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WORLD TOURISM CONFERENCE
- Tourism Success Stories and Shooting Stars-

Shangri-La Hotel, Kuala Lumpur, Malaysia, 4-6 June 2007



SESSION 3: SUCCESS IN PRODUCT DEVELOPMENT AND DIVERSIFICATION

KEYNOTE PRESENTATION ON
“HOSTING SIGNATURE EVENTS FOR ANCHORING DESTINATIONS”
by

DR. FREDERIC DIMANCHE
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CENTER FOR TOURISM MANAGEMENT, CERAM BUSINESS SCHOOL
NICE – SOPHIA ANTIPOLIS, FRANCE

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Globalization and the rapid growth of information technology are two factors that are currently changing the face of tourism. These two factors require all countries, regions, or destinations to learn to be more effective at competing with each other. They are all learning to work and to compete like businesses do: They develop products, attract markets, and attempt to satisfy customers and to create loyalty. It is important for tourism marketers, in an increasingly competitive environment, to develop marketing strategies that distinguish destinations from one another. The concept of destination image appears today as one of the keys in gaining competitive edge. Image is thought to be the key construct in destination positioning (Pike & Ryan, 2004). Although many aspects of destination image (geography, politics, social issues, etc.) cannot be controlled by tourism professionals and policy makers, one area that can determine or influence image and where professionals can exercise their leadership is product development.

Product development and diversification are one type of strategy a destination can use in order to gain competitive advantage. In other words, a destination will use product differentiation and development strategies to differentiate itself from competing destinations, particularly from those that may, in the minds of the consumers, be considered similar. Such a product differentiation strategy contributes to better establish the image and the position of the destination in a competitive environment. However, this is a complex process that may take years for a destination to achieve. Effective positioning is not only about product development and differentiation; it is very much related to target marketing as well. In fact, a new product should always be considered together with the markets it is intended to attract and satisfy. In other words, we should think in terms of product-market mix, because it is the target markets that will ultimately validate the product, its success, and the positioning of the destination.

This presentation will present the benefits of a marketing strategy that gains increasing attention from destinations worldwide, as well as from businesses: special events. Indeed, events are not just products; they are marketing strategies that are increasingly used to position a destination, to anchor a destination in the minds of the customers. Certainly, all destinations host events, but only a few can really claim to have reached ongoing notoriety thanks to, among other attributes, a signature event. Around the world, we see the growing importance that special events are taking in destination marketing. Destination sales and promotion strategies are increasingly dependent upon those events (Hong Kong launched a few years ago a two-year, \$30 million tourism campaign that featured over 200 events, festivals, and other attractions; Beijing and South Africa are betting big on the Olympics and the World Cup, respectively; Malaysia benefits from hosting a Formula One Grand Prix; Cannes advertises itself as the city of festivals and events). However, for events to play a

significant role in the overall marketing efforts of the destination, several conditions should be met. For example, the events' target markets should be consistent with the destination's target markets. Also, the event should be related to and consistent with the attributes of the destination. Strategic decisions must be taken to determine the type of experiences a destination wishes to sell and the profile of customers a destination wishes to attract. Unless a re-positioning strategy is decided, the image portrayed or promoted by the event should be consistent with the destination's overall image. Examples will be provided to illustrate these and other points. The bottom line is that successful events contribute to the destination brand equity.

Finally, it must be pointed out that marketing efforts such as branding and positioning are long-term efforts. Although an event can contribute to rapid increase in notoriety for a destination, this notoriety is likely to decrease rapidly unless there is a continuation of the event over time or alternative events to maintain attention: Mardi Gras in New Orleans is more than a tourist event: it is a community festival rooted in over 150 years of tradition. The New Orleans Jazz and Heritage Festival started as a small community festival about 30 years ago before becoming the large event it is today, attracting over 200,000 attendees over two weekends. The Cannes film festival itself is celebrating this year its 60th anniversary. The benefits the city draws from the film festival took years to materialize. Mega events such as Olympics or World's Fairs are planned over 10-year periods. Public sector destination marketers and their political stakeholders (money providers) should make sure to plan for a long-term investment when creating events in the context of a branding strategy. Developing a brand and an image for a destination may take years, and for events to contribute significantly to this effort, patience and consistency should be used.

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