maps and minor promotion	Increased support, perhaps a specific promotional budget	Usually strong financial support, may include funding and tourism planning	Strong financial support
Role of private sector	Limited by small commercial sector	As new enterprises are developed the level of support increases	Cooperative promotion with regional tourism organisation (RTO) as well as individual promotion, may include brand advertising	As previously but with international investors advertising their businesses internationally
Funding from government	Usually none	Towards end of this growth stage may receive some government funding	May expect strong funding support from state government	May expect strong funding from state and national governments
Visitor information centres	Unlikely	Likely with volunteers	Strong support, professionally staffed	Strong support, professionally staffed
LGA tourism policies	Unlikely	Some interest may develop	Strong possibility of tourism planning at LGA level	Planning likely to include input from state and national governments

*(continued overleaf)*

**Table 2: Evolution of marketing as destinations grow**

<i>Factors</i>	<i>Local market</i>	<i>Regional market</i>	<i>Interstate market</i>	<i>International market</i>
Memberships of tourism bodies	Often nil or with regional tourism office	May join an NTO	Membership of an NTO, and perhaps international bodies such as Pacific Asia Travel Association (PATA)	Membership of an NTO, and perhaps international bodies such as PATA and WTO
Informal marketing	Nil (usually)	Limited	Possibly large and often associated with real estate development	The size of the destination generates media interest
Participation in professional promotional activities	Nil (usually)	Limited	Becomes necessary	Essential, international trade shows eg ITB (Berlin), TABS, Australian Tourism Exchange
Familiarisations (ie travel writers)	Little interest except in local press	Ongoing interest can be generated	Becomes necessary	Is necessary and a formal part of promotion
Branding	A brand will emerge and be the springboard for more extensive marketing	The brand may change but its importance is recognised	Branding is a key marketing tool	Branding remains a key marketing tool but may need rejuvenation and some differentiation according to the markets that are serviced

destination in this study. It is apparent that although both the Sunshine Coast and the Gold Coast have equal access to the Brisbane domestic market, are almost equidistant from Brisbane, have access to the same international airport and offer the same range of natural attractions, the Gold Coast has been more successful at expanding into the international market than the Sunshine Coast. Domestically, the Gold Coast attracted 3.46 million visitor nights from Brisbane residents in 1999, compared to the Sunshine Coast which attracted 3.22 million visitors from Brisbane in the same period.

Evidence gathered during this research

identified a pattern of change in marketing structures and strategies in DMOs that paralleled changes in the origins of visitors as destinations grow. These patterns are illustrated in Table 2 and are classified by origin markets using the segments suggested by the resort development spectrum model developed by Prideaux.<sup>36</sup> Another approach to classifying the evolution of marketing structures and strategies was suggested by Morgan and Pritchard<sup>37</sup> using the stages of growth postulated by Butler's<sup>38</sup> resort cycle. Table 2<sup>39</sup> identifies the changes that occur in DMOs and in the manner in which marketing is conducted, commencing from the

period of initial tourism development and ending when the destination has grown into an international resort.

In the following discussion the development of each destination is briefly outlined, accompanied by a graph illustrating the growth of intrastate, interstate and international visitors over the period 1982–1983 to 1996–1997 based on the Queensland Visitors' Survey (QVS). More recent figures were not used because a change in survey methodology lead to an incompatibility in datasets.

### **GOLD COAST**

Located south of Brisbane, the Gold Coast region was linked to Brisbane by rail in 1889, generating considerable growth as the region's beaches attracted day and overnight visitors. During the 20th century the road network connecting the Gold Coast was expanded and rebuilt a number of times to cope with increased demand for travel between Brisbane and the Gold Coast. The development of Coolangatta airport in the south of the Gold Coast was a major factor in the growth of interstate tourism,<sup>40</sup> while the expansion of Brisbane international airport was the key factor in the rapid growth of international tourism commencing from the 1980s. Although now administered by a single LGA, the region was previously administered by a number of shires and councils that were amalgamated to form the present Gold Coast City Council, thereby bringing the entire region under a single LGA.

### **Destination marketing**

Promotion of the Gold Coast over the period 1950–2000 employed both formal marketing and informal promotion, the former being organised by representative bodies such as the LGAs, chambers of commerce and tourism promotion associations and the latter by a combination of media reports of events and activities and advertising by real estate developers. The role of both forms of marketing have been significant in develop-

ing a public perception of the Gold Coast in the markets that became the main sources of tourists.

Informal marketing came to the fore in the early 1950s with the first public appearance of the bikini, which became a powerful promotional image for the Gold Coast, attracting national media coverage over a period of three decades.<sup>41</sup> Property developers also played a prominent part in the unofficial promotion of the Gold Coast. Property booms in the 1950s and 1970s were the result of property developers and real estate agents heavily promoting apartments, canal estates and suburban housing lots in southern states of Australia.<sup>42</sup> The activities of the developers also gained considerable media attention, particularly for their alleged link with politicians and the development concessions that they were granted. Promotion of holiday apartments and the recent trend of selling individual hotel rooms as investments continue to be a strong means of informally promoting the Gold Coast in all major market sectors.

Formal marketing commenced in 1951 when the Surfers Paradise Chamber of Commerce sponsored the winner of the Surfers Paradise Sun Girl Competition on a promotional tour of New Zealand. This was followed by several promotional trips to Sydney and Melbourne in the late 1950s in cooperation with Australian National Airlines. The chamber also developed the Surfers Paradise free holiday scheme where accommodation houses made available free accommodation as prizes for competitions in major cities in exchange for the publicity generated. These initiatives successfully kept Surfers Paradise in the media spotlight. By the early 1960s it was apparent that professional promotion of the Gold Coast was essential if the communities' desire to continue developing as a major resort was to be achieved.<sup>43</sup>

The chamber of commerce continued promoting as well as taking up development issues, including redeveloping the main tourism district, Cavill Avenue Mall, and lobbying for a casino licence. In 1967 an all-Gold Coast body, the Gold Coast Tourist

Development Association (TDA) was established to promote tourism and liaise with the Gold Coast City Council on tourism matters. The TDA operated for two years before being disbanded because the system of voluntary contributions from members was insufficient to undertake the promotion that was required and because the mayor at that time ignored most of its initiatives. In the wake of the collapse of the TDA, the mayor employed several full-time promotional officers in the late 1960s to organise council-funded promotional ventures.

In 1969 the council joined an Australian Tourist Commission (ATC) mission to Japan and later missions visited Singapore and New Zealand — actions that helped lay the foundation for the Gold Coast’s development as an international destination in the next decade. In 1973 a Gold Coast travel industry workshop raised the need for a new organisation free of the council’s red tape, and the concept was supported by the Accommodation Owners Association. As a consequence of these discussions and the recognition of the need for a single Gold Coast marketing organisation, the Gold Coast Visitors and Convention Bureau, later renamed the Gold Coast Tourism Bureau (GCTB), was formed. The objective of the bureau was primarily to market the entire destination through marketing campaigns both in Australia and overseas, although the need to promote investment in the region’s tourism industry was also regarded as an essential objective.<sup>44</sup> Important aspects of GCTB marketing activities include:

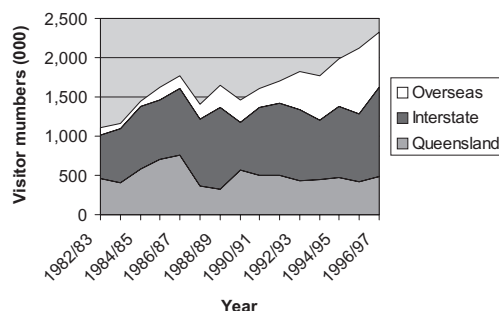
- joining promotions sponsored by the public sector
- offering advice to prospective investors
- assisting in the preparation of submissions to attract conferences and conventions
- monitoring tourism trends
- preparing background information for LGAs
- hosting visiting journalists, trade buyers and tour operators
- distributing promotional material to the public as well as retail and wholesale travel agents.

Apart from the GCTB the Gold Coast International Tourism Committee, an association of 18 major destination operators, also promotes the Gold Coast at the travel intermediary level with a substantial budget. Unlike the situation in the Sunshine Coast, however, both the GCTB and the Gold Coast International Tourism Committee only market ‘Brand Gold Coast’, presenting a uniform and unified image in the marketplace.

As the number of international tourists increased from the mid-1980s onwards, marketing has increasingly relied on public sector participation, including the STO, Tourism Queensland (TQ), and the Australian Tourist Commission (ATC). The growth in major markets is illustrated in Figure 2.<sup>45</sup> The growth in the overseas market is particularly significant after 1987, and reflects the success of overseas marketing campaigns that featured a strong Gold Coast brand. Joint marketing campaigns in many overseas markets have been organised between the GCTB, Tourism Queensland, the ATC, Gold Coast hotels and other large tourism businesses including theme parks. An important component of the international marketing has been the operation of inbound tour operators who are responsible for organising the Australian component of tours originating in overseas markets. The inbound operators are represented by the Inbound Tour Operators’ Association (ITOA) — a well-organised body that has combined with the GCTB to pressure state

*Growth of visitor types to the Gold Coast, 1982–1983 to 1996–1997*

*Figure 2*



and federal governments to increase funding for tourism marketing.

The relationship between the Gold Coast City Council and the GCTB illustrates the importance of the public and private sectors cooperatively working together to market the destination. Moves for the council to reduce funding to the GCTB in 2000 to pay for its own tourism department were met with substantial local opposition and forced the council to maintain its level of funding to the GCTB and allocate additional funds to establish a council tourism planning section.

### THE SUNSHINE COAST

Located just north of its major domestic market centred on the state capital of Brisbane, the Sunshine Coast encompasses over 60 kilometres of beaches and headlands flanked to the west by the rainforest-clad Blackall Ranges containing a number of national parks and tourist towns. Three LGAs currently administer the core area of the destination.

- Noosa Shire Council administers the northern end of the destination and is based in the coastal resort settlement of Noosa. The council has a strong commitment to protection of the local ecology, comprising coastal forests and wetlands, and in 1997 introduced a planning scheme to cap the shire's population at approximately 56,000 by 2007.<sup>46</sup>
- Maroochy Shire Council administers the central part of the destination and is administratively based at Nambour, a town located in the shire's rural hinterland. The largest and most rapidly developing community in the shire is the coastal resort town of Maroochydore, where the council has encouraged extensive tourism development.
- Caloundra City Council, located at the southern end of the destination in the city of Caloundra, is pro-tourism and was the first settlement connected by road to the Brisbane market.

Historically, tourism developed separately

in each local authority area and serviced different markets. The construction of a coastal highway during the early 1950s linked the separate coastal communities for the first time, while a lengthy period of highway construction later linked the Sunshine Coast as a destination to its major domestic market in Brisbane (source of 47 per cent of domestic visitors in 1999). Upgrading of the Maroochydore airport between 1990 and 1993 enabled domestic airlines to introduce direct jet services to Australia's main east coast cities of Sydney and Melbourne, and underpinned a rapid growth in interstate tourism commencing during the 1990s. The destination is also accessible to the international tourism market through Brisbane international airport, but has failed to attract significant numbers of international visitors (who accounted for 8.3 per cent of visitors in 1999). Visitor growth in the period 1982–1983 to 1996–1997 is illustrated in Figure 3.<sup>47</sup> The small size of the international market contrasts to the large international sector found at the nearby Gold Coast.

### Destination marketing

Administration of the main destination area by three LGAs has created considerable competition and tensions between towns and cities in the destination, and has reduced the overall effectiveness of destination marketing. The primary source of growth in visitors has been the Queensland market, with Brisbane residents accounting for 31 per cent of all visitor nights and total intrastate tourism accounting for 51 per cent of all bed nights in 1999. While there has been some growth in the number of interstate visitors, their market share changed little between 1982–1983 (33.4 per cent) and 1996–1997 (34.3 per cent).

In 1967 a regional tourism marketing body, the Sunshine Coast Promotion Bureau, was established as a partnership between the LGAs and the private sector. A tourism development function was added in 1976 and the organisation was renamed the Sunshine Coast Tourism and Development Board.<sup>48</sup> A decade later (1988) the develop-

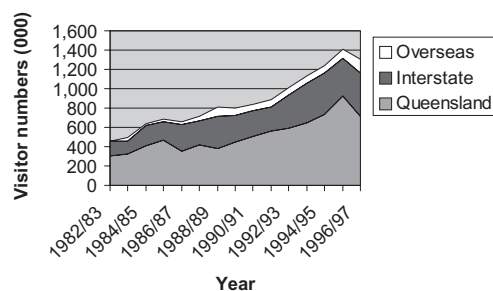
ment function was given to a new organisation, the Sunshine Coast Economic Development Board and the name was changed to Tourism Sunshine Coast (TSC). Funding for TSC is derived from Tourism Queensland, memberships and LGAs.

TSC markets the region destination under the brand 'the Sunshine Coast', and is the destination's official state-government-recognised regional tourism authority (RTA).<sup>49</sup> However, TSC is not the only marketing authority promoting the destination and there is a long history of intense rivalry between the LGAs and non-government interest groups, resulting in a multiplicity of marketing organisations claiming to represent parts of the destination. In 2001 the destination was marketed by a number of independent and at times competitive marketing organisations and competing brands, as follows.

- TSC, the official-state-government recognised and subsidised regional tourism authority, is responsible for marketing the Sunshine Coast as an integrated destination in both domestic and international markets.
- Maroochy Tourism and Travel, supported entirely by funds from the Maroochy Shire Council.
- Tourism Noosa.
- Noosa Enterprise Group, funded by the Noosa Shire Council, is responsible for promoting special events.
- Caloundra City Tourism, a membership-based organisation that is strongly supported by the Caloundra City Council.
- The Kawana Chamber of Commerce, located in Caloundra, has established the Kawana Events Group to promote special events to increase the profile of tourism in the area.
- Tourism Montville.
- Malaney Tourism Inc.
- Blackall Range Tourism Association (the small craft-oriented towns of Montville and Malaney are located close together in the Blackall Ranges and together generate the bulk of tourist visits to the area).

Growth of visitor types at the Sunshine Coast, 1982–1983 to 1996–1997

Figure 3



- Other industry-based groups include the Bed and Breakfast Association, Queensland Hotels Association and Queensland Caravan Parks Association.
- Other organisations involved in some aspect of tourism promotion include the Sunshine Coast Economic Development Board and chambers of commerce.
- The private sector, particularly Underwater World (a major tourism attraction), high-profile hotels and multistorey holiday apartment operators.

The multiplicity of organisations marketing various parts of the Sunshine Coast, some enjoying LGA support, has been a feature of the destination for several decades and has reduced the impact of the total expenditure available throughout the destination for marketing purposes. Implicit in the promotional strategies implemented by the various tourism bodies are efforts to increase patronage in a particular shire or part of a shire at the expense of other shires located in the destination. This may have several impacts:

- confusion in the mind of the customer
- dilution of promotional funds
- encouraging some tourism enterprises to undertake their own marketing
- recourse to selling strategies rather than marketing strategies
- uncertainty for investors
- unnecessary competition for tourism expenditure.

In practice, tourists will rarely confine themselves to one part of a destination and

will instead tend to visit attractions throughout a destination. Excessive competition between localities within a destination, particularly when the marketing war is waged in external market-places, weakens the overall effectiveness of the destination's total marketing effort. A review of recent destination marketing budgets indicates the market power that can be generated through a unified approach to marketing a destination. In 1996–1997 the marketing budget for TSC of A\$513,000 including A\$140,000 from the LGAs and A\$165,000 from the QTTC. In comparison, the budget for the Gold Coast was A\$3.76m and for far north Queensland was A\$2m.<sup>50</sup> Marketing of the destination can be described as relatively uncoordinated, with numerous groups fighting for market share.

The problem with multiple marketing bodies is compounded if the competing bodies do not market the same destination brand. This impact is apparent on the Sunshine Coast and is illustrated diagrammatically in Model C in Figure 1. Evidence of the failure of the Sunshine Coast to market effectively was demonstrated in 2000 when Ansett Australia, one of the nation's two major domestic airlines serving the destination, discontinued daily direct flight services from the major interstate markets of Melbourne and Sydney, except at weekends. Passengers from those cities were required to hub at Brisbane and change aircraft from a Boeing 737 or larger jet for a smaller turbo-prop aircraft. Hubbing of this nature is an impediment to the Sunshine Coast's ability to compete in the domestic market.

The situation as it stands in the Sunshine Coast precludes the official DMO, TSC, from developing a coordinated regional marketing strategy in the manner suggested by Heath and Wall.<sup>51</sup> Moreover, it is apparent that while having similar opportunities to develop both interstate and international markets, the Sunshine Coast has failed to exploit either market to the extent achieved by the Gold Coast. While not conclusive, the evidence suggests that the failure to develop a unified DMO enjoying strong LGA support similar to the GCTB may be

the primary reason why the Sunshine Coast has consistently failed to develop its tourism industry at the rate achieved by the Gold Coast. The evidence is even stronger when other factors, including equal access to the Brisbane market, similar tourism resources (beaches and rainforest) and similar distances to the Brisbane international airport, are factored into the equation.

## DISCUSSION AND CONCLUSION

Evidence from the case studies suggests that the factors that affect the ability of a destination to undertake successful marketing include:

- development of a single marketing organisation responsible for marketing the destination in generating regions
- the professionalisation of the destination's marketing strategies
- LGA awareness that tourists do not perceive destinations in terms of local government boundaries
- the degree to which the needs of investors are recognised
- the support given by the community to the elevation of tourism as a key local industry
- the role played by local government, the private sector and STOs and NTOs in marketing
- the ability to develop a distinctive destination brand
- the degree of cooperation between LGAs and the DMO.

It is also apparent that, at the destination level, the form of marketing that is engaged upon will depend on a number of factors, including:

- the stage of growth of the destination, including the size of the destination in terms of visitor flows, length of stay and spend as well as the origin, income and preferences of the visitors
- competitiveness of the destination in local, national and international markets
- expertise and resources made available from the public sector

- the scale and nature of the private sector as well as its involvement in cooperative marketing programmes.

Together, these factors determine the structure of the DMO, the level of resources made available by the public sector and the level of involvement by the private sector in collective destination marketing programmes, as illustrated in Table 2.

Extrapolating the lessons from the case studies, there is evidence that the position taken by LGAs in supporting tourism promotion and development is linked to the success of the destination. Where there is strong cooperation between the private sector and LGAs at representative DMO level and where all key stakeholders in the tourism industry have supported a single brand strategy, the destination can anticipate considerable growth, as demonstrated by the Gold Coast. Conversely, where there is lack of unity or where there are multiple marketing bodies with multiple brands representing the same primary destination there is considerable danger that primary market research will not be undertaken and that marketing strategies will degenerate into uncoordinated selling campaigns. Similar observations about the role of RTOs in destination growth in New Zealand were made by Ryan.<sup>52</sup>

These situations are clearly demonstrated by the case studies. The Gold Coast developed an effective DMO in the period immediately preceding the expansion of the destination into the international market. The united front developed between the LGA, the private sector and the DMO enabled effective marketing to be undertaken in primary tourist markets as well as with investors. Investors are important both as a source of investment capital and for the provision of further marketing resources. When this process fails to occur, as demonstrated by the Sunshine Coast, the potential tourist is presented with a confused image, including multiple brands, compared to the single strong image of its competitors. Moreover, prospective investors are faced with a confusing investment and marketing environment that appears to lack focus. This dis-

play of disunity may cause the prospective investor to look elsewhere for destinations that demonstrate a clear image of the market where marketing rather than selling is the primary philosophy underlying destination marketing.

The destination marketing model illustrated in Figure 1 clearly demonstrates the importance of destinations adopting a unified marketing strategy under the umbrella of a specific brand, supporting the view of Heath and Wall<sup>53</sup> that destinations need cooperation and coordination between LGAs and DMOs. This finding fits into the relationship between the dimensions postulated in the tourism competitiveness model, particularly in the dimensions of management, organisation and efficiency. Where disunity develops, the destination will not be able to present a clear image to either the consumer or the investor, and as Faulkner<sup>54</sup> suggested, the destination may have restricted ability to participate in proactive marketing. The evidence from the Sunshine Coast case study also supports observations by Holloway<sup>55</sup> and Wahab<sup>56</sup> about the need for DMOs to be supported by LGAs. The inability of the destination to increase its share of the national market indicates that it has a weak brand image in comparison to its rivals. It would appear from the evidence outlined in this paper that disunity between the Sunshine Coast DMOs has created a fragmented brand that could be strengthened if all stakeholders in the destination supported a single marketing body and a single destination brand.

Based on the evidence from the case study analysis the key elements to successful destination marketing include the following:

- close cooperation, not competition, by LGAs if there are a number of LGAs administering the destination
- a progressive employment of marketing strategies and tools over time according to geographically defined markets, as illustrated in Table 1
- adoption of a single brand for the destination
- adoption of a marketing structure that



closely adheres to the structure illustrated in Model B in Figure 1.

To build on the findings of this paper it is apparent that future research should focus on destination branding as well as testing and extending the destination marketing model illustrated in Figure 1. Moreover, there is a need to undertake further research into the methods that may be employed by destinations to market proactively to potential investors, including suppliers such as airlines whose role in destination development is poorly understood.

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