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A review of the policy framework for tourism marketing and promotion

OECD

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The publication of this document has been authorised by Lamia Kamal-Chaoui, Director, Centre for Entrepreneurship, SMEs, Local Development and Tourism.

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This document has been declassified on the responsibility of the Tourism Committee under the OECD reference number CFE/TOU(2016)3/FINAL.

ABOUT THE OECD

The OECD is a multi-disciplinary inter-governmental organisation of 35 member countries which engages in its work an increasing number of non-members from all regions of the world. The Organisation's core mission today is to help governments work together towards a stronger, cleaner, fairer global economy. Through its network of 250 specialised committees and working groups, the OECD provides a setting where governments compare policy experiences, seek answers to common problems, identify good practice, and co-ordinate domestic and international policies.

The OECD member countries are: Australia, Austria, Belgium, Canada, Chile, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea, Latvia, Luxembourg, Mexico, the Netherlands, New Zealand, Norway, Poland, Portugal, the Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Turkey, the United Kingdom and the United States. The European Commission takes part in the work of the OECD.

ABOUT THE TOURISM COMMITTEE

This policy paper was prepared by the OECD Centre for Entrepreneurship, SMEs, Local Development and Tourism, as part of the Tourism Committee's Programme of Work. The Tourism Committee, created in 1948, acts as the OECD forum for exchange, and for monitoring policies and structural changes affecting the development of domestic and international tourism.

Addressing the major challenges faced by the tourism industry, and maximising tourism's full economic potential, requires an integrated and multi-faceted approach to tourism policy development across many government levels and departments. In this environment, OECD members see considerable benefit in co-operating to address economic, sustainability and employment issues, and promote tourism policy performance and evaluation, innovation and liberalisation of tourism. A closer co-operation with major emerging economies is also seen as being critical to achieving a strong impact with this work. The website of the Tourism Committee (www.oecd.org/cfe/tourism/) provides detailed information about the OECD activities on tourism.

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The report benefitted from significant contributions from 16 countries: Australia, Denmark, Estonia, Finland, France, Iceland, Israel, Italy, Latvia, Philippines, Poland, Portugal, Slovenia, Sweden, South Africa, and the United Kingdom.

VistiDenmark co-hosted an OECD workshop on tourism marketing and promotion in June 2016, bringing together policy makers and practitioners for an in-depth policy dialogue and analysis of targeted country case studies.

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Summary and key policy messages

It is an increasingly challenging time for the tourism industry worldwide. Global economic growth prospects have clouded recently, easing to around 3% in 2015, well below the long-run average. A further sharp slowdown in emerging market economies is weighing on global activity and trade and subdued investment and productivity growth is checking the momentum of the recovery in advanced economies. Despite the slowing of the world economy, tourism has demonstrated impressive growth, making a significant contribution to many national economies.

Many countries continue to face a fiscal consolidation challenge, requiring action on both the revenue and spending sides; often necessitating trade-offs against policy objectives, including short and long-term growth and equity. This has led to increased pressure not only on tourism and supporting infrastructure, but also on the budgets with responsibility for: i) marketing and promotion; ii) providing the necessary services and facilities to cater for tourists; iii) ensuring visitor safety and security; and iv) maintaining the natural environments that often attract them. This has led to a greater emphasis on accountability and performance evaluation, a tighter focus on target source markets or niches, and identifying co-operative funding mechanisms to support tourism marketing and development.

The development of the visitor economy faces challenges not only from global economic conditions, reduced budgets, fluctuating exchange rates, terror threats, health risks etc., but also deeper underlying economic and technological shifts which create further market turbulence. Tourism, like so many other industries, is experiencing a wave of digital disruption that threatens to restructure some traditional business models and make others obsolete. For example, the rapid growth of peer-to-peer and shared usage platforms is creating new transportation, accommodation, and travel marketplaces. These developments present a range of opportunities for governments to re-think how tourists experience their country and how citizens can benefit from participating in the sharing economy, but also pose challenges for established operators and raise broader policy questions in areas such as consumer protection, taxation and regulation.

Governments must find the right structures and policies to promote the sector and build on the opportunities it presents. In response, new models for linking tourism policy, tourism marketing and product development, including digital strategies, are being explored in a number of countries (e.g. better vertical integration of tourism policy and marketing strategies). National and regional tourism organisations and administrations have to adjust to these developments and challenges to put in place policies and programmes that will efficiently and effectively drive demand in close co-operation with industry.

This report presents findings and selected country practices supporting tourism marketing and promotion emerging from desktop research and an OECD workshop on marketing and promotion, co-hosted by VisitDenmark in Copenhagen in June 2016. The workshop brought together policy makers and practitioners from 14 countries (Australia, Denmark, Estonia, Finland, France, Iceland, Israel, Italy, Latvia, Poland, Portugal, Slovenia, Sweden, and South Africa), plus representatives from the European Travel Commission and Airbnb, for an in-depth policy dialogue and analysis of targeted country case studies.

The report examines some of the current challenges and opportunities for public authorities responsible for the marketing and promotion of tourism in relation to identifying evolving funding sources, partnership opportunities, promotion strategies, and governance arrangements. Country case studies provide examples of policy and business initiatives to address these challenges. A selection of key policy messages for governments is highlighted below:

Funding sources

- Match-funding is an approach adopted in a growing number of countries. As funding sources reduce and industry understands the changing economic circumstances and the potential flexibility and benefits they provide, match-funding propositions may begin to have even greater resonance.

- If a commercial partner can deliver reach and audience engagement through established marketing channels, the job of marketing a destination may be achieved more efficiently and comprehensively than by public sector means alone. A challenge is, therefore, to more effectively demonstrate the reach, impact and effectiveness of value-in-kind contributions, and increase recognition of in-kind benefits as a relevant form of return-on-investment (ROI).

Partnership opportunities

- When building new partnerships, industry players may have expectations from established benefits flowing from existing Destination Marketing Organisation (DMO) memberships or tourism partnerships; the challenge is to develop a structured offer that can bring new members on board and define new benefits for existing partners. Having the right skill-set of staff is crucial to defining commercial engagement with partners (i.e. understanding and analysis of what companies are likely to be able to afford, knowing how to make 'the ask', and then convert it into funding).

- There are high 'process costs' in generating partnership models with the private sector. Significant time and energy is required to nurture relationships, manage expectations, and ensure goal alignment. The impact on National Tourism Organisations (NTO) and DMOs is such that greater flexibility is often required in order to deliver expected targets, and concerning governance arrangements.

- Cross-border partnerships rely on developing shared marketing goals and priorities, as quickly and early as possible in the development process. When initiatives are developed top-down, there is a risk that they do not secure buy-in at delivery: shared incentives are critical to nurturing partnerships.

- Digital platforms are opening new partnership opportunities and routes to market with reduced costs compared to traditional marketing approaches. However, organisationally gearing up to deliver this approach requires attention and focus to ensure that staff have the right skill-set, and that evaluation methodologies are in place to demonstrate return on investment.

Promotion strategies

- Digital strategies can generate quick wins in terms of savings; however, social media can be time-consuming. Long-term success requires investment in a digital strategy and skills of staff to ensure maximum ROI. As an approach it is crucial that it should be accompanied by a partnership strategy that seeks to build relationships with online travel agencies (OTA), and commercial partners who present established routes to market.

- In markets with long-term growth potential it may take time to nurture relationships between governments, NTOs and individual/online travel agencies to ensure that the promise of volume is delivered in the long-term However, in the short-term these fast growing markets are likely to generate higher spending tourists, e.g. China, Russia, India etc.

- Market research on brand perceptions, consumer demand etc., is critical to ensure that marketing efforts are targeted and maximise place potential.

Governance arrangements

- Rationalisation of public sector organisations should be a process which leads to a 'fit for purpose' outcome and delivers a more integrated and coordinated approach between NTOs, DMOs, and the private sector, thereby unlocking greater potential resources.

- Coordination between multiple vertical and horizontal partners requires clear and robust sign-off mechanisms, tied to funding, to encourage coordination and create shared objectives. A clear strategy and vision are also essential to enable partners to understand individual roles and responsibilities.

- Sharing economy platforms present significant opportunities and challenges for NTOs as consumers shift to use these tools, yet regulatory policies often lag behind the trend. There is a role for NTOs to advocate for clear and proportionate regulation, in order to work with new partners and keep established partners on board.

Towards new models for effective tourism marketing and promotion

Policies for promotion and marketing in tourism are not immune to the downward pressure on public funding in many countries. Furthermore, they continue to be challenged by a very competitive global tourism market, new governance arrangements, and developments in social media platforms. New models for tourism marketing are being sought to relieve pressure on government funding and many countries are seeking to encourage a higher level of co-operative or industry participation.

In an effort to optimise the value and impact of international marketing activities, some countries have integrated national marketing agencies across economic areas such as trade, tourism and enterprise. Other countries have adopted a tighter focus on target source markets or niches, and most have a greater focus on digital strategies.

The growing importance of digital technology and social media in tourism creates challenges and opportunities for national and regional tourism organisations and tourism enterprises. Tourists are increasingly connected to the internet, utilising any number of tourism-related mobile apps; accessing real-time news, transport and online booking platforms (e.g. travel agents, airlines, trains, rental cars, Uber), and; utilising social networks to review, assess and book accommodation (e.g. Airbnb, Trip Advisor), restaurants (e.g. thefork, MyTable, OpenTable), and other tourism services.

Evolving trends in consumer behaviour and expectations in relation to the digital economy are necessitating a major shift not only towards digital marketing and promotion, but also in relation to capacity building, product development. A variety of policy responses are being developed to address these issues as they emerge. For example, an increased focus on digital and social media campaigns (utilising online or mobile channels), to support and strengthen international tourism promotion, and to more effectively target key source markets.

Many countries also recognise the need to develop the capacity of tourism service providers, and particularly SMEs, and are developing policies to facilitate the uptake and effectiveness of digital marketing and the use of social media/networks. For example, the European Commission is taking steps to raise the profile of digital tourism by i) strengthening the digital skills base of tourism SMEs; ii) including small businesses in the digital value chain, and; iii) boosting the ICT-driven innovation potential of tourism SMEs and empowering tourism entrepreneurs in online marketing.

In line with the shift in global economic balance towards emerging economies, the rapid growth of tourism in countries such as Brazil, China, India, Indonesia, the Russian Federation and South Africa, is altering patterns of travel flows and demand. These require new marketing and servicing skills and appropriate product development. In response, many governments continue to align their marketing strategies, with visa and aviation policies in order to stimulate growth from these major emerging tourism economies.

Funding mechanisms for tourism marketing and promotion

The funding for tourism marketing and promotion must be considered in the context of diminishing budgets from traditional national/public funding sources. This trend of downward budgetary pressure is consistent across many OECD Member and Partner countries. Those responsible for marketing and promotion at the national, regional, and city levels are seeking new and diverse funding sources to increase budgets, combined with a mix of innovative policies and approaches to achieve efficiency gains.

Each policy response generates its own set of challenges and solutions and there is a wealth of experience to be gained from understanding the experiences of other OECD member and partner countries. However, whether seeking to innovate or create efficiencies, digital solutions are an increasingly predominant component of the policy response toolkit. This significant change to the nature of the market presents challenges to traditional tourism provider business models. With the introduction of a new cohort of potential new funding partners, there is significant scope to supplement budget shortfalls and achieve efficiency gains on traditional marketing campaigns, but which approaches are most effective?

New and diverse funding sources

The understanding of the public sector role of coordination in relation to market failure is clear to those working in tourism policy, but it may be less clear to the private sector, especially if the funding role is one which the public sector has traditionally performed. In an environment of reduced funding, there are potential benefits to be gained by public sector organisations through engaging and educating private sector stakeholders concerning the opportunities to contribute directly or in-kind to those marketing initiatives which provide clear mutual benefits. As funding sources reduce and industry understands the changing economic circumstances, a match-funding proposition, for example, may begin to have a greater resonance.

Match-funding is an approach adopted in a growing number of countries. For example in the United Kingdom, VisitBritain is funded through a grant-in-aid funding settlement. In 2015/16 this amounted to GBP 19.6 million and included funding for VisitBritain's core international marketing and public relations activities, which is provided on the basis that it is match-funded by the private sector (Box 1).

The "GREAT Britain, You're invited" campaign, is part of an overall country brand campaign. Drawing on the leading triggers for travel to Britain (specifically culture, heritage and countryside) supported by other tourism drivers (such as shopping, food, sport, adventure, music and business), GREAT's objectives are to build and maintain awareness of the country's attractiveness as a leading destination for both first time and repeat visitors (leisure and business). Visit Britain has developed a range of initiatives through match-funding from sponsorships and media partnerships created for instance, to coincide with the release of major films (for example the 'Bond is GREAT' initiative, which promoted international tourism to the UK in conjunction with the 'Skyfall' movie) and/or the promotional benefits derived from association with iconic events such as the Wimbledon tennis championships.

Tourism Australia is a partnership marketing organisation. The agency receives approximately AUD 150 million from the federal government and then supplements this with an additional AUD 60 million from partners including private companies and state and territory tourism organisations. Recent examples include i) a partnership campaign with Tourism & Events Queensland and Air Canada to take advantage of a new year-round Air Canada aviation service between Vancouver and Brisbane with the aim of increasing incremental leisure passengers from Canada to Queensland on Air Canada and increasing visitor spend year-on-year, and; ii) a partnership campaign with Tourism Victoria and Etihad Airways to showcase Restaurant Australia in the context of 'There's Nothing Like Australia' and to raise awareness of Restaurant Australia among French consumers.

Box 1. Visit Britain - The GREAT campaign match-funded

Launched in 2012 to capitalise on the global attention associated with the London Olympics and Paralympics, the GREAT Britain country brand campaign ("GREAT") has the strategic aim of inspiring the world to think differently about the country in order to encourage more people to visit, study, invest in and do business with the UK.

The GREAT campaign has an annual budget of GBP 60 million from 2015/16 to 2020 (in previous years, the annual budget has ranged from GBP 30 million to GBP 46.5 million). The budget comprises direct funding from HM Treasury and matched contributions from the government departments involved in the campaign (including the Department for Culture, Media & Sport which is responsible for tourism). The GREAT tourism budget is allocated each year by the GREAT Programme Board and takes account of previous performance, ongoing customer insight and specific market opportunities (and typically ranges from GBP 15-20 million per annum). As the lead delivery partner for tourism, VisitBritain is responsible for the financial management and governance of its GREAT funding through its 'business as usual' operating mechanisms. In addition, VisitBritain secures funding (both cash and in-kind support) from private sector partners to extend the reach of its tourism marketing activities (for example, GBP 4.8 million was secured from the private sector in 2014/15).

The GREAT campaign's international tourism activities have already generated GBP 600 million of additional visitor expenditure for the UK economy. GREAT is an innovative integrated partnership that operates throughout UK government – by working closely alongside government departments in education, trade, investment and overseas diplomacy, UK tourism initiatives have received significant support to reach new and varied international markets.

In the United States, the Visa Waiver Program provides funding to match qualified private sector contributions for marketing and promotion activities in key markets. An alternative public-private structure, adopted by some National Tourism Organisations (NTO) and Destination Management Organisations (DMO), is to be part-funded by the tourism industry, which in turn benefits from national and regional marketing and promotion campaigns. For example, VisitSweden AB is jointly owned by the government and Svensk Turism, an industry organisation comprised of approximately 170 members. The organisation receives a baseline of funding from the public sector which must meet a 50% match-funding target in order for the public funding to be released (Box 2).

Box 2. VisitSweden AB – a public private partnership

In 2015 VisitSweden AB received SEK 140 million from government and almost SEK 115 million from industry for product promotion. Designed at a national level, the partnership model has been developed together with destinations and regions in Sweden towards common goals, budgets, target groups and strategic priorities concerning markets.

VisitSweden prioritises marketing activities on twelve international markets; Norway, Denmark, Finland, Russia, Germany, the Netherlands, Great Britain, US, France, Spain, Italy and China. VisitSweden promotes Sweden as a tourist destination abroad in partnerships with the tourist industry.

Partnership forms legally through "Master Plans" where budgets, markets and activities are agreed between the different parties. The model clarifies the different tasks/roles for the various organisations and product owners within the travel industry using its Tourism Satellite Account. Projects are managed by VisitSweden together with regional organisations that represent the local products. In this way VisitSweden represents almost the entire Swedish tourism industry. It enables smaller iconic Swedish tourism products to reach out to international markets that they couldn't afford to on their own.

The partnership model has changed from a focus strictly on creating bigger marketing budgets to focussing more on matching supply and demand and targeting the right audiences. The digital revolution has made "big budgets" less important. Even small budgets can have a big impact with the correct knowledge about the audience and their reasons for travel.

Tourism-related taxes fees and charges

Like any other sector, tourism is subject to a range of specific taxes, fees and charges, which can provide governments with one avenue of funding to help support public investment for the development, marketing and promotion of tourism. However, there are often industry concerns over their impact on destination attractiveness and competitiveness, the perceived lack of a clear relationship with the cost of service delivery, and a desire for a more dedicated relationship between the revenue derived from tourism and how it is utilised.

Examples where there is a clear dedicated relationship between the collection of taxes, fees and charges and tourism marketing and promotion, include the Corporation for Travel Promotion (CTP), formed in 2010 and operating as Brand USA, a non-profit corporation that promotes the United States as a premier travel destination and communicates changes and enhancements to entry/exit policies and processes for international visitors. The National Travel and Tourism Office is the official government liaison to Brand USA. Brand USA is supported by a portion of the fees charged for the Electronic System for Travel Authorisation (ESTA), paid by international travellers coming to the United States from countries participating in the Visa Waiver Program (VWP). Up to USD 100 million is made available each year to Brand USA to match qualified private sector contributions for marketing and promotion activities in key market, significantly the private sector must provide a 100% match of which no more than 70% can be in-kind. Brand USA operations have funding through to 2020, and is driving positive awareness and perceptions of the United States as a travel destination through the first-ever direct-to-consumer marketing campaigns for the United States in 10 key markets that represent 75% of inbound travel.

Similarly, in Mexico, an immigration permit (non-immigrant tax) was introduced in 1999 for those persons entering the country for tourist purposes. The fee applies to all foreign visitors to Mexico, except those entering by land for stays of less than 7 days. Revenue from the fee is used to foster tourism in Mexico, with 80% (up from 50% in 2002 and 70% in 2006) directed to the Mexico Tourism Board, which is responsible for both the domestic and international promotion of tourism.

Gambling revenue presents a potential funding avenue, specifically generating a revenue stream via taxation. The total budget of Turismo de Portugal is EUR 252.4 million in 2015, of which 38.6% is derived from dedicated taxes on gambling, and the Philippines Tourism Promotion Board deriving nearly 50% of its operating budget from gaming.

In the Philippines, the Department of Tourism, together with the Philippines Convention & Visitors Corporation, operate tourism marketing activity through the Tourism Promotions Board (TBP). The TPB receives an annual contribution from the government, plus 25% of revenue from the government’s 50% stake in the Philippine Amusement and Gaming Corporation (PAGC), and a variety of taxes including Duty Free income. In 2014, the TPB’s overall funding envelope of USD 27.7 million, consisted of a USD 10.9 million government contribution, USD 13.3 million from the PAGC (accounting for nearly 50% of the TPB’s operating budget) and USD 3.2 million from Duty Free sales.

However, the most common example of specific indirect tourism taxation around the world is the hotel room tax. Usually designed as a charge on stays at hotel establishments, it can be a rate as a percentage of the price, or a specific unit per night. These receipts are sometimes earmarked to fund destination marketing campaigns, or projects aimed at improving the quality of tourist activities or preserving the environment. Such initiatives take a long-term strategic approach to not only developing revenue but ensuring prioritisation and investment is directed to the destination creating a virtuous cycle of higher yield and brand building.

Recent and continued growth in the sharing economy also presents implications for taxation, particularly when taxes specific to tourism (such as hotel or bed taxes), are dedicated for the purposes of marketing and promotion, and may be affected by an increase in the use of peer-to-peer services. The decisions and enforcement actions taken by governments could either place pressure on traditional tax bases, if services move into an informal sector with lower compliance rates, or increase the tax base, for example, if hotel or bed taxes are also collected on stays in peer-to-peer accommodation.

Regulatory and taxation matters often exist outside the immediate sphere of control of tourism policy, marketing and promotion bodies, as practitioners. However, those agencies have a clear role to understand any emerging market and policy conditions which affect their ability to operate, and to work with responsible regulators and policymakers to ensure that overall funding levels are maintained, and identify possible new sources to contribute to the funding mix and drive growth.

Targeting high potential tourists and markets

In the face of a potentially reduced funding envelope, the prioritisation of activities is inevitable. However, in a rapidly changing global tourism market prioritisation doesn't have to mean a reduced return on investment. When prioritising it is possible to focus on those markets which have potential to generate higher yield i.e. higher spending tourists. For instance, whilst Chinese tourists are still a small share of overall tourist arrivals by country for the likes of France or the UK, they are a growing cohort, and are amongst the highest spenders, in line with global trends showing China as the highest spending tourist worldwide. In line with these trends Chinese tourists represent a long-term growth market, therefore prioritisation of markets may mean shifting policy focus from those markets that have traditionally delivered the core of visitor numbers.

In prioritising higher spending tourists but fewer visits the potential upsides for the destination is that demands on physical infrastructure and the natural environment are likely to be reduced, thereby making a positive contribution to addressing broader environmental concerns. This approach may also lead to longer-term 'brand' benefits and increased community support for tourism. An element of the 'brand' benefit is associated with the perception that a destination offers an 'authentic' experience for visitors, rather than being considered by tourists and residents as being overly touristic: a challenge increasingly experienced by some popular city destinations such as Barcelona (The Economist, 2015).

As well as prioritisation of key markets, some countries already adopt a tighter focus, developing and promoting special interest niche markets such as film locations. With the success of the Lord of the Rings film series, Tourism New Zealand has successfully promoted itself as the home of Middle Earth for the past 15 years. Similarly in the Netherlands, the Board of Tourism and Conventions gives special focus to generating convention tourism to maximise the strengths created by the proximity of the cities of the Netherlands. Germany has prioritised specific funds towards the Chinese and Brazilian markets, recognising them as having long-term growth potential, while a long-standing cross-border initiative between the Baltic States of Latvia, Estonia and Lithuania, has in recent years prioritised joint marketing activities on key long-haul markets (Box 3).

Market research is critical to the success of these types of approaches, as in the case of Estonia, understanding visitor motivation and behaviour can be the key to stimulating demand. In 2014 the Estonian Tourist Board, in co-operation with the tourism industry and regional tourism organisations, developed common marketing strategies for those target markets with the highest tourism revenue potential, determined the roles of the various actors, and planned joint activities and the funding commitments/budgets for a two year period. The strategies were informed by research on target markets, the product offering, and Estonia's image as a tourist destination. Strategies include an action plan for managing demand in target markets, while representing the interests of the state, destinations and operators. Market based strategies are drawn up on the precondition that there are enough organisations and operators interested in marketing activities in the target markets.

Box 3. The Baltic States: Prioritising key long-haul markets

Latvia, Estonia and Lithuania, also known as the Baltic States have had an active co-operation in the field of tourism for more than 10 years, with the aim of fulfilling a range of common goals, such as the:

1. promotion of the Baltic area as a single tourist destination;
2. development of common tourism products;
3. improvement of the quality of tourism services;
4. collection of statistical information; and
5. participation in international tourism organisations, etc.

Initially, the common marketing activities within this agreement targeted European markets such as Germany and Scandinavia, however during the last 5 years the focus has shifted to key long-haul markets – USA, China and Japan. This decision has been made due to reassessment of common goals. Latvia, Lithuania and Estonia are small tourism destinations that are individually unknown to long-haul markets. It is therefore more effective to focus resource to promote the Baltic States as one destination – the Baltics – in these long-haul markets rather than as individual destinations, as they are in European markets, where they enjoy better recognition. The last five years of active co-operation between the Baltic States has generated positive returns including the development of new package tours covering the three participating countries, and an increase in arrivals from long-haul markets, especially from China and Japan:

- Estonia – China +326%; Japan +216%; the United States +115%
- Latvia – China +563%; Japan +297%; and the United States +74%
- Lithuania – China +189%; Japan +176%; and the United States +68%

The European Travel Commission (ETC) promotes Europe as a tourist destination in third markets. Its mission is to strengthen the sustainable development of Europe as a tourist destination and to increase competitiveness, through knowledge gathering and sharing amongst members as well as by establishing a professional marketing platform for the promotion of member countries in overseas markets. One of the three pillars of the responsibilities – research, marketing and advocacy – is market research to promote and market 'Destination Europe'. ETC research activities aim to deliver members the intelligence support necessary to understand the business environment, detect growth opportunities, and formulate targeted promotional strategies.

Identifying new partnership opportunities for tourism marketing and promotion

Successful tourism promotion and marketing strategies are founded upon partnership. Destination tourism marketing by its very nature only succeeds by bringing together multiple parties to create a shared proposition. To achieve this goal many nations have created public-private partnerships to ensure that the voice of industry drives the marketing agenda but often also to ensure that destination marketing organisations are market-orientated, nimble and able to respond quickly and efficiently to market changes. In following this strategy NTOs ensure that strengthening co-operation is everybody's business. Germany's National Tourism Board (GTNB), has generated a year on year increase in overnight international visitor numbers by 5.1% for over five consecutive years. It is a partnership of 72 industry members and 12 strategic partners.

Enhancing traditional partnerships

Across the world, business, tourism and trade activity are increasingly flowing into cities and city-region economies. This trend is highlighted by the fact that short city trips are the fastest-growing part of the international leisure travel market as Europeans, Asians, North and South Americans head for attractive destinations in nearby countries and also overseas. City trips soared by 82% between 2007 and 2014 to reach a 22% share of all holidays, according to World Travel Monitor figures.

For some nations, such as the Netherlands, an entire partnership strategy has been built to reflect this trend. NBTC Holland Marketing uses a public-private-partnership model to create the joint co-operation required to organise its marketing programmes, allowing a variety of different partners to bundle their budgets and other investments around a shared goal or interest. In partnership with national and international stakeholders NBTC Holland Marketing aims to further develop and implement the Holland branding and marketing strategy in which Holland City is a key concept, with 'interests' taking precedence over 'places', and destination Holland is positioned as a single city, combining and connecting themes and areas of interest. In this way the capacity available in the Netherlands is used efficiently.

For countries such as Sweden this trend has required greater coordination and prioritisation of partnership between private and public stakeholders at all levels. During 2014 Svensk Tourism evaluated its national strategy, and as a result a national stakeholder consultation process has been initiated, where national, regional, local authorities, industry organisations and tourism companies, can meet, raise awareness of the potential of the tourism industry and discuss challenges and possibilities for its further development. Greece has developed successful partnerships between local level authorities, regions and municipalities; however it is mandatory for all public authorities to obtain prior approval of their promotional activities from Greek National Tourism Organisation, in order to harmonise campaigns with the overall tourism promotion strategy of the country.

In 2003, Portugal initiated a partnership agreement between Turismo de Portugal and the private sector to promote regional destinations in international markets. Through this process tourism promotion was outsourced to private promotion agencies, a public-private partnership that integrated regional public bodies (municipalities, universities) and the private sector.

Cross border partnerships

The definition of partnership is often extended further across traditional national and political jurisdictions. As the global tourism market grows and new consumers enter the marketplace, brand recognition may rely on broader regional conceptions rather than country or city-specific perceptions. This feature of globalisation challenges traditional 'national interest' approaches and pushes countries to seek regional and international partnerships to enhance competitiveness.

In its efforts to promote brand Europe, the ETC categorises travel destinations by region. It carries out trade promotion and consumer advertising with a focus on digital marketing, and develops promotional platforms capitalizing on economies of scale and the "Europe" brand, especially in selected overseas markets – United States, Canada, China and Brazil. In 2016 the ETC launched an Associate Membership Programme (AMP), which opens membership to private organisations and academia. The AMP currently focuses on public relations and advocacy, while granting access to co-operation in marketing and research activities on an ad-hoc basis. For European destinations seeking to build their brand in new markets, the ETC's supra-national approach presents a resource to augment cross-border initiatives.

Outside of the ETC's activities, cross-border co-operation often takes place between smaller European countries with a shared interest or where international perceptions are understood at a higher regional level, e.g. Nordic or East European, as in the case of the co-operation between Central and Eastern European countries in the Visegrad Group Co-operation, or Visit Arctic Europe a co-operation between Norwegian, Swedish and Finnish Lappish Tourism operators (Box 4).

Box 4. Cross border partnerships

Visegrad Group Co-operation - Established in 2002, this initiative brings together Central and Eastern European countries (CEE) of Czech Republic, Poland, Hungary, Slovakia, to establish a co-operation platform with the aim of showcasing joint tourist products of the participating countries in long haul markets, such as China, Russia, Japan, India and US. Research suggests that long-haul visitors such as these tend to visit more than one country in one holiday

The Discover Central Europe initiative focuses on horizontal co-operation at the national level between the four Visegrad Tourist Organisations. The initiative exploits the brand recognition potential of the region over any single contemporary national identity and seeks to not only promote but also commercialise regional tourism products in chosen markets. It involves close co-operation with the travel industry from each of the participating countries, bringing together local travel services providers such as tour operators and hoteliers. In addition, it organises specialist roadshows, online training programmes, and study trips for local and incoming tour operators. Funding contributions are made by the 4 participant NTOs and at some events a small fee is charged to participants. The NTOs are now seeking to expand the partnership to include airlines. All joint activities are publicised with a promotional slogan: *European Quartet – One melody* and under the "Discover Central Europe" brand.

Visit Arctic Europe - Countries in Arctic Europe face the common challenge that tourism business are usually small in size, with many micro-business having limited marketing resources. Furthermore, the issue of seasonality is emphasised in Europe's Arctic region. The short seasons are disadvantageous for the feasibility of investments and employment. However, the difference between the high seasons in the Arctic region is interesting as it offers a great opportunity to even out seasonal fluctuations when considered, rather than considering three separate countries. In northern Norway, for instance, the high season is in the summer, while in Finnish and Swedish Lapland the greatest numbers of tourists arrive in the winter.

Combining resources, therefore, provides an opportunity to facilitate greater visibility and awareness for joint attractions of the region, rather than attempting to differentiate between Finnish Lapland, Swedish Lapland and northern Norway in source markets. The great majority of potential visitors see the North as a whole and it is therefore logical to market it as such.

In response to these challenges, the Finnish Lapland Tourist Board, Swedish Lapland Visitors Board and Northern Norway Tourist Board have come together to create the Visit Arctic Europe (VAE) project. The main funder for the project is the EU Interreg Nord programme, in addition to which the public sector operators of the region, and augmented by funding from member enterprises. The project duration is through to the end of 2017. Working together with key partners and 90 tourism enterprises in the region, VAE is creating a joint Arctic travel destination. The aim is to market cross-border travel packages in co-operation with international tour operators with the intention of increasing the turnover and profitability of SMEs in Northern Scandinavia. Key to this process is developing cross-border networking and seeking to improve accessibility to and within the region itself (Posio, 2016)

New digital media strategies

Media partnerships have perhaps been a traditional approach to promoting the image of a country with partners who often have an international reach through existing global footprint. But with the explosion of social media and a growing number of digital media outlets, communication and reach no longer rely on established infrastructure. The changing nature of the media landscape requires new approaches to media partnerships and indeed media strategies, to be considered.

The digitalisation of the economy presents many challenges and opportunities for the tourism sector and in particular for the entities responsible for marketing of destinations. The penetration of such technology in contemporary life and the increasing use of the internet and mobile devices by tourists to choose destinations and purchase tourism products are driving tourism organisations to adopt new digital media strategies. The challenge shared by many if not all actors responsible for tourism marketing is how to get through to the right people, at the right time, with the relevant story.

Technological innovation has radically altered the advertising and marketing industries. The ability to reach global audiences at a reduced cost are demonstrated daily by the proliferation of viral social media campaigns (e.g. Tourism Queensland's The Best Job in the World campaign, Inspired by Iceland), low-cost web-based marketing (e.g. Destination Canada's Millennial Travel Program), and sharing economy/peer-to-peer platforms. The long-term consequences for the tourism sector of many of these innovations are as yet unclear but from a funding and efficiency point of view they present an obvious and attractive alternative, particularly when countries are faced with significant reductions to budgets.

As a result, many NTOs are making significant investments to enhance and update their marketing approaches and strategies, with many placing digital at the core of their methodology. For example, VisitDenmark, Destination Canada, and NBTC Holland Marketing, are seeking to build new partnerships with online tour operators (OTAs) and other digital platforms such as Airbnb, while Visit Portugal has adopted a 100% digital approach across all marketing activities (Box 5).

Box 5. Turismo de Portugal: 100% digital marketing strategy

Turismo de Portugal is responsible for the international promotion of Portugal and the digital transformation of its marketing strategy was inevitable, especially at a time of extreme pressure experienced following a cut of more than 30% to its budget in 2011.

In these circumstances, a shift to a 100% digital approach was considered the best option, as it would enable better segmentation and targeting, reach and efficiency, more effective measurement, as well as storytelling and engagement with consumers. In short it was believed that while this was lower-cost than traditional marketing methods and would still develop a similar return on investment.

A digital approach democratises access for the consumer, allowing smaller markets and budgets to develop scale. In Turismo de Portugal's case, digital meant it could develop scale of impact with a reduced budget. In this process, Turismo de Portugal implemented a strong social media presence in several social platforms: YouTube, Facebook, Instagram, Pinterest, Twitter and Weibo (in 12 different languages), engaging in social conversation.

One of the advantages of digital marketing is the ability to measure return on investment more directly. With an investment about 50% lower compared to 2011 it was possible to achieve greater exposure of all Visit Portugal platforms. Indeed, a direct correlation between the investment into digital platforms and increases in reach and revenues is clearly evident. For instance, Facebook fans increased from 160,000 to over in 1.2 million in 2015. In the first year of the strategy, visits to visitportugal.com increased 92.5%, almost doubling the number of daily visitors, and on YouTube, the views more than doubled in the first year. As for results between 2011 and 2015, overnight stays increased 24.1% and revenues increased 39.5%.

Turkey is another country pursuing a digital strategy actively. The Turkish Ministry of Culture and Tourism has had a strong presence on social media through its 'Turkey Home' campaign since 2014. With the help of this campaign, they have increased their Facebook followers to approximately 5 million, created their own video content and benefitted from Turkey Home's YouTube, Twitter, Pinterest, Vine, Instagram, LinkedIn, and Google+ pages, attaining a total of 8.7 billion views, 2.3 billion accesses, 502 million interactions and 6.5 million followers since the beginning of the campaign.

Identifying new digital partnership opportunities

The growth and development of the sharing economy has had a significant impact on every aspect of the tourism sector: accommodation, transport, dining and the travel experience are all evolving to take account of new digital technologies and players. Partnerships too will have to evolve to reflect the role and importance of these new players in the marketing of our destinations, but these changes create renewed opportunity to build refreshed partnerships and to engage potential new funding opportunities. Tourism partnerships traditionally formed with hoteliers, airlines and retailers, are now evolving with new players following this process of 'digital shift'. The growth of the peer to peer or sharing economy has seen the rapid rise of companies such as Airbnb and Uber, but as these companies continue to scale-up, what are their expectations and strategies for market penetration, and how can NTOs work with them to share in profit and generate revenue together?

In addition, a raft of new players now populate the market from concierge apps to last minute booking sites, while others, such as peer-review based websites, continue to evolve. For example, TripAdvisor, has moved from review only platform to incorporating a booking facility. With the introduction of tools such as Flight Finder and Hotel Finder into Google Search and Google Maps, the industry is seeking to develop a response and shape new partnerships. In a recent study on tourism trends, Google revealed that in the past year conversion rates have grown 88% on mobile sites (Gevelber & Heckmann, 2015). When considering the rapid rise of apps such as Instagram and the sheer scale of its online community, it may be argued that the likely winners in the digital age will be those tools that are both mobile and visual (Galloway, 2014). As 'travel content' grows in popularity on digital platforms such as YouTube (Crowel *et. al.,* 2014), Vimeo, and Instagram, these and other emerging entrants require significant volumes of content and are seeking partnerships to generate business (Box 6).

NBTC Holland Marketing works closely with online travel agencies (OTAs), who are among its biggest contributing partners. NBTC has a long-standing partnership with Expedia dating back to 2008. Beyond its co-operation with Expedia, NBTC also run joint campaigns with KAYAK, Booking.com, Skyscanner, Orbitz, lastminute.com, and many others. A recent partnership campaign with Expedia involved orchestrating an engaging social community campaign over a six week period in 2015, which targeted travellers in the UK, France and Germany. NBTC and Expedia used Twitter's "Flock to Unlock" mechanism, which incentivises followers to spread a message by tweeting and re-tweeting to unlock exclusive content or rewards. In this instance the challenge was for users to collaboratively tweet and re-tweet the #VanGogh2015 hashtag, to earn brush strokes that revealed six of Van Gogh's famous works of art and a chance to win a trip to the Netherlands. Over the course of the campaign, twitter impressions reached 2.2 million and engagement exceeded 22,000. The key point in NBTC's relationship with Expedia is that not only do they increase the Holland product portfolio internationally, but equally important, they contribute financially to its promotion in terms of awareness and positioning of Holland.

Box 6. Canada – Social media and the Millennial Travel Program

Destination Canada is bringing the Canadian travel industry together to deliver a Millennial Travel Program on the occasion of Canada's 150th anniversary in 2017.

Millennials represent over 20% of the global travel market, spend on par with other long-haul travellers, and are the fastest-growing segment in the industry. They go off the beaten path and support smaller, local businesses. They are influencers and trend setters who use social media regularly to share their travel experiences and help define new "hot destinations".

In co-operation with provincial and territorial tourism marketing partners, as well as key players in the travel industry and select lifestyle brands the Millennial Travel Program aims to deliver a multi-year sales, marketing and communications program to inspire Canadian and international millennial travellers to explore Canada. By leveraging social media channels (e.g. Instagram, Facebook, Pinterest, Twitter and YouTube), Destination Canada aims to build awareness and interest in visiting Canada, by being present where travellers are speaking with other travellers and supporting the conversation through content distribution.

The campaign features the 2016 launch of a digital hub showcasing Canada's top 150 experiences through the eyes of key social influencers, and featuring exclusive limited-time promotions and offers. In 2016-2017, an international extension to the campaign will promote travel to Canada from international markets including the US and UK. A Canada 150 Pass will serve as a platform for travel sector partners to sell their products to millennials, share special offers and will include a loyalty program for millennials. The campaign will seek to infuse Canada's travel brand with more fun, excitement and youthfulness, inspire, and deliver real and relevant travel opportunities to millennial travellers (Destination Canada, 2016).

The rapid growth of the peer to peer or sharing economy, in recent years has opened up new services and new opportunities to make local experiences even more accessible to tourists. VisitDenmark is continuously looking for innovative ways to work with new entrants to the tourism industry, and has identified the development of partnerships with digital providers such as Airbnb as an opportunity to develop new routes and relationships to consumers (Box 7).

Box 7. VisitDenmark and Airbnb - "Come & Be part of it"

VisitDenmark understands that today's tourists want authentic experiences, and to get close to the local population, and in line with this, its branding of Denmark is based on the brand promise, "Come & Be part of it".

The rapid growth of the peer to peer or sharing economy, in recent years has opened up new services and new opportunities to make local experiences even more accessible to tourists. VisitDenmark is continuously looking for innovative ways to work with new entrants to the tourism industry, and has identified the development of partnerships with service providers within the sharing economy model as an opportunity to develop new routes and relationships to visitors. It is currently working with Airbnb on several initiatives centred around i) specific partnership marketing campaign opportunities; ii) how to equip Danish hosts to become better ambassadors for Denmark when interacting with their guests; and iii) an exchange of knowledge and analysis on the "sharing" guests.

The first VisitDenmark campaign with Airbnb took place at the beginning of 2016. It was a co-branding campaign centred on the movie, "The Danish Girl", and performed over benchmark on all parameters. Another initiative was a collaboration on an event for Danish Airbnb hosts. The main purpose of the event was to share knowledge about the tourists using the services in the sharing economy between the partners involved – The other partners were SnappCar, Cook With a Local, and selected local Danish brands.

A co-operation between a NTO and a non-traditional accommodation provider such as Airbnb could be seen as controversial by some stakeholders. However, VisitDenmark's mission is to create awareness and encourage visitation to Denmark. In order to be successful they argue that there is a need to be present where the tourists are, and today, an increasing number of international tourists are considering or choosing to use sharing platforms.

Whilst there are still regulatory challenges in this area, the 'authentic' experience for the tourist presents an enhanced visitor experience and the opportunity to build-in further partnership funding by helping to develop a truly 'local' experience. Approaches such as Airbnb 'Hosted Walks' can create a user experience 'in the moment' which will unlock the experience of the city, and provide opportunities to spread the benefits of tourism to new areas and businesses.

The adoption of digital and social media approaches generates a number of challenges. While representing a lower cost input, they require specific expertise in content creation to ensure pinpointing and targeting of appropriate audience. Significantly they also give rise to a complicated set of questions on how we might accurately measure and evaluate their success in promoting the country brand. Recognising the importance of rigorous and careful measurement of return on investment, Turismo de Portugal, has established a business intelligence system in order to help the decision making process in relation to establishing and measuring results in terms of business and digital metrics.

Measuring the impact of digital campaigns and social media

The impact of the digital shift is wide-ranging for the tourism industry. The shift is changing how NTOs invest in marketing activity and which channels to market they prioritise. But to create effective marketing strategies there is a clear need to develop evaluation methods which demonstrate a link between that investment and economic return.

As highlighted in several case studies there are a range of Key Performance Indicators (KPIs) employed by countries to measure the success of digital marketing, including the increase of leads to campaign platforms (landing pages), social media reach, the number of participants in a social media competition, the number of fans on various social media platforms, interaction or engagement around the campaign, and conversion. However, NTOs need to be able to show how social media success converts into tourism success. For example, how does a successful Facebook campaign lead to increased visitor numbers, or increased visitor spend?

There are multiple social media analytical tools available to measure the extent to which users are interacting with 'content'. Facebook, Twitter, and Google Analytics all provide comprehensive business analytics tools to explore in-depth how user numbers increase and the extent to which they interact with individual pieces of content. These tools enable the measurement of the number of followers accrued over time, post-reach, i.e. the reach of any one individual post, as well as individual 'impressions', i.e. the number of people with the potential to interact or view any one post. There is however, still a gap between this information and the 'macro' economic perspective as sought in measuring any boost to the overall visitor economy.

Where it may be possible to use these analytical tools and measurement techniques and link them to wider indicators is in the creation of specific social media campaigns which are tied to offers and on-site conversions. 'Click-through' rates and 'conversion goals' that lead viewers through to specific attraction offers are easily and inherently traceable offering the most direct evidence that visitors have been led to a specific 'attraction offer' or a hospitality benefit. Working with the tourism and hospitality sector to map user journeys from the initial point of awareness of the destination through to point of sale can give a sample indication of the power and influence of the social media channel employed.

In the United States, tailoring and refinement of the product offer has led to the development of a 'personalized' approach based upon 'clicking-behaviour'. Brand USA's VisitTheUSA.com websites are built with a modular design, enabling features to be turned on or off or the order of pages to be easily adjusted. Filters enable relevant content to be more easily discovered. Any increases in interaction through social media channels informs providers that their content has been successful and of interest, enabling them to create further tailored responses as users continue to interact more with the content.

Although a broader 'brand' campaign delivered through social media channels is less likely to deliver direct evidence of impact than campaign specific analytics, there is still a high possibility of correlation between social media use and economic impact if, as in the case of Portugal, a wholesale shift in investment from traditional methods of marketing to digital and social media has taken place and a corresponding rise in tourism metrics has been identified. For example, the number of Facebook fans went from 160 000 (75% domestic) in 2011 to over 1.2 million in 2015 (75% international). In the first year, visits to visitportugal.com increased 92.5%, almost doubling the number of daily visitors, and on YouTube, the views more than doubled in the first year. With results showing that between 2011 and 2015 overnight stays increased 24.1% and revenues increased 39.5%. Portugal recognises that a corresponding investment in business analytic tools is now required in digital tracking in order to cross reference dates from traditional methods to digital data. Within the next 1-3 years the aim is to be able to measure and analyse such metrics, with a specific focus on measuring the 'cost of sale', i.e. the expense incurred in creating individual social media products.

Box 8. VisitDenmark: The meaning and value of social media metrics

VisitDenmark highlights that the most significant value of social media metrics at this stage is their ability to create better evaluation of the cost efficiency and effectiveness of their marketing spend. The digital nature of social media enables a more sophisticated tracking of consumer engagement with campaigns than traditional methods such as print or advertising. With social media it is possible to specify not only the total 'reach' (i.e. number of individuals who have seen the campaign), but also the extent of individuals' interest and engagement with a campaign. This factor is considered particularly useful considering the opportunity it affords to tailor and shape campaigns as they grow, in order to increase both efficiency and success.

The VisitDenmark model tracks marketing efficiency against three core areas; exposure, awareness, and preference. In an established marketing channel such as a print ad this would manifest as:

- Exposure: Readership (of the publication), Awareness: Recognition (of the campaign message), and Preference: likely to travel.

In the social media model (e.g. Facebook), this translates as:

- Exposure: Impressions, Awareness: Visits or clicks, Preference: people taking action.

This enables VisitDenmark to measure the marketing efficiency of spend against each headline and to compare the effectiveness of established benchmarks. In a recent analysis they found that a series of social media campaigns were better than benchmark for 2 out of 4 campaigns and on benchmark for 2 out of 4 campaigns.

VisitDenmark also emphasise the value of social media campaigns in building partnerships with the private sector. The ability to track and show reach is a significant measure for a private sector partner such as an airline. It is relevant to their own targets of measuring consumer reach and engagement. The challenge comes for the public sector when trying to quantify the value-in-kind that a partner contributes to a campaign. Data on the value of marketing channels may be unlikely to be collected by these private sector partners as they are integral part of their established marketing infrastructure. This requires an independent assessment to be made by the NTO in order to define the value of spend and to demonstrate private sector match for their own match-funding targets. VisitDenmark have attempted to quantify marketing reach by working with third party media sales companies to determine equivalent media costs for campaigns that deliver a similar level of reach.

In analysing the future value of social media campaigns, VisitDenmark note that data capture and online search are likely to become an important part of evaluating marketing campaigns. The methods are still nascent but a simple correlation between a campaign 'story' and the ability of online search companies such as Google to track searches over an historical period hold some promise as digital data collation methods become more sophisticated with time.

However, traditional methods of evaluation may still provide a route to understanding the impact of contemporary digital marketing approaches. Longitudinal visitor surveys that track the experience and behaviour of a sample set of visitors can be designed to include specifics on tracking social media use and its perceived relation to final consumer decisions and actions. Although such methods will inevitably have a longer-term horizon on delivering results, they are likely to prove important in defining the success and relevance of social media to a detailed and granular level. Visitor surveys and qualitative methods though, while important, present a challenge in that they require resource and must be completed over an extended period in order to create real value. The extent to which they will be able to show the success of social media will be better understood in the longer-term.

Social media metrics are in their infancy and as such further work is needed to be able to draw direct correlations with macro-economic indicators such as increased visitor numbers or increased visitor spend. VisitDenmark are adopting social media as a marketing tool, although, importantly they are keen to emphasise that social media is best understood as 'another' channel to market: an augmentation as opposed to an alternative, and as such, must be understood and evaluated in that context (Box 8).

Evolving governance structures for tourism marketing and promotion

There are multiple governance structures through which successful tourism marketing can take place. This section explores issues around governance and competency, that countries face in developing and implementing successful tourism policies to support marketing and promotion.

In exploring the topic of governance the aim is to understand those models that successfully link tourism marketing with policy and product development, with special reference to models that facilitate co-operation with regions, cities, and industry. It is important to note that governance structures can vary widely, with approaches operating within a spectrum, which at one end is highly centralised and at the other is highly decentralised; and there are lessons to be learned from both approaches.

To deal with the challenges inherent to tourism there is a need to create effective governance systems and processes to define strategies and implement them to improve competitiveness and ensure the sustainable development of tourism. The OECD has identified the following elements of good governance: i) accountability, ii) transparency, iii) efficiency and effectiveness, iv) responsiveness, v) forward-looking vision, and vi) the rule of law. In addition to these generic elements, the cross-cutting nature of tourism requires consideration of:

- A whole-of-government approach: the integration of policy both horizontally and vertically
- Capacity of organisations and individuals to develop and implement policy

The role of central government in developing cohesive, effective tourism policy is vital, but governments face numerous challenges due to institutional and territorial fragmentation and difficulties in co-ordination across multiple levels of government, and between government and the private sector. The same challenges exist for governments and NTOs as they work with agencies responsible for the marketing and promotion of regions and cities to implement national marketing strategies.

The growing importance of the city as a destination also presents a challenge for governance and coordination. Cities have always been magnets for tourism, however, with increasing urbanisation rates, the proliferation of cheap short-haul flights, and the rise of the city-break, NTOs and DMOs need to take into account how they manage the relationship with and between nation-brands, region-brands and city-brands and ensure the appropriate structures are in place to attract and distribute tourists in the most efficient manner and ensure that their experiences meet or exceed expectations.

Given that tourism is a cross-cutting sector, what mechanisms have countries put in place to ensure a joined-up approach to delivery? Are there successful strategic approaches to co-operation? What are the available mechanisms to ensure coordination?

Enhancing co-ordination

Encouraging co-operation and co-ordination between NTOs, State/Provincial tourism organisations and DMOs is critical to the success of marketing tourism. Examples of mechanisms available to countries to ensure co-operation of relevant bodies include legal mechanisms e.g. (Denmark’s Law for Tourism), and long-term tourism and/or marketing strategies (e.g. Germany and Canada).

Finding a suitable methodology to enhance co-operation is fundamental to the success of tourism strategies. Compatibility with local working practices and traditions will help to ensure its success. In Austria, according to the Federal Constitution, the nine Länder (federal states) have the legislative and executive competencies for tourism affairs. Nevertheless, as a cross-cutting sector, both federal and European laws apply. At the national level, tourism policy is the responsibility of the Federal Ministry of Science, Research and Economy. This multi-lateral governance structure means that legal mechanisms alone do not ensure coordination. In 2010 the minister launched a tourism strategy with the objective of a close and strategic co-ordination on tourism issues. The strategy in particular strengthens co-ordination between the national level and the regional levels, which are closely involved in a so-called 'Strategic Group', with responsibility for coordination and sign-off of tourism plans.

Similar legal and coordination mechanisms have been established in Denmark. On January 1 2015 the first Danish law for tourism came into force. The legislation was introduced to improve the governance of publicly funded tourism marketing and promotion, and to achieve a greater return on this public investment, through better coordination at the national, regional and local levels. The process has led to the establishment of The Danish National Tourism Forum, whose main role is to lead and coordinate the public promotion of Danish Tourism. The members of the Tourism Forum include a chairman from the Ministry of Business and Growth, and seven additional members. These are: VisitDenmark's Chairman of the Board; two members, of which one of them is the Vice Chairman, from Danish Regions; one member from Local Government Denmark; two members who are representatives of tourism business, and a tourism researcher.

In 2003, Portugal established a Strategic Tourism Promotion Council (CEPT) - a partnership agreement between Turismo de Portugal and the private sector to promote regional destinations in international markets. The CEPT meets twice a year to discuss strategic guidelines, plans and budgets for national and regional tourism promotion. It is chaired by the Secretary of State for Tourism and includes representatives of Turismo de Portugal, the Portuguese Tourism Confederation (representing the private sector) and the 7 regional agencies for tourism promotion – Porto e Norte, Centro de Portugal, Lisbon, Alentejo, Algarve, Madeira and the Azores. The promotion plans are multiannual, aligned with the national strategy and may be revised annually to reflect changes in tourism policy. They are funded by Turismo de Portugal (4/6 of total budget), the regions (1/6) and the private sector (1/6).

In Germany, the 16 Länder are responsible for the development, shaping and promotion of tourism. At the Länder level, the task of devising tourism policies, putting them into practice and providing the necessary financial envelope falls to the Länder ministries responsible for tourism. The Federal Länder-Committee on Tourism meets twice a year, fostering the exchange of information and the co-ordination of measures involving more than one of the Länder. Within the German Government, the Federal Minister for Economic Affairs and Energy has the lead responsibility for tourism policy. The Federal Government's Commissioner for the New Federal States (Länder), SMEs and Tourism is responsible for co-ordinating tourism policy within the Federal Government and with the German Parliament (Bundestag), especially with the Tourism Committee (Box 9).

In 2009, Atout France was established to better coordinate the activities of stakeholders. Combined ODIT France and Maison de la France, it was incorporated as an Economic Interest Group (EIG), a private law structure frequently used for long-term co-operation between public and private partnership. Atout France operates a unique public-private partnership model and its organisation and budget structure also are optimised to leverage this characteristic (Box 10).

Box 9. The German National Tourist Board

The German National Tourist Board (GNTB) is responsible for marketing tourism abroad (image building, development of products and strategies, sales, market research, and public relations). It represents Germany throughout the world as a destination for holidays, business travel and visits to friends and family. Working in accordance with its statutes, the GNTB pursues a variety of measures and activities in order to fulfil two main aims:

1. to promote tourism to Germany, and
2. to further develop the positive image of German travel destinations in other countries.

This also includes the dissemination of German art and culture and of other social values abroad. The work of the GNTB strengthens not only the idea of international understanding, but also the notion of heritage and history, and particularly customs and traditions. It also takes into account environmental aspects in the field of tourism.

The GNTB operates on behalf of the Federal Ministry of Economic Affairs and Energy from which it receives the majority of its funding, based on a decision of the German Parliament (Bundestag). The GNTB, with over 30 foreign offices worldwide, works closely with the tourism marketing organisations of the 16 Länder and co-operates throughout the world with the German Chambers of Commerce Abroad, the Oversees Trade Exhibition Division of the Federal Ministry of Economic Affairs and Energy and AUMA, the Association of the German Trade Fair Industry.

Box 10. Atout France

Atout France has more than 1,200 members, including more than 450 public partners. Although the average contribution is moderate (the total amount of contributions is EUR 2.2 million in 2015), the high number of members proves the good representation of Atout France in a sector with very different actors.

The board of directors of the agency comprises 30 members, appointed for 3 years (renewable), comprising of:

- 6 representatives of the State;
- 8 representatives of Federations, Unions, tourism associations;
- 4 representatives of the members, elected by each of the four colleges of the General Assembly;
- 12 qualified personalities, natural persons or directors of legal persons, appointed by the Minister in charge of tourism.

The Ministry of Economy and the Foreign Ministry conduct the joint supervision of Atout France and participate in all the Boards. In addition, follow-up meetings are organized regularly between the management of Atout France and the departments of the two ministries responsible for its supervision.

Atout France operates a unique public-private partnership model (PPP): half of its funding comes from the subsidy for public service load (CPSS), while the other half comes from various partners (local authorities, companies etc.). Total revenue in 2015 was EUR 70.9 million. In addition to the public service subsidy (EUR 29.1 million), these included services (EUR 33.4 million), State grants related to specific services (EUR 1.2 million) and contributions (EUR 2.2 million). The sum of these last three components represents, in 2015, about 52% of total revenues.

These co-ordination processes may have their own bureaucratic burden but as a result of improved communication and understanding they can lead to enhanced product offer and greater efficiency. Coordination mechanisms help to build better awareness across multiple organisations of shared 'brand' objectives, as well as highlighting and eliminating overlap. In the case of Canada this 'whole-of-government' coordination initiative identified opportunities to consolidate overseas marketing offices as well as reshaping target market strategy (Box 11).

Box 11. Destination Canada – Implementing a whole-of-government-approach

In 2011, an effort to focus and coordinate the tourism marketing activity of national and regional bodies, the Canadian Tourism Commission (CTC) (now Destination Canada) realigned its business model as part of a Federal Tourism Strategy (FTS). The objective was to implement a 'whole-of-government' approach to enhance the federal government's role as an effective partner with industry and other levels of government in support of an internationally competitive tourism sector (Canadian Tourism Commission [Destination Canada], 2011).

As part of this process the business model of CTC shifted investment into high-yield, long haul international source markets, in so doing consumer advertising and trade development activities were ceded to the regional marketing organisations many of which already invested in the U.S., thereby maximising existing resources. As part of this process, five international offices were closed, a regional hub structure was established, and potential co-location opportunities with provincial marketing organizations to further reduced expenses in certain international markets were explored, in order to free up resources to be directed back to marketing.

Rationalisation and integration

There are many organisations involved in overseas promotion initiatives: the inward investment, export promotion and talent attraction agencies, all often operating at a national, regional and local level. There is a case to be made for efficiency through the combination of shared services and campaigns or umbrella 'brand' promotion initiatives which market the destination as a totality. At a city marketing level, agencies are increasingly speaking to tourists and investors through integrated brand platforms on the theme of liveability. The Netherlands has taken the city focussed strategy to its logical conclusion, recognising that as a country its tourist offer is made up of a number of small key cities, and is now marketing itself as Holland City (Box 12).

Box 12. NBTC - Holland City

In 2011 NBTC Holland Marketing, faced a significant budget cut of 40% and as a result some urgency was injected into finding rationalised and integrated approaches to marketing initiatives. A public-private partnership approach was followed more assertively. This required a greater amount of autonomy for the DMO from the Ministry - as it required more time spent to work with partners to align objectives and generate income. A strong working relationship and understanding of roles is necessary between NBTC Holland marketing and the Ministry of Economic Affairs to swiftly approve the goals and Holland branding & Marketing Strategy 'Holland City'.

The Ministry has approved the 'why' and 'how' for destination Holland for the years 2016-2020. Progress is discussed and monitored twice a year in a formal setting, besides regular informal contact. This approach has paved the way to enable closer and more efficient working with the private sector and in particular OTAs, who are among its biggest contributing partners.

Further approaches to integration can be seen in North Europe where restructures have followed funding reductions and external crisis as in the case Finland and Iceland. In 2014 the Finnish government shut down the Finnish Tourism Board (FTB) as a separate agency and incorporated its functions into Finpro, the largely state-funded organisation with responsible for exports and FDI. By developing shared functions, efficiency gains can be made and internationalisation experience can be shared. In 2007, the

Portuguese government identified governance reform as an important tool to support change in response to emerging challenges including high seasonality, and low occupancy rates. As a result, five agencies with responsibilities for tourism policy (regulation, marketing, investment, training and gambling) were merged into a single National Tourism Authority, giving Turismo de Portugal I.P. a unique view and knowledge on aspects of supply and demand. This rationalisation helped to provide integrated policies and ensure consistency and visibility to measures undertaken.

Box 13. Rationalisation and integration leading to innovation

Iceland – Promote Iceland was formed in 2010 to strengthen Iceland´s image and reputation, enhance the competitive position of Icelandic undertakings on foreign markets and to attract foreign investments and tourists to the country. Inspired by Iceland, the 'umbrella brand' for Iceland tourism, was first launched in April 2010, to reverse the negative effects of the volcanic eruption in Eyjafjallajökull.

To mediate this crisis a public/private act was formed between the Icelandic government, City of Reykjavík, Icelandair, Landsbankinn, Iceland Tourism Association and 100 companies in the travel industry, trades and services. This was the first time that all of the key stakeholders in the Icelandic tourism industry worked together from an integrated marketing approach and the main message was not just nature oriented, but also focused on culture, economy and people. The idea was to inspire people to tell positive stories about Iceland and create an army of fans that spread news and positive message across social media and PR outreach with an integrated marketing approach, delivering the same message across all markets. This approach proved successful. Despite the negative effects of the volcanic eruption, tourism numbers in Iceland actually increased by 0.6% in 2010.

Since 2011, the Inspired by Iceland marketing initiative has been run across European, North American and Nordic markets, with integrated campaigns that have combined traditional advertising, digital media, traditional & digital PR including broadcast, print and online, social media and experiential activation. An annual budget of around EUR 2 million from public and private funds is made available for specific themed marketing campaigns. Campaigns such as 'Honorary Islander' in 2011-12, through to 'Ask Gudmunder' in 2015 have relied heavily on including Icelanders in the programme, promoting a welcoming image of intimacy and friendliness, integrated with key social media channels. The Ask Gudmundur campaign delivered a return of 425 million earned media impressions, over 45 000 user generated contributions, 679 media articles, increased consideration for Iceland by 38.6% between exposed and control groups and those who were exposed to the campaign searched 164% more for Iceland on Google across all key markets.

France – In France, Atout France has been developing 'destination contracts' to rally both public (vertical integration) and private partners to not only establish or enhance existing and highly visible tourism offerings, but create an attractive destination brand with international appeal.

The 'country of origin' effect is a well-known phenomenon, wherein the positive or negative association of a product brand with a place brand can determine the success of an export. The partnership power of product and place brand then has great potential to generate tourist interest. This mutual interest can reap significant benefits especially when place brands can harness the power of globally recognised luxury brands. With plans to develop 20 destination contracts, France will, for example, seek to better exploit the brand reputation of Champagne Region and the Loire Valley to boost tourism. With multiple partners involved from multiple regions this approach has the potential to leverage funding from large consumer-orientated marketing budgets and enhance overall attractiveness by highlighting the richness and breadth of the national tourism offer.

One of the recent examples of destination contracts is 'The Normandy Destination Impressionism contract'. Having been provided with an opportunity to capitalise on the worldwide popularity of Impressionism, the Regional Tourism Committees of Normandy and Ile-de-France, the French State and Atout France joined forces and pooled resources in order to structure and strengthen the tourism offer for Impressionism. The Destination Impressionism contract, which brings together over 50 public and private partners is original in terms of its content and ambition which aim to i) structure a tourism offer specifically around a theme rather than a geographic area; and ii) use a brand name to make the offer tangible and visible. Progress towards meeting these objectives, include the: i) mobilisation of essential public and private partners, ii) launch of brand research and a strategic offer, iii) creation of shared tools through a sales toolkit (film, documentation and a directory of Impressionist sites, and of theatre companies capable of putting on a show or performance with an impressionist theme), iv) publication of the "Guide du Routard" tourist guide on Impressionist destinations, and v) development of extensive promotion campaigns in foreign markets such as in United States, Japan and Poland.

In many instances the process of rationalisation has led to campaign innovation - as in the case of Iceland's themed marketing campaigns, and greater integration with private sector through greater focus on shared brand objectives as can be seen in the development of shared destination marketing in France (Box 13).

In United Kingdom, the GREAT Britain Campaign has successfully unified the international promotion efforts of VisitBritain (tourism), the Department for International Trade (exports and foreign investment), the British Council (education) and the Foreign and Commonwealth Office (diplomacy). With the GREAT brand currently utilised by a total of 21 government departments and organisations, the campaign is active in 144 countries and delivers approximately 80-100 activities and programmes each month. The overall campaign strategy is led by a Programme Board chaired by a senior government minister and is attended by all chief executives and senior officials responsible for the delivery of the GREAT campaign (including the Chief Executive of VisitBritain). A small team at 10 Downing Street is responsible for GREAT's strategic coordination, campaign funding, governance, evaluation and for maintaining the quality of the brand.

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