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Destination Decision Making:
The Need for a Strategic Planning and Management Approach

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Abstract

The choice, consumption and later evaluation of destination experiences, is a complex and important area. Consumers are often highly involved. The experience involves both products and services requiring a relatively high level of expenditure. It also usually involves a degree of risk within a relatively unfamiliar environment. Such factors mean that consumers can hold strong and influential attitudes toward different destinations. The factors and processes that influence destination choice have received considerable research attention. In addition, studies have begun to investigate satisfaction levels relating to the quality of the destination experience. However, it is argued in this paper that important information affecting consumer destination decision making needs to be better incorporated into a systematic planning process. This will aid the strategic management of such information and better enable the implementation of strategies aimed at enhancing destination competitiveness.

Introduction

This paper proposes a strategic management approach by which those responsible for marketing destinations can develop holistic, coordinated strategies better able to influence the destination decision by potential travellers. In order for this to be achieved it is necessary to develop an improved understanding of the key factors likely to influence the choice of destination. Traditional demand theory within tourism research continues to suffer important constraints as it gives insufficient emphasis to the particular characteristics of the product. This paper proposes approaches which both illuminate more fully the question of destination choice by the traveller as well as how such information may be better utilized and implemented through a strategic planning and management approach, by those responsible for visitor destination marketing. This paper commences by examining important approaches that have been developed to enhance understanding of the complex processes involved in the traveller destination decision process. This leads to a discussion of possible theoretical limitations in current models of destination choice. Means of extending existing theoretical approaches to explaining the process of destination choice by travellers have been advanced. Finally, methods of better implementing destination marketing strategies based on a strategic planning and management approach have been discussed.
Leisure travel destination decision processes

Effective destination marketing management requires a detailed understanding of the complex processes involved in the traveller destination decision-making process. Much has been written in the academic literature on the destination decision process resulting in a range of theoretical models. It has been widely held among researchers in the buyer behaviour field, that the consumer's decision to purchase is a multi-staged process. The classic decision making process, drawn from consumer behaviour literature, as outlined by Kotler, identified that consumers transit the stages of:

1. need recognition
2. information search
3. evaluation of alternatives
4. choice of product or service and
5. post-purchase evaluation.

Of course, not every purchase goes through each step of the model. In routine re-purchase situations of household items such as milk for example, the consumer may go straight from the stage of need recognition to purchase. However, a key advantage of the model is that it recognises that the buying decision process is likely to commence long before actual purchase and continue after purchase has occurred, signalling that marketers need to focus on the entire buying process rather than just on the purchase decision. Need recognition is the first stage in the buyer decision process in which the consumer recognises a problem or a need. Following on from need recognition, information search is the stage in the process where the consumer is aroused to search for more information. This state may encourage the consumer to go in active search of information or may heighten their attention to relevant information sources including advertising. It is vital marketers understand the sources from which customers draw their information if they are to influence the decision process.

Once sufficient information is gathered, the consumer moves to the evaluation of alternative solutions to their needs. The evaluation process is complex and will vary according to the buying situation. However, in general terms the consumer will examine the attributes of the product, assign different levels of importance to such attributes, determine the likely level of overall satisfaction with each alternative and derive an attitude toward the different solutions/brands. Marketers need to better understand how their customers evaluate alternatives so they may take steps to influence the outcome. A strategic planning and management approach can provide a valuable systematic framework to assist this process by better identifying the need to alter the attributes of...
the product, or better inform customers of the benefits of certain attributes of a certain destination.

In the evaluation stage, consumers rank brands and form purchase intentions. Generally, the consumer’s decision will be to purchase the preferred brand/solution but two factors can come between the purchase intention and the purchase decision. The first factor is the attitude of key people and relationships who may influence the purchase decision, for example family members. Marketers must therefore be aware of those who influence the buying decision. They may decide to use targeted communication to influence their buying attitudes, as well as those of the purchaser. The second is unexpected situational factors. In such situations, the potential purchaser may find some element of the marketing mix which does not meet their expectation, such as discovering a price increase or finding the standard and type of service received at a particular distribution outlet to be unsatisfactory.

The decision process is not complete when the sale has been made as the consumer may experience varying degrees of satisfaction with the outcome. The consumer can therefore be expected to engage in a form of post-purchase evaluation. The relationship between consumer expectations and their perception of product performance will determine their satisfaction level. Creating satisfied customers is essential as this both assists in customer retention and can lead to new business through satisfied customers becoming advocates for the product. Marketers therefore need to monitor both customer expectations and their satisfaction levels.

Researchers in the tourism and recreation area concerned with the travel purchase decision have made similar observations to that of researchers investigating consumption decisions. The decision to travel has been recognised as multi-phased rather than a single step process. Clawson and Knetch identified a five-phased process in their recreational behaviour model:

1. Anticipation: planning and thinking about the trip
2. Travel to the site: getting to the destination
3. On-site behaviour: behaviour at the site or destination region
4. Return travel: travelling home
5. Recollection: recall, reflection and memory of the trip.

The anticipation stage in this travel decision process incorporates the activities undertaken prior to travel, including need recognition and information search. Travelling to the site could involve a range of experiences and service encounters depending on
the mode of transport. In some travel situations travel to and from the site may be a major part of the travel experience as in the case of long haul international travel or luxury train journeys. Behaviour on the site incorporates the actual travel experience and is influenced by a wide number of service providers including the accommodation facility, recreation outlets, retail services and interaction with other travellers. Recollection and recall of the trip includes the post-purchase evaluation phase of the decision model that will have a major impact on the next purchase decision.24

The later work of Gunn25, identified a seven stage process in the leisure travel experience:

1. Accumulation of mental images about vacation experiences
2. Modification of those images by further information
3. Decision to take a vacation trip
4. Travel to the destination
5. Participation at the destination
6. Return travel
7. New accumulation of images based on the experience.

Gunn26 made explicit reference to changes in destination image as the consumer moves through the seven stages of the leisure travel experience. The process begins with the accumulation of destination images from a wide variety of sources that are then modified as a result of extended information search. These images are again altered during the post-purchase evaluation of the travel experience, implying the concept of continually evolving destination image. This observation supports the work of Hunt27 and Mayo and Jarvis28, who argue that a traveller’s choice of destination is subjective and multi-faceted. While there are many factors involved in the decision making process, the most important is based on the image projected by a set of alternatives and the perceived ability of that image to most closely satisfy the travellers’ needs.29

Notably, the consumer behaviour model and these two travel decision models, include some variation on the need recognition, information search and post-evaluation phases. The anticipation stage in Clawson and Knetch’s30 model is related to the first three stages in Gunn’s31 model, incorporating both the need recognition and information search phases. Post-purchase evaluation is captured as stages five and seven in the respective models. However, the fundamental differences between the consumer behaviour model32 and the travel process models33,34 are significant. Thus, as the purchase and consumption of the tourism product is often separated by space and time35, potential first time visitors are unable to fully examine product attributes prior to
purchase and therefore increase their reliance on image in destination choice\textsuperscript{36}. Fayek and Crompton\textsuperscript{37} have argued that the experiential nature of the tourism product, where consumers can only evaluate the service during and after consumption, increases reliance on promotion to build a brand image. Despite the wide availability of attractions, many destinations fail to fulfil their tourism potential because their promotion is not themed or targeted effectively.

The travel process models emphasize the need for direct experience to evaluate the tourism product. There is an emphasis on actual service consumption, including travel to and from the destination along with actual on-site behaviour. There is therefore an implicit recognition of the significant potential role of the service experience on post-purchase evaluation. In the view of the authors of this paper, such recognition should be made more explicit. Another key difference is that the travel process models omit the ‘evaluation of alternatives phase’ from their framework. This omission has the potential of reducing the importance of competition between tourism destinations for the limited available consumers. As competition for tourism visitation between destinations increases it becomes increasingly challenging for destination marketers to differentiate themselves adequately within the marketplace. Because of this it is argued by the authors of this paper that increased attention needs to be paid to the way in which potential visitors evaluate destination alternatives. This is supported by the work of Hankinson\textsuperscript{38}.

Adding to the body of knowledge on tourist destination decision-making, the work of Woodside and Lysonski\textsuperscript{39} provides a more complete model to explain the destination awareness and choice processes of leisure travellers. The model in Figure 1 depicts eight variables and nine relationships. Two exogenous variables, traveller characteristics and marketing variables are shown to influence destination awareness. Destination awareness includes four categories. These are termed the 1) consideration set, 2) inert set, 3) unavailable/aware set and 4) the inept set. Woodside and Lysonski\textsuperscript{40} argue that all destinations of which a consumer is aware will fall into one of these categories. Narayana and Markin\textsuperscript{41} defined the inept set or the reject set, as all destinations of which the consumer is aware but will not consider buying because they create a negative perception based on past experience or negative information. The inert set consists of those destinations of which the consumer is aware but has an ambivalent attitude toward, neither negative nor positive. Often this is because the consumer does not have enough information about the destination to make a meaningful evaluation. The unavailable/aware set are those destinations about which the consumer is aware but is unable to purchase due to any number of constraints such as financial, geographic, legal or other limitations. The consideration set is the ‘subset of brands that a consumer
considers buying out of the set of brands that he or she is aware of in a given product class\textsuperscript{42}. The consumer will consider purchasing these brands based on the likelihood that they believe the brand will satisfy their needs.

**Figure 1 - General model of traveller leisure destination awareness and choice**

![Diagram](image)


Figure 1 shows that the interaction between marketing variables and traveller variables will determine whether or not a brand is in the consumers’ consideration set. Marketing variables are those elements of the product offering that the marketing entity can influence including product characteristics including packaging, price, promotion and distribution, and in the case of service industries, people, processes and physical evidence. Traveller variables relate to all the characteristics of individual travellers which may influence their travel preferences including demographic, psychographic and behavioural characteristics. Therefore, it may be argued that the aim of destination marketing organisations (DMOs) should be to create a well designed marketing mix targeted at a clearly defined target market to move a destination into the consideration set of that specific market\textsuperscript{43}. As such, only those destinations that offer an appropriate product, at an appropriate price, communicate these attributes effectively and sell the product through appropriate distribution channels will be considered for purchase.
Different destinations will be attractive to different travellers based on how well the marketing variables meet the needs of individual travellers. The strategic planning and management approach proposed in this paper provides a disciplined framework that may be utilised by marketing and local planning organisations to identify that mix of variables and establish those strategies that can best influence the choice of destination by potential travellers.

Affective associations in the model, are the specific feelings the consumer has toward the brands they are aware of, usually based on brand attributes such as: sunny, fun, culturally diverse, beautiful beaches, quality restaurants and so on. Woodside and Lyonski argued that affective associations with a destination are usually positive for a destination consumers would consider visiting and negative for those destinations they would not visit. They argue that travellers determine their preference for a destination based on destination awareness and affective associations, where *traveller destination preference* is defined as the ordering a consumer assigns to alternative destinations from most to least liked. *Intention to visit* is defined as the likelihood of visiting a destination within a specific time frame. Both Woodside and Carr and Muhlbacher and Woodside argue that intention to visit is strongly linked with traveller preference. In addition, the model shows actual destination choice to be directly influenced by situational variables and intention to visit.

However, some limitations are evident in this model of destination choice. First, the model omits the important marketing mix variables of process, physical evidence and people, associated with services marketing. The need to extend marketing mix variables from the traditional 4P’s (product, place, promotion, and price) emerged from studies which aimed to identify characteristics which differentiate service marketing from the domain of tangible products. Service classification schemas have been developed including the tangibility continuum and the work of Zeithaml, Parasuraman and Berry which identified four key characteristics that differentiate services from goods, namely: intangibility, inseparability, heterogeneity and perishability. These characteristics describe inherent differences in the way consumers search for, experience and evaluate services.

Shostack developed the ‘tangibility continuum’ as a means of classifying services. Tangibility is defined as ‘palpable’ and ‘material’ while intangible is an antonym meaning ‘impalpable’ and ‘not corporeal’. Shostack reasoned that there were very few pure products or pure services but rather that market offerings tend to be dominated by either tangible or intangible elements, and as such all market offerings could be placed on a continuum according to their degree of tangibility. Her examples included teaching as a
highly intangible offering at one end and salt as a highly tangible product at the other. Shostack’s\textsuperscript{52} argument suggested that service marketers should attempt to increase the tangible evidence of a service, decreasing the level of abstraction, with the aim of aiding consumers in their decision making process. Therefore, the \textit{physical evidence} of a service organisation becomes an integral part of marketing management, as consumer perceptions of a service can be influenced by managing the physical evidence of the servicescape. For example the foyer of a five star hotel sets very different expectations from those created by the décor and layout encountered at a backpacker hostel.

Zeithaml, Parasuraman and Berry\textsuperscript{53} acknowledged the degree of tangibility as a means of identifying services and suggested an additional three key characteristic that differentiate services from goods, namely: \textit{inseparability}, \textit{heterogeneity} and \textit{perishability}. Inseparability refers to service delivery, where production and consumption are often simultaneous and the consumer is intricately involved in the production process. With the marketing of physical goods, the product exists before the marketing process begins. The production outcome, rather than the process, is central to the consumer’s evaluation of the product. In the service production process the consumer is often a participant and therefore the service \textit{process} becomes a key means of differentiating the service offering\textsuperscript{54}. For example, a passenger on an international plane journey expects the service will deliver them to their destination. However, the customer’s evaluation of the service will include every service encounter from telephone contact when making a reservation, the manner in which they are greeted at check-in, the efficiency of the baggage handling service and the in-flight service. The customer will be personally involved in many aspects of the service delivery rendering the service process vital to their satisfaction level.

Further, the inclusion of the customer in the service process also greatly increases the role of service employees in the marketing process, rendering effective \textit{people} management as a crucial element of services marketing\textsuperscript{55,56}. The attitude, appearance, skill and professionalism of service staff is a vital element in effective service delivery. Therefore, the manner in which service industries recruit, train and manage their staff has a direct impact on customer satisfaction. The third defining characteristic of services as outlined by Zeithaml, Parasuraman and Berry\textsuperscript{57} is heterogeneity, or a lack of standardisation. As outlined above, the human element in the production and consumption of services prevents the service provider from standardising production outcomes as would be possible in a manufacturing environment. This lack of standardisation further increases the importance of service delivery processes and effective people management as integral elements of the marketing mix. The fourth feature of services is perishability, or the inability for service providers to hold goods in
inventory as a means of balancing supply with demand. Being unable to balance fluctuations in demand using inventory control as would be possible with physical goods requires service organisations to develop yield management systems which aim where possible to smooth demand and minimise fixed costs. These defining characteristics of services rendered the 4P’s inadequate as consumer satisfaction in a service environment requires strategies which consider all seven elements of the extended marketing mix.

In addition to omitting the extended services marketing mix, the second limitation of Woodside and Lysonskii’s\textsuperscript{58} model is that other than previous destination experience, the model omits information sources beyond those controlled by the industry and DMOs. Thirdly it shows the relationship between affective associations and destination awareness to be a one-way relationship overlooking the impact of affective associations on destination categorisation in destination awareness. Importantly, for the purposes of this paper the model, while identifying important factors likely to influence the destination choice process, does not assist those responsible for developing and marketing destinations, prioritise and implement strategies in a holistic, co-ordinated manner.

**A strategic planning and management approach**

As pointed out by Jamal and Getz\textsuperscript{59} while there has been much emphasis on the importance of tourism destination planning and marketing, little attention has been paid to the implementation of marketing strategies and the evaluation of planning and marketing effectiveness. The concept of strategic planning provides an important framework for assisting these processes. Goodstein, Nolan and Pfeiffer\textsuperscript{60} regard strategic planning as a process by which the guiding members of a community or group, envision its future and develop the necessary procedures to achieve that future. This involves more than simply extrapolating current trends or predicting and anticipating the future. It represents a process through which members of a community or organisation attempt to create their future, with regard to the realities of their external environment and internal capabilities. This process involves the planners in close and ongoing consultation with key community decision-makers in the areas of cultural, social, human, environmental and economic and commercial development. Such an analysis allows an appraisal of the current situation of a potential tourism destination internally and externally, and to its advantage and disadvantage. It allows an interpretation of the destination’s current strategic status by the planning process participants by aiming to bring together a complex mix of political, economic, social, cultural and community factors. It attempts to then juxtapose these factors as a basis for planning and marketing in a manner that enables the construction of a vision as well as objectives that are
grounded in a clearer appreciation of both opportunities and constraints that confront the destination\(^6\).

The weighted SWOT scoring analysis proposed by Flavel and Williams\(^6\) is a valuable basis for assessing the relative significance of particular categories of strength, weakness, opportunity and threats that confront particular destinations. Each major strength category identified for a particular destination is weighted in importance against the other strength categories, out of a total score of 1.0. This weighting process is repeated for the categories of weaknesses, opportunities and threats. Each individual strength, weakness, opportunity and threat is also given a percentage score (out of a maximum of 100 per cent) to indicate its estimated degree of intensity, as shown in Table 1. An average intensity percentage score is computed for each major category within strengths, weaknesses, opportunities and strengths and then multiplied with the importance weighting attributed to the relevant category to produce a weighted intensity score for that category. This then provides a basis for assessing the relative significance to the destination of particular categories of strength, weakness, opportunity and threats. It also allows for the deduction of total weakness scores from total strength scores, and total threat scores from total opportunity scores, thereby allowing a diagnosis of the extent of positive strategic potential, inherent in the destination. It also allows marketing strategies to be targeted to those areas likely to be most promising in terms of capacity building in a manner which minimizes and defends against weaknesses and threats, while at the same time maximizing available internal strengths and external opportunities.

**Table 1 - SWOT Scoring Interpretation**

<table>
<thead>
<tr>
<th>SWOT Score Per cent</th>
<th>Interpretation (of S, W, O, or T)</th>
</tr>
</thead>
<tbody>
<tr>
<td>90-100</td>
<td>Extremely high S, W, O or T</td>
</tr>
<tr>
<td>80-89</td>
<td>Very high S, W, O or T</td>
</tr>
<tr>
<td>70-79</td>
<td>High S, W, O or T</td>
</tr>
<tr>
<td>60-69</td>
<td>Significant element of S, W, O or T</td>
</tr>
<tr>
<td>50-59</td>
<td>Partial S, W, O or T</td>
</tr>
<tr>
<td>40-49</td>
<td>One or two areas only of S, W, O or T</td>
</tr>
<tr>
<td>30-39</td>
<td>Very little S, W, O or T</td>
</tr>
<tr>
<td>20-29</td>
<td>Hardly any</td>
</tr>
<tr>
<td>0-19</td>
<td>None</td>
</tr>
</tbody>
</table>

*Source: Flavel and Williams, 1996.*

Strategic planning assists in the formulation of strategies directed at attaining both competitive advantage and longer-term destination sustainability. It also provides an important systematic framework to aid in the effective and efficient implementation of
such strategies. Corporate strategic planning is concerned to find a suitable ‘fit’ between an organization’s internal capabilities and the external environment. In a similar manner, destination strategic planning should be concerned to seek an appropriate fit between the external environment (the factors affecting choice of destination by tourists, for example) and important internal resources and capabilities of the region (such as natural tourism assets and service capabilities) to ensure that the longer term economic value and sustainability of the region is maintained.

The overall vision for the region with supporting objectives needs to be carefully defined. Objectives need to incorporate both financial and non-financial measures. In addition, strategies aimed at achieving these objectives need to be developed by including key stakeholders from within the region. This process needs to ensure inter-organizational collaboration from within the region and be dynamic and interactive in a way which ensures the process can adapt to the changing needs of a destination domain. Thus, empirical research conducted in a number of development settings has demonstrated that sustainable developments are most likely to occur when (1) the idea of development is of local, or endogenous, rather than exogenous construction, and (2) the delivery of technical assistance from outside the local community is through, or in collaboration with, internal organisations. In such a view, tourism destination developments should be seen as a process by which communities can initiate and manage key characteristics likely to influence tourism destination choice as well as the marketing of these characteristics.

This suggests that sustainable community development involving tourism, requires decision making to be representative of community interests and not dominated for example, by external corporate interests, not representative of the community. A key determinant of the effectiveness of strategic planning processes will be the need to ensure stakeholder involvement in the process. Managing the stakeholder process is particularly challenging and important in destination planning due to the fragmented nature of the tourism industry and differing resident values and attitudes toward tourism development. Such differences lead to a potentially turbulent environment with regard to the domains associated with tourism destinations. A high potential for conflicting views and values suggests the need for an identification of community values and concerns, effective communication flows and information transfer and effective and transparent means of evaluating the potential impacts of tourism developments. A community mission and vision statement accompanied by strategic objectives, when developed through broad stakeholder involvement, is likely to provide a valuable framework to guide local planners and destination marketing organisations in the formulation of strategies associated with the development and marketing of a tourism destination.
Such a participatory planning process directed at achieving sustainable tourism destinations requires significant human and financial resources and a desire for cooperation and cohesion. These factors may be lacking at some points in time in tourist destinations both in Australia and elsewhere. A strategic planning process is an important means of overcoming such difficulties by involving key individual and organisational stakeholders within a community in a manner which involves the mutual engagement of the planners and the 'planned'.

In this sense, a strategic planning and management approach becomes an important means of achieving sustainability. Sustainable development is often defined as development that meets the needs of the present generation without compromising the ability of future generations to meet their needs. Sustainability in the context of this paper originates from a concern with the impact of tourism developments which may result in environmental degradation, traffic and people congestion and marginalisation of existing residents within a region from certain preferred activities. This interpretation emphasises the importance of reconciling values associated with ecological, economic, socio-cultural and political dimensions. It further reinforces the need for a community based strategic planning approach to guide the participation of key stakeholders across broad but essential fronts. A strategic planning and management approach can thereby encourage and facilitate a holistic approach to destination development, which lays down not only economic considerations but also specific environmental, social and organisational criteria as well as the achievement of current and intergenerational equity considerations.
References


(8) Chon, ref. 4 above.

(9) Woodside and Lysonski, ref. 5 above.


(13) Clawson & Knetch, ref. 7 above.


(18) Kotler, ref. 14 above.


(20) Chon, ref. 4 above.

(21) Gunn, ref. 6 above.

(22) Clawson & Knetch, ref. 7 above.


(25) Gunn, ref. 6 above.


(27) Hunt, ref. 11 above.

(28) Mayo & Jarvis, ref. 10 above.


(30) Clawson & Knetch, ref. 7 above.

(31) Gunn, ref. 6 above.
(32) Kotler, ref. 14 above.

(33) Gunn, ref. 6 above.

(34) Clawson & Knetch, ref. 7 above.


(36) Chon, ref. 4 above.


(39) Woodside and Lyonski, ref. 5 above.


(43) Woodside and Lyonski, ref. 5 above.


(49) Shostack, ref. 47 above.

(50) Ibid.

(51) Ibid.

(52) Ibid.

(53) Zeithaml, Parasuraman and Berry, ref. 48 above.


(57) Zeithaml, Parasuraman and Berry, ref. 48 above.

(58) Woodside and Lyonski, ref. 5 above.


(63) Jamal and Getz, ref. 59 above.
