



**CHALLENGING THE DESTINATION MARKETING SYSTEM
APPLICABILITY FOR THE ESTONIAN NATIONAL
TOURISM ASSOCIATION**

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Contents

- 1. Introduction..... 4
- 2. Methodology 7
 - 2.1. Primary data..... 8
 - 2.2. Secondary data..... 11
 - 2.3. Limitations..... 12
 - 2.4. Delimitations 13
- 3. Literature overview 14
 - 3.1. Destination Management Organisations (DMOs) 14
 - 3.2. Roles of an NTA..... 15
 - 3.3. Strategic marketing of tourism destinations 16
 - 3.4. Strategic planning process 17
 - 3.4.1 Where are we now?..... 18
 - 3.4.2 Where would we like to be?..... 24
 - 3.4.3 How do we get there?..... 29
 - 3.4.4. How do we make sure we get there?..... 31
 - 3.4.5 How do we know we got there?..... 33
- 4. Presentation of data..... 35
- 5. Analysis and conclusion 50
 - 5.1. Where are we now? 51
 - 5.1.1. Theoretical analysis 51
 - 5.1.2. Empirical analysis 52
 - 5.2. Where would we like to be? 54

| | |
|--|----|
| 5.2.1. Theoretical analysis | 54 |
| 5.2.2. Empirical analysis | 55 |
| 5.3. How do we get there? | 56 |
| 5.3.1. Theoretical analysis | 56 |
| 5.3.2. Empirical analysis | 57 |
| 5.4. How do we make sure we get there? | 57 |
| 5.4.1. Theoretical analysis | 57 |
| 5.4.2. Empirical analysis | 58 |
| 5.5. How do we know we got there? | 58 |
| 5.5.1. Theoretical analysis | 59 |
| 5.5.2. Empirical analysis | 59 |
| 6. Discussion | 60 |
| 7. Bibliography | 62 |

1. Introduction

The increasingly globalizing world has created many challenges and opportunities for the National Tourism Agencies (NTAs) to internationally promote the destination countries. It is important for the NTAs to keep up with the latest developments in the global tourism sector and adjust their marketing strategies accordingly. Undertaking market research and understanding the strategies is necessary to efficiently connect an organisation with the targeted customer base and to fully utilize the resources dedicated for it. This project does not attempt to create a comprehensive marketing plan, but instead looks at the theoretical aspects upon which a successful marketing strategy could be developed on.

In today's consumer environment of over-choice and over-communication, growth can only be realized by organisations that are very skilled at crafting well-targeted strategies directed at specific micro-niches of the larger macro market (Young & Javalgi, 2007). NTAs should, hence, focus their marketing efforts to specific areas or countries, which have the biggest potential for tourism and bring in the most revenue. The classical objective for NTAs is to attract as many visitors as possible, but concentrating on specific target markets, could be more valuable in the long run. Different countries have numerous attractive qualities and it would be wise for the NTA to focus on a selection of them, because a country cannot seek success in every aspect they have to offer. This would have to be taken into account, when entering a new target market, to find out the unique attractions and qualities that could motivate tourists to visit a certain country or region. Despite the importance of marketing the destination, the NTAs have to be skilled in managing a wide range of different strategies, which will be closely investigated in this paper.

The NTA of the Estonian tourism market is the Estonian Tourist Board (ETB), a part of Enterprise Estonia (EAS), which promotes business and regional policy and acts as a support system for entrepreneurship (EAS, 2016). The board is in charge of the general tourism strategy, targeted marketing and the budget allocated to them by the Enterprise Estonia. According to their Strategic Plan of Action for 2015-2020, the priorities set for tourism focus on increasing visitor numbers, and that Estonia's attractions and events would be interesting for the international guests (Enterprise Estonia, 2016). These very simple goals are natural for an emerging destination such as Estonia, but the ever-evolving competitors create the need for further development of their marketing strategy. As globalization increases, firms will need to

know how to better utilize the market research approaches that enable them to stay close to the worldwide and diverse customer segments (Young & Javalgi, 2007). An opportunity to make changes in the current Estonian destination marketing scope could happen within four years, when the ongoing development plan has ended. Analysing the research based literature, will give an opportunity to focus on the theory behind a successful marketing plan, and help the NTA of Estonia to precisely target a potential future tourist segment.

The need to be more focused with their marketing strategy can be seen when looking at the specific tourism target markets for Estonia. The main countries in which Estonia is marketed as a tourism destination are: Finland, Russia, Latvia, Sweden, Norway, Germany and Great Britain (Enterprise Estonia, 2016). The potential size of the visitor market, compared to other similar markets, might be quantifiably smaller in some cases, but that does not necessarily mean, there is no interest for visiting any one of the Baltic countries in the region. Addressing new visitor markets can be complicated, because the strategies used, have to be adjusted to specifically suit the visitors, whom the NTA is looking to capture. The NTAs need to consider a range of factors and not just rely on the narrow monetary Return of Interest (ROI) variable, when entering new markets or making strategic changes in the current ones. Acquiring in-depth knowledge about the country and the potential visitors, prior to forming a broad marketing plan, is essential to building a strong theoretical basis about the country in focus.

The smaller tactical changes in a shorter time span will become relevant, when the NTAs are looking to access new international target markets. In an increasingly globalizing business environment, the creation and transfer of marketing knowledge and intra-firm collaboration through knowledge based approaches to marketing, will become more and more crucial as a determinant of corporate competitive advantage and survival of firms (Kohlbacher, 2007). This means the marketing knowledge within the company, has to entail a wide range of characteristics and forms of analysis, which enable the marketers to conduct their operations effectively. The ability of the firm to learn about the customers, competitors and channel members in order to continuously sense and act on events and trends in present and prospective markets is critically important (Day, 1994). Constant monitoring and improving of tactical marketing processes is necessary to achieve the greater destination marketing goals in the long run.

In order to better outline the tactical actions needed to reach destination marketing objectives, the PRICE destination marketing system, will be analysed. The concept can be considered interchangeable with the well-known destination marketing system and entails the

same strategies. The PRICE model is directly derived from the original destination marketing system (DMS) and identifies five key functions for the NTA, which guide the marketing planning process through different steps and techniques (Morrison, 2013b; Kothari, 2004; Johnson, 1986). The five seemingly simple marketing steps are comprised of many concepts and NTAs have the task of going through the process and finding the most suitable functions and activities to achieve their marketing objectives. Several theories by a range of authors are used, to further explain their qualities and importance in effective destination marketing. The various steps included in the PRICE model will be the basis for the theoretical analysis to simplify the decision-making for the marketing managers. In this project, the concepts of PRICE and DMS model are used synonymously, due to their high similarity and corresponding activities.

It is important to keep in mind that markets themselves have also changed from a physical place to a dynamic information-based site on the Internet, which has also forced the businesses to adapt. Knowledge has become the major new form of capital and, as claimed by many authors, the only source of competitive advantage on the global market (Brännback, 1997). Therefore, it is important for the NTA to reconfigure and fully exploit the marketing knowledge to make balanced decisions when conducting changes in their strategy. The products and services promoted by the NTA should also be appealing to social media users, which enables the new products to quickly reach a wider audience. Although analysing the individual approaches is not a main topic of this paper, the author recognizes the variety of channels and procedures available, to reach new markets or segments.

This paper will analyse the ground-level tactical implications to a destination marketing process. The extensive theoretical analysis will give an overview of the research and various activities which need to be undertaken by the NTA to form a strong theoretical basis for their new strategic plan to succeed. Strategies for introducing different tourism characteristics and attractions to previously unaddressed markets will also be investigated to find out the most suitable one for the NTA to follow. Additionally, several basic components and theories of destination marketing planning will be analysed.

The research problem is formed around the DMS system and looks to find out the suitability of this system for a small NTA with limited resources and budget. More specifically, **how does the DMS system and its strategies apply for the Estonian NTA?** Since the management system comprises of a range of activities, which have to be undertaken to fully complete the process, it is also time consuming and meticulous. In order to reap benefits from completing

the system, it would be important for the NTA to not take the smaller processes lightly, which might leave gaps in the knowledge gained in the analysis. That will result in a poorly constructed process and can yield incorrect results. On the other hand, a country with a small number of internationally attractive qualities, can save resources by knowingly focusing on the previously identified attractions and characteristics.

The research question will be answered through studying the many parts of the model for destination marketing. In addition, the paper looks to answer the question, which of the marketing goals and activities included in the model are suitable for a small NTA to access a new target market, in the ever globalizing world? The use of those various methods for marketing strategy development will be analysed to gain a more comprehensive overview of the potential market and the barriers the NTA faces along the way. The strategies and possible implications will be analysed in the context of the Estonian NTA, if they are looking to access unaddressed markets in the future.

2. Methodology

This part of the paper includes a brief explanation of what the project is aiming to achieve, how the research was conducted and why the specific methods were selected. Hence, this chapter contains an introduction to how the study was carried out, and a description of how the theoretical and empirical data for this paper was collected and used, to find out the objectives of this study. The research question will be answered through the description of the paper's primary and secondary data. Lastly, the limitations and delimitations of the paper will be analysed in order to better understand the focus of this paper.

This research revolves around the topic of country marketing and the strategies of NTAs, who are usually responsible for the procedures in many countries. Literature about strategic marketing proposes a destination marketing system, which is a process of various marketing activities for NTAs to efficiently enter a new market. The system also guides the businesses, when conducting well-calculated changes in their marketing strategy. The hypothesis of the author is that, following all of the steps of the DMS process, might not be necessary for the Estonian NTA to be well prepared to enter a new market. For example, the cultural similarities between the Scandinavian countries and the strategy to address them, could act as a basis, to build a new market entry strategy on. Furthermore, the few attractive qualities of Estonia, requires the NTA to focus on their Unique Selling Points (USPs) to ultimately create a sustained

competitive advantage. The motivation to undertake this research is related to the author's personal interest in marketing Estonia as a tourism destination and conducting the strategies as efficiently as possible. An extensive coverage of marketing strategies in the DMS is needed to find out the best-fitting actions for an NTA with limited resources and funds.

Exploring this field requires the analysis of a whole range of marketing strategies, each with their own positive and negative aspects. Some theories are created more than a decade ago, but are still considered relevant, due to the ever changing environment surrounding the businesses. The complexities of the modern world has forced marketing managers to turn back to those concepts, due to their relative simplicity in the modern world. These theories have also gone through several modifications by different authors through the years, but this paper will still address several classical theories to emphasise their relevance today. Definitions about marketing and different NTA techniques will be shortly examined to give a comprehensive look into the complex world of destination, specifically, country marketing. Other NTA related activities are evaluated to show the variety of activities and theories they address, when making strategic changes in their marketing plan.

2.1. Primary data

The primary data is collected through the qualitative method approach. This type of research aims at discovering the underlying motives and desires, using in-depth interviews for the purpose. Interview with the head of the marketing department of the Estonian NTA – Enterprise Estonia, is used to gain clarity about the complicated subject. The second interview will be conducted with the research and development director of Estonian Enterprise to give a second perspective and depth on the topic. The objective of the research is to gain familiarity and new insights into the complex world of country marketing and the NTA strategies that are used for that. The research question, which the two interviews are looking to answer is:

The applicability of the destination marketing system strategies for the Estonian NTA?

The qualitative research approach was chosen due to the practicality for this paper, allowing to answer the research question in the most efficient way. Because the focus is set on the strategical marketing aspects for an NTA, it would require a qualitative in-depth interview, instead of taking a quantitative research perspective. An interview with the marketing manager gives a first-hand look in to the strategy making of an NTA and helps to gain a more analytical perspective of the material collected through it. The second interview will enable the author to

make comparisons between them and find out if the strategies are communicated throughout the company.

A semi-structured interview is chosen as the most appropriate method for conducting the research. This type of interview has the purpose of obtaining descriptions of the life world of the interviewee, with respect to interpreting the meaning of the described phenomena (Kvale, 2007). Collecting information through a personal interview requires a strategical and structured approach to get most out of the conversation. The author has to be prepared to add to the number of questions, vary the theme of the interview and the order in which the questions are asked if doing so is of benefit to the research objectives (Currie, 2005). In short, the semi-structured aspect of interview-making enables the author to bring new ideas during the interview, depending on the answers given by the subject.

Conducting this sort of a qualitative interview has several advantages, as well as weaknesses, that the author has to consider in order to gain the most out of the conversation. An interview is more beneficial for gaining greater depth, personal information and real spontaneous reactions by the informant (Kothari, 2004), than the quantitative method. On the other hand, the weaknesses can undermine the quality of the interview. The interviewer can over-stimulate the respondents, even to the extent where they might give imaginary information, just to make the interview more interesting (Kothari, 2004). The interviewer should not digress to the extent that they depart from the research subject or ask questions that do not contribute to the kind of data that is being collected (Currie, 2005). Other advantages of the interview over alternative methods of data collection are its flexibility and the opportunity to adjust the collection procedure according to the situation and the interviewees' answers (Hirsjärvi, 2005). At times, the unstructured interview method can be used by the interviewee to ask supplementary questions if the situation requires it (Kothari, 2004). This becomes relevant when the interviewer finds out information, which was not considered, in the making of the questionnaire. Despite its versatility it might not be the ideal way to approach this research, because many of the topics might not end up being sufficiently addressed and valuable information can be lost in the process. In a loosely structured interview, the interviewee can direct the path of the conversation, thereby having a chance to avoid sensitive topics (Hirsjärvi, 2005). Additionally, the analysis of a completely unstructured interview is more difficult and time consuming to sort out the most relevant information, from the more casual conversation approach. All-in-all, the interview still provides a unique access to the lived world of the subjects, who in their own words describe their activities, experiences and opinions (Kvale,

2007). The method is hence suitable to keeping the focus of the interview, providing a safe basis for generalisation and being more economical to undertake (Kothari, 2004). These characteristics make the interview the most applicable method for this paper.

In order to find the best possible answer to the research question, the people selected for the interviews are both closely related to the Estonian NTA – Enterprise Estonia. More specifically, the interviews will be conducted with the marketing manager and the director of Enterprise Estonia, to get different perspectives of the same topic. The interviews will be conducted by the author in Estonian and recorded on a mobile phone. That will enable the author to find the most relevant key points, which will then be transcribed to English, for the sake of clarity on the topic. It can be difficult to hold a reasonable conversation with someone, let alone control the meeting, if concurrently trying to keep abreast of what is being said by writing continuously (Currie, 2005). This is why the author uses the recording-transcribing method to get a full detailed overview of the information gathered from the semi-structured interview. Questions for the interview are based on the steps of DMS and touches upon the activities of the NTA, which allows the interviewer to follow a certain path towards a successful and insightful interview. The result from the interviews, will then be combined with the secondary data to further show the compatibility between the two data sets. Using a recording device helps to get precise and unbiased data, and allows the interviewer to concentrate, but can allow technical problems to happen and requires a long time for transcribing the whole interview (Currie, 2005). Despite the potential issues, a recording device will still be used for this paper.

The first interview will be conducted with the strategy manager of the Enterprise Estonia, to gain a first-hand look into the strategy-making for the NTA. Ott Sarapuu has been the head of the marketing department of Estonian Enterprise for several years, whilst also being connected with other projects all over Estonia. He is the expert of tourism marketing to foreign markets, which makes him responsible for all country-marketing related activities and strategies in Estonia. His knowledge and contribution about the topic will enable the author to get into detail with the specific theories.

In order to widen the perspective of the paper, another interview will be conducted with the marketing and development director of Estonian Enterprise, namely Juhan Anupõld, who can provide another perspective about the topic and enable the author to make comparisons between the two viewpoints. This will also allow to find out if the strategies are well communicated inside the organisation, resulting in a unified marketing vision for a destination

such as Estonia. The interview with Juhan Anupõld is also highly relevant for his vast experience working in the Estonian Enterprise and his international diplomatic background before that period. He has also worked with product development, support schemes, marketing, support services, web development and in other areas. Compared to the first interviewee Ott Sarapuu, he has more of a technical perspective. Nevertheless, the two men interviewed have the knowledge and the background to help answer the research question.

Structuring the interviews has been done on the basis of different authors, who provided information about the methodology behind conducting a successful interview. The main points are taken from “Doing Interviews” book by Steinar Kvale, which gives a comprehensive overview about the procedure of a qualitative interview. An interview is the chosen method for this thesis, because it is a uniquely sensitive and powerful method for capturing the experiences and lived meanings of the subjects’ everyday world (Kvale, 2007). As mentioned earlier, it might be necessary to restructure the interview during the process, deriving from the answers given by the respondents. Additionally, the qualitative interview attempts to obtain descriptions that are as thorough and presupposition-less as possible of important themes about the interviewees (Kvale, 2007). This is important when looking to gain a deeper look into the specific activities and actions of the interviewees.

2.2. Secondary data

In order to support the primary data collected from the interviews, it is also important to find secondary data, which is collected through using various scientific literature and online sources. Secondary data - the data is already made available, means that it has already been collected and analysed by someone else (Kothari, 2009). That usually entails other research results, company archives, annual reports and other documentary analysis (Currie, 2005). This paper mainly focuses on information published in various marketing literature and journals, both classic and contemporary theories. Some of the literature used is collected from f.e. Journal of Hospitality and Leisure Marketing; Tourism Management; Journal of Vacation Marketing and other publications alike. Several classical theories by authors like Aguilar, Getz and Pike will be closely investigated to give a thorough look into the marketing strategies, most of the recent modern authors still reflect on. Similarly, authors such as Buhalis, Morrison and Kothari are used to support and expand the classic theories addressed in this paper. Other theories look into the various activities and procedures an NTA has to go through, when strategizing to enter a new market.

Additionally, various reports and documents created by the Estonian Enterprise or Statistics Estonia are used, to give better insight into the environment surrounding the NTA. For example, documents touched upon in this paper are the Estonian National Tourism Agenda for the years 2014-2020, booklet about the new Estonian Brand conception and the results of the foreign visitor survey conducted by Statistics Estonia. First of them is a comprehensive document created by the Ministry of Economics and Communication and it entails measures for effective development of the Estonian tourism sector, taking account the achievements in the previous period, current situation and global trends (Ministry of Economics and Communication, 2016). The second document is an informative booklet, used to explain the inner-workings of brand management for Estonia. Creation of the new country brand is ongoing, but the document serves as a guideline behind the brand-creation process and enables to find aspects about Estonia, that are most valued in the eyes of brand managers. Thirdly, the visitor survey results from 2014, are gathered through mobile positioning by Statistics Estonia and allow to see the data about tourists such as one-day visitors and individuals using alternative accommodation channels, which are not entailed by the regular tourism statistics. These documents support the scientific theories mentioned above and help to find possible discrepancies between the secondary and primary data. The secondary data will be critically assessed to make sure that the range of theories used in this paper are suitable and adequate for the topic at hand.

2.3. Limitations

One of the biggest limitations of this paper is related to the use of theories, which is complicated due to the many different interpretations that have been made through the years. The modernization of the world has also required making updates to the classical theories, some coined more than twenty years ago. The ever-globalizing world has contested the theories, but several authors have turned back to the original concepts, due to their applicability in a range of modern situations. Hence, many seemingly outdated theories are used in this paper, which are still underpinning many of the modern concepts.

One of the other limitations can be the biased perspective of the Enterprise Estonia interviewees, who might portray their efforts to be larger than they actually are. Furthermore, the author looked to interview both the marketing strategy manager as well as the director of Enterprise Estonia, but due to the latter being away from Estonia during that period, it was not possible to have both interviews. Hence, it was still important to have access to the right people, who are able to give first-hand perspective about the queries and the strategy manager is still

the ideal candidate for this paper. Additionally, the interview with the research and development director was conducted, to still gain a second perspective on the topic. Using a different language when conducting an interview, might also be a limitation for this paper, because the concepts can be misunderstood by the interviewees. It is important for the author to clearly state and translate the theories, which the interview touches upon. Results achieved in this paper might not be applicable for every NTA, but it can serve as general inspiration for other similar companies. Another limitation is the time constraint, both for the author as well as the subjects, due to the upcoming high season in the Estonian tourism industry. This makes it difficult to find suitable times for conducting the interviews. The author is aware of the limitations present in this paper and will take them into account, when conducting the analysis. Next, the delimitations set by the author will be introduced.

2.4. Delimitations

Delimitations are set on this paper to clearly focus on the topic and to make sure that the goals of this thesis would not be unachievable. This paper is limited to the broad area of destination marketing, especially the strategies underpinning NTA country marketing activities and how these strategies could be used to improve their efficiency. The classical strategies are chosen on the basis of their importance in the destination marketing system (DMS). More specifically, the paper focuses on the theoretical strategies of an Estonian NTA – Enterprise Estonia, and how the NTA uses theoretical knowledge to ease their market entry to new countries. No specific country will be exemplified to emphasize the importance and adaptability of these strategies. The results will enable the NTA to make calculated decisions about entering new countries, without conducting various costly country-specific research or undertaking strategies, which do not have an immediate effect.

Another delimitation to this paper is the number of people interviewed for it. Kvale (2007) suggests to interview as many subjects as necessary to find out what you need to know. That is the reason, why this paper only addresses two of the most important people, who are able to give a complete overview of the marketing activities by the NTA. Related to the previous delimitation, the choice of research method also limits the project, because undertaking a quantitative research method would be very time consuming and impractical, to reach the goals of this paper. If the number of subjects is too large, there will hardly be time to make penetrating analysis of the interviews (*ibid*). Considering the delimitations of this paper, it is possible to provide a solid ground, in which a researcher concludes the basis for the reliability of the paper (Hirsjärvi, 2005).

In conclusion, the limitations and delimitations identified in this paragraph, will help to determine the scope of this paper. They are important to show how the paper is constructed and emphasise the aspects, which have intentionally left unaddressed. Subsequent studies, with other NTAs can overcome these limitations and achieve different outcomes.

3. Literature overview

The main theoretical part of this paper is focused on introducing the destination marketing system (DMS) and its various components, which enable destination management organisations (DMOs) to make well-calculated decisions in their marketing strategy. A section on National Tourism Association (NTA) activities will help to elaborate the concept of an NTA and to give an outline of the many roles, the association has to undertake. General theory and concepts about destination marketing will also be addressed to give a comprehensive overview of the techniques that an NTA could use for prolific marketing results. Furthermore, the tactical five-step DMS model for destination marketing planning will be closely addressed to identify the key functions to foster change in the marketing process. The DMS model also works as the structure to this paper, which enables to easily follow all the steps and their theories for the reader.

There are various definitions about the concept of a destination, but a uniform meaning has stayed elusive and difficult to achieve due to the many stakeholders associated with it. A destination represents an amalgam of a diverse and eclectic range of businesses and people, who might have a fixed interest in the prosperity of their destination community (Pike & Page, 2014). Traditionally, destinations are regarded as well-defined geographical areas, but can also be interpreted subjectively by consumers, depending on their travel itinerary, cultural background, purpose of visit, educational level and past experience (Buhalis, 2000). Simply put, a tourism destination is a certain geographic area, irrespective of its size, that attracts visitors. The destination contains a number of elements, that attract the aforementioned visitors and which satisfy their needs and expectations on arrival (UNWTO, 2007). This paper is not going to attempt to analyse the range of characteristics of the destination, but instead looks at the more theoretical side of marketing those qualities effectively.

3.1. Destination Management Organisations (DMOs)

These organisations have the overall responsibility for the coordination and integration of the destination mix elements, and for destination marketing (Morrison, 2013a). The DMOs can

be generally divided into three categories, related to their size, activities and responsibilities (UNWTO, 2007). The smallest organisations, local DMOs, are responsible for a certain geographic area, usually a small city or a town. Regional Tourism Organisations (RTOs) have a wider field and work towards promoting tourism in a bigger geographic region, such as a county. They require outstanding leadership and strong tourism community champions, who have both the experience and a vision, where the region should be heading in its marketing strategy (Cox & Wray, 2011). Finally the aforementioned NTAs, sometimes called the national DMOs, represent the interests of both tourists and business suppliers and are tasked with planning, developing and managing tourist services (Lubbe, 2003). This paper is going to concentrate on the latter and its many activities needed, to efficiently set the tourism agenda for a country. First of all, a short introduction to NTAs work is given to show the diverse range of areas they work in.

3.2. Roles of an NTA

Despite the differences in size, there are many similarities between the activities undertaken by the organisations. Various changes have also been observed in the form and functions of an NTA, but planning is generally maintained as the main responsibility, often combined with other functions (Lennon, Smith, Cockerell, & Trew, 2006). Additionally to tourism planning and strategy creation, the national DMOs are responsible for a wide range of activities in order to realize long term strategic goals for the destination. These organisations should also initiate plans for long term development of tourism and help the public and private sectors, to deliver a consistently excellent visitor experience at all stages of the visitor journey (UNWTO, 2007). All NTAs should hence, work towards the optimum growth of tourism and to maximise the benefits of tourism for all of the parties involved. This paper is going to address some of the most important roles of NTAs.

Tourism legislation and regulation is one of the basic activities of an NTA. This is done by advising the government agencies to make decisions that would benefit the tourism sector. Lobbying for favourable conditions is a time consuming and intricate process. Similarly, the *policy-making* in tourism takes place in a cultural context of rapid change, marginality, multiple connections, communication, intangibility and contradiction (Wight, 2013). *Tourism planning and strategy-making* are highly important for the NTAs, when accessing new markets. The main activities of NTAs are classically geared towards attracting foreign visitors, and to coordinate the processes for developing country level plans and strategies (Morrison, 2013b). They conduct research on existing and potential target markets to guide future marketing and

product development decisions, whilst keeping track of its main competitors (Morrison, 2013a). These are the widest and most comprehensive activities of these organisations, which require excellent networking abilities with the local stakeholders and foreign partners.

Additionally to the activities mentioned in the previous section, the NTAs have to undergo different *destination marketing* tasks to efficiently address a potential target market. Destination marketing can be conducted in various ways and it is important for the NTAs to choose the appropriate channels for a profitable result. Destination marketing is now acknowledged as a pillar of the future growth and sustainability of tourism destinations in an increasingly globalised and competitive market for tourists (UNWTO, 2007). The NTA uses the integrated marketing communications method to combine various ways to promote, in order to inform and persuade the tourists to come to the destination (Morrison, 2013a). The classical ways of promotion have gotten in way of the Internet, but newspapers and travel trade magazines can still have a positive effect. Personal selling has increased due to its cost-efficiency and the benefits of targeted marketing. Examples of that include trade shows, exhibitions and events, familiarization trips, *training programmes* and conventions (Dore & Crouch, 2002). All of these activities should work towards *enhancing the destination quality*, whilst paying attention to the *sustainable tourism practices* (Morrison, 2013b). These aspects clearly emphasize the importance of an NTA to a tourism destination. Its performance in those activities is crucial to stay competitive in an increasingly globalized world and succeeding, requires the knowledge of destination marketing planning principles.

3.3. Strategic marketing of tourism destinations

As mentioned in the previous section, destination marketing contains many different components and all of the parts should be addressed to find out their possible impact on the destination. For destination marketing, the strategic dimension defines as 2-5 years into the future, while the tactical dimension is 1-2 years ahead (Morrison, 2013b). This paper is going to focus on the actions that can be implemented in the shorter time frame, therefore the tactical dimension. Given the challenging competitive environment in which firms operate, it is important that these decisions are not taken in an ad hoc way but rather in a systematic and rational manner (Jobber & Fahy, 2009). The aim of these actions would be to reshape the business to keep their products and services competitive, while moving towards achieving the long-term strategic goals. Strategic planning will accomplish an attainable vision, prioritised action plans, a consensus between the stakeholders and monitoring the plan's success, among other activities (Thompson, 2011). Without cooperation within the affected parties, little

progress can be achieved, without a clear action plan. Originally coined by Heath and Wall in 1992, the conceptual marketing framework is “based on an analysis suggested by contemporary authors on strategic planning” (Jamal & Getz, 1996). According to them, DMOs must possess the capability, structure and people to implement marketing strategies successfully; and suggested an eight-step framework to assist the processes (Heath & Wall, 1992). Different interpretations of the framework have been made over the years, but the basic idea behind the steps has stayed the same.

3.4. Strategic planning process

According to Heath and Wall (1992), Jobber and Fahy (2009), Jamal and Getz (1996) and Morrison (2013b), among others, organisations must ask some basic questions to find out the best possible operational practices through a destination marketing system (DMS). Different people define the DMS differently, depending on what their system is specifically designed to do (WTO, 1999). A successful destination marketing system comprises a comprehensive range of tourism operator information; because it is a conglomeration of different elements within a destination, which influence travellers’ motivations (Hornby, Brunetto, & Jennings, 2008). This paper uses the Morrison (2013b) adaptation of the five step strategic planning process – PRICE, as a core topic to build suitable marketing techniques upon. UNWTO (2007) report proposes four, where the last two questions are combined into one. As mentioned, the wording of the questions varies from one author to the other, but all of them contain the similar marketing concepts and follow the same sequence of activities. The strategies have to foster cooperation between the stakeholders to efficiently execute the larger, more general marketing strategy. Destination marketing objectives should be target-market and time-specific and indicate a quantified result (Morrison, 2013a), which also act as stepping stones towards achieving the destination vision. Despite being created a decade ago, the process is still widely used in all areas of business and helps to find clarity over issues that hinder its future development. The framework can also be adapted to any regional tourist organisation, both in the public and private sectors (Jamal & Getz, 1996) and will help to effectively manage a range of destinations.

According to Morrison (2013b), (UNWTO, 2007) the main questions underlying the strategic planning process for destination marketing are:

- Where are we now?
- Where would we like to be?
- How do we get there?

- How do we make sure we get there?
- How do we know we got there?

Each of these seemingly simple questions consist of a systematic examination of a firm's marketing environment, objectives, strategies and activities which aims to identify key strategic issues, problem areas and opportunities (Jobber & Fahy, 2009). For planning to be as effective as possible, research must be done and then analysed before making the choice of a future marketing strategy and the supporting activities and programmes (Morrison, 2013b). He proposes the aforementioned PRICE model, derived from the DMS that also follows the five question system and suggests activities to undertake in each part of the analysis. The model can also be thought of as a consistent pattern of decisions made by an organisation's management as it pursues its mission and objectives (Jamal & Getz, 1996). This paper is going to investigate each of the questions, and their marketing activities in depth, to find out the most relevant amongst the alternative types of programmes.

3.4.1 Where are we now?

The first question is helping business owners to select the best planning and research tasks, by doing research based planning and then analysing the resulting information to develop a destination marketing strategy and objectives (Morrison, 2013b). It also comprises of similar marketing stages that help to find clarity about these issues. The question can be answered through the business mission definition, the marketing audit and SWOT analysis (Jobber & Fahy, 2009). This part is mostly focused on assessing the different needs of the destination stakeholders. Jamal and Getz (1996) reflect on the marketing framework and note that it contains the general components of a formal strategic planning process, including a situation analysis, corresponding to the first two questions in this paper. The question also looks to determine the need for the services, its current resources, community needs, debt capacity and policy changes (Thompson, 2011). Thompson (2011) also suggests, that the plan should start with a critical evaluation of the tourism board to gain a picture of its strengths and gaps to function effectively. Assessing the composition, size and other elements of the tourism board is not a main theme of this paper, which instead focuses on the use of strategy in planning, rather than its effectiveness.

There are several marketing concepts underlying the first two questions, which cover the planning and research tasks. Morrison (2013b) suggests that the first question comprises of an environmental scan, situation analysis and USP identification that help to get a better

understanding of their position in the market place. This is also referred to as a marketing audit, which is a systematic examination of a firm's marketing environment, objectives, strategies and activities, which aims to identify key strategic issues, problem areas and opportunities (Jobber & Fahy, 2009). The second question focuses more on target markets, positioning and finding out the marketing objectives (Morrison, 2013b). A comprehensive analysis of the internal and external environments, will enable the business to lay a foundation, where the marketing plan can be built upon. This paper looks to challenge the DMS and its components to find out their possible implications on a business looking to develop their marketing plan.

Environmental scan is the first step in conducting changes in the marketing strategy, which should be done and monitored continuously throughout the process (Jamal & Getz, 1996). The scanning is that part of the strategic planning process in which emerging trends, changes and issues are regularly monitored and evaluated, as to their likely impact on corporate decisions (Preble, Rau, & Reichel, 1988). Research evidence shows that environmental scanning is linked to improved organisational performance (Slaughter, 1999). It is also important to differentiate between the internal and external environments, due to the range of various factors influencing them. For example, the internal analysis may indicate the firm is not capable of planning, implementing and managing certain areas of the promotional program, in which case it is wise to look assistance from a professional advertising agency (Belch & Belch, 2001). Factors, usually considered in the environmental monitoring process, are economic, social, demographic, political, legal, cultural and technological (American Marketing Association, 2016), making it highly complex and time-consuming. The increase in strategic uncertainty means that both the general environment and the task environment must be scanned (Daft, Sormunen, & Parks, 1988). Environmental scan can also be interpreted as a SWOT analysis, a basic concept for evaluating the businesses' strategic position, which helps to take a larger view of the business situation. Additionally, the PESTLE (political, economic, socio-cultural, technological, legal, environmental) analysis technique can be used in this scan to understand the changes in the macro-environment.

One of the first authors to study the environments of an organisation was Aguilar, who is considered a pioneer in that field. His theory has been revived due to the importance of rapidly developing management information systems (Kourteli, 2000), and because of that, will also be analysed in this paper.

Scanning is the process of collecting information, about the events and relationships in a company's outside environment, the knowledge which would assist top management in its

task of charting the company's future course of action (Aguilar, 1967). The information also includes legislation and regulation, political and economic conditions and technological advances (Morrison, 2013a). The tourism destination is made of multi-sectoral organisations, including both the public and private sectors, where the environmental and political influences on destination development are a major concern (Jamal & Getz, 1996). Companies or brands that are new to the market may have to concentrate on their images, not just the benefits or attributes of the specific product or service being promoted (Belch & Belch, 2001). Other problems can occur, when going through the scanning process.

The concept created by Aguilar has its downfalls, as argued by Kourteli (2000) - he did not examine, to what extent the different kinds of environments impose upon the organisation and their processes of scanning the environment. She concluded that his process is too mechanic and does not take into account the human communication, which should have been the initiator for analysing the environments (*ibid*). Organisations that do not pay attention to a wide range of signals are unlikely to prosper, because they will have missed vital information about markets, products, customers and the like (Slaughter, 1999). Scanning also represents a difficult organisational problem because the environment is vast and complex, and managers experience bounded rationality – they cannot comprehensively understand the environment (Daft, Sormunen, & Parks, 1988). The information gained from the scan is particularly important to the creative personnel who must develop the advertising message for the brand (Belch & Belch, 2001). So it is extremely difficult to grasp all of the characteristics of the business environment, even when conducting a scan.

Slaughter (1999) also suggests three reasons why the environmental scan approach might be insufficient:

- The frame overlooks aspects that don't respond to empirical "ways of knowing"
- Organisations are located in a world experiencing dysfunction and stress
- Organisations themselves need access to richer, deeper outlooks on innovative strategies

That essentially means, that something, which cannot be identified, is bound to get lost during the scanning process. The ever changing world creates tension in the process and creates the need for reframing and collaboration between the stakeholders. The latter generates the need to refine the process, by using non-traditional approaches and finding new ways to beat the competition. While a number of studies have explored the fit between the organisation and the environment, there is less knowledge about how impressions of the environment are formed

among top managers, who are responsible for responding with new strategies and structures (Daft, Sormunen, & Parks, 1988).

In conclusion, environmental scanning is useful for positioning the business and understanding the complexities happening around it. It provides the essential informational input to create strategic fit between strategy, organisation and the environment (Jobber & Fahy, 2009). Undertaking the process is only rewarding when done in-depth and uses constant monitoring of the changes happening in the internal and external environments.

Situation analysis is the second concept that can be used, when undertaking planning and research tasks in the DMS. The techniques, which can be used in this analysis can be the aforementioned SWOT, Porter's 5 forces or the 5C method, which looks at the company, competitors, customers, collaborators and climate. Situation analysis in general, is a macro-environmental appraisal, including political, economic, social and technological opportunities and threats that need to be taken into account when planning for tourism in the destination (UNWTO, 2007). American Marketing Association (2016) describes it as, the systematic collection and study of past and present data to identify trends, forces and conditions with the potential to influence the performance of the business and the choice of appropriate strategies. Similarly to the first concept, this analysis also needs constant observation to come up with new ways to market the destination. The situation analysis and its results are very similar to the first and can be considered an equally important concept to create a solid basis for the marketing plan. The selection of the most suitable process should still be chosen by the marketing managers. A widely used external analysis tool is the Porter's five forces model, which helps managers to make calculated decisions. Despite that, his traditional management tool is becoming less influential due to major advances in technology (Phillips & Moutinho, 2014), and hence, will not be further analysed in this paper.

There are two parts in the situation analysis, namely the internal and external parts which are both assessed through their strengths and weaknesses. Internal analysis starts by assessing the organisation's clients and supporters and identifying their part in the business environment. The results form the basis of assessment through analysis of sales, market share, profit margins and costs (Jobber & Fahy, 2009). External analysis is more focused on the macro environment and those factors that are external to the non-profit business, which can influence funding and participation (Johnson, 1986). An important part of the external analysis is a detailed consideration of customer's characteristics and buying patterns, their decision processes and factors influencing their purchase decisions (Belch & Belch, 2001). Despite

external scanning being of vital importance to the viability of the organisation, some managers do not consider the external environment important, because it cannot be controlled (Kourteli, 2000). Disregarding half of the scanning process will not foster accountable results and money invested in the initiative, could be better used for something else.

In short, the external analysis evaluates the organisation's markets, competitors, environmental problems and opportunities, and the internal assesses critical measures of an organisation's performance (Johnson, 1986). The analysis consists of several practical components, which enable marketers to make the right choices in the globalizing and fluctuating environment. It has been found that successful firms differ from unsuccessful firms in that they do more scanning and they have a broader pattern of scanning (Daft, Sormunen, & Parks, 1988). Despite that, several top executives in many industries have unnecessarily taken a limited view of the scope of their business and have been product, rather than customer oriented (Johnson, 1986). Hence, attention has to be given to consumers' perceptions, attitudes, lifestyles and criteria for making purchase decisions (Belch & Belch, 2001). A large variety of concepts can be used to help business owners and marketers secure their position in the market place.

Morrison (2013b) identifies six key techniques for a DMO situation analysis:

- Destination analysis
- Competitive analysis
- Visitor market analysis
- Marketing position analysis
- Marketing plan analysis
- Resident analysis

Destination analysis, also called product development analysis, assesses the strengths and weaknesses of the destination, based on a variety of sources from inside and outside of the destination (Morrison, 2013b). Competitive analysis includes benchmarking and comparison with current and future competitors, synergies with other destinations and the extent of industry-wide collaboration (UNWTO, 2007). It also examines the nature of actual and potential competitors, their objectives, strategies, market shares and size (Jobber & Fahy, 2009). The analysis looks to identify direct and indirect competitors, their key benefits and budgets and the strategies they are using to compete (Belch & Belch, 2001). Visitor market analysis and segmentation is purposed to clearly identify the type of visitor market they are hoping to attract.

Visitor markets should be considered by the destination stakeholders in terms of their relative “fit” with the attractions and experiences available at the destination and with the local community’s objectives for tourism (Cox & Wray, 2011). Although DMO practitioners acknowledge the importance of a marketing position analysis, image research for specific destinations is done infrequently and seldom with great rigour (Morrison, 2013b). Marketing plan analysis refers to investigating the previous plans and their reasons for success or failure, to make calculated decisions based on those results. Resident analysis evaluates the local people’s opinions on destination matters. The brief encounters between visitors and the communities that host then can make or break the experience for the visitor and positive interactions are important part of their overall satisfaction with the destination (UNWTO, 2007). This is more relevant in tourism destinations with high tourist flows and seasonality. One key strategy to ease the burden on the local population would be to concentrate on certain aspects about the destination they are looking to promote. This can be done, though identifying the USPs, which will be introduced next.

The **identification of Unique Selling Propositions** (USPs) can also be called a research audit and it looks to find out the value, uniqueness and unimitability of the resources in the destination (Pike & Page, 2014), which can help to gain a sustained competitive advantage. The concept, originally developed by Rosser Reeves (1961) notes the same three characteristics of USPs:

- Each advertisement must make a proposition to the consumer
- The proposition must be one that the competitor does not offer
- The proposition must be strong enough to move the mass millions

The latter, meaning that the proposition should pull over new customers to the brand (Reeves, 1961). Barney (1991), expands on these attributes and adds a fourth important characteristic, which is that there should not be any strategically equivalent substitutes for the resource. The key to differentiating the destination is finding the USPs and promoting this so as to “own” a unique and valuable tourism attributes in the minds of the current and potential customers (UNWTO, 2007). Economic conditions or social demographics may gradually and indirectly affect the organisation, but customers and competitors may affect performance on a day-to-day basis (Daft, Sormunen, & Parks, 1988). The components that form the basis of the USP should dominate the ad and be emphasized though repetitive advertising (Reeves, 1961). Hence, it is important to focus on these USPs to sustain a competitive advantage, but equally

vital, is to not exhaust the attractions through the increasing reliance on it. This approach may require considerable research on the product and consumers, not only to determine the USP, but also to document the claims through data (Belch & Belch, 2001). These USPs will become more important but will need to be expanded into unique experiential selling propositions (UNWTO, 2007), which look to offer the visitors an experience. Advertisers must also consider if the unique selling proposition will create a sustainable competitive advantage, that competitors cannot easily copy (Belch & Belch, 2001). Gaining a sustained competitive advantage is the key to achieving a highly competitive destination with attractive qualities.

The information found through conducting the wide range of analysis techniques will serve as a vital input for deciding upon its marketing strategy and objectives for the future. These topics will be answered through the second DMS question, which mostly concerns marketing related activities.

3.4.2 Where would we like to be?

The next DMS question is built on the information and knowledge gained from the strategies which were analysed in the previous chapter. The results are hence the basis for creating marketing objectives, which are in turn, divided into two – the strategy and the objectives (Jobber & Fahy, 2009). Identification of an organisation's mission and objectives provides an answer to the second question (Johnson, 1986). It is important for the NTA to find out which tourism products to sell to which markets, because not every product, no matter how unique, will work in every target market. In this step, Morrison (2013b) identifies two larger marketing strategies with respect to segmenting the specific target markets and positioning-image-branding (PIB) development approach. Combining the two will be the basis for the overall marketing strategy of an NTA. Destination marketing should be considered as a strategic tool that provides a balance between stakeholders' objectives for the development of tourism in the region, as well as ensuring the sustainability of destinations' resources (Cox & Wray, 2011). Additionally, the second question entails setting the short term marketing objectives for the NTA, which represent the intermediary goals towards achieving larger goals.

Visitor market segmentation is a strategical activity that develops over time and entails dividing the market into smaller, more easily understandable and accessible segments. That means segregating the market into distinct groups that have common needs and will respond similarly to a marketing action (Belch & Belch, 2001). This section of the model can also covered previously, in the situation analysis. Destinations must be single-minded on focusing on those people, who they are most likely to be able to attract, and who are most likely

to purchase a destination's tourism goods and services (UNWTO, 2007). The segmentation has to be done to all of the biggest and most important markets for the destination. In addition, destinations should be aware not only of the needs and wants of the active demand but also the potential markets they can attract (Buhalis, 2000). Leaving markets unattended will not result in successful segmentation and can produce false conclusions. The most widely accepted practice in destination marketing is to begin by dividing markets by geographic origin and by broad trip purpose into business and personal travellers (Morrison, 2013b). This is the most straight-forward approach, but many other segmentation criteria can be used to divide the markets. It is important to understand whether the target segment is substantial enough to support individualized strategies, and if the group is accessible through a communications program (Belch & Belch, 2001). The consumers can also be subdivided through behavioural, psychographic and profile variables, such as lifestyle, income or benefits sought from the trip (Jobber & Fahy, 2009). The promotional campaigns can identify the potential segment, but may have insufficient funds or inadequate sales staff to reach the specific customers (Belch & Belch, 2001). The segmentation characteristics will not be investigated further in this paper, because the markets and their customers can be categorised in a large number of ways, depending on the marketing objectives. DMOs should consider which approach is best for their purposes and fully integrate the segmentation into the strategic planning framework (UNWTO, 2007). There is no certain way to segment a market, but despite that, it should be done accurately enough to have a solid base for the next step of the process – selecting the target markets.

Target market selection is the next step in the DMS process. The outcome of the segmentation analysis will reveal the market opportunities available for the NTA. After completing the segmentation process, it is possible to determine how many segments to enter and select the markets, which have the biggest potential for the NTA (Belch & Belch, 2001). Approaching the right target market and providing the most appropriate combination of local tourism products and services is the secret for successful destinations (Buhalis, 2000). That means developing the suitable criteria for selecting target markets and then making the right choices amongst them. Jobber and Fahy (2009) determine five criteria for successful segmentation of a market, which are the market's effectiveness, measurability, accessibility, practicality and profitability. Morrison (2013b), on the other hand, identifies the qualities to be – sales potential, attractiveness, its relation to the destination vision, serviceability and lastly, costs. Belch and Belch (2001) recognize three marketing alternatives, which are undifferentiated marketing, differentiated marketing and concentrated marketing. The suitable

strategy has to be determined by the marketers, whilst taking account the attractive qualities of the destination. The first offers just one product to the entire market, the second involves various strategies for a number of segments and the third is used, when the NTA attempts to capture a large share of a specific segment market (Belch & Belch, 2001). Smaller destinations, which have relatively few attractions, should focus on latter and attract a certain segment of tourists.

The criteria which every business focuses on differs from the size, shape and resources of the business. Each destination can only match certain types of demand and hence, tourism marketers need to appreciate travel motivations in order to develop appropriate offerings and brand destinations for the right target markets (Buhalis, 2000). In addition, the selected characteristics also vary according to the segments they are aiming to reach and their field of expertise. Companies may value those characteristics differently, so applying a unified theory is complicated and can result in false conclusions.

Positioning-Image-Branding (PIB) approach is the next vital part of this question. After segmenting and selecting the target markets, the next step for the NTA is to decide how to position themselves in the minds of potential visitors of the target markets. Positioning has also been defined as the art and science of fitting the product of service to one or more segments of the broad market in such a way as to set it meaningfully apart from the competition (Belch & Belch, 2001). Ries and Trout (2001) originally described the positioning as the image consumer had of the brand in relation to competing brands in the product or service category, but the concept has been expanded beyond direct competitive positioning. Since positioning can be done on the basis of a distinctive attribute, the positioning and unique selling propositions can overlap (Belch & Belch, 2001). Positioning a country as a tourism destination requires a variety of attractions that would keep the travellers in the country for at least a couple of days (Ries & Trout, 2001). This can be done through the PIB approach, which is the combination of three marketing activities, namely the positioning, image-communication and branding (Morrison, 2013a), which will be investigated next.

The paper is now going to address all of the three parts, through the classic positioning strategy created by Al Ries and Jack Trout (2001) to give an overview of the activities entailed in this approach. This is the most important and challenging aspects of marketing. It can be defined as the act of designing the company's offering, so that it occupies a meaningful and distinct position in the target customer's mind (Jobber & Fahy, 2009). It is clear that people living in a certain place, might have different opinions, from the people who are just visiting that specific destination. Additionally, positioning is not what is done to the destination, but

instead how the NTA attempts to position the destination in the mind of a prospective visitor (Ries & Trout, 2001). This is not an easy task, because people are affected by a range of things, which can create prejudices and false opinions about destinations, which are consequently difficult to alter. It is also the concept, which helps to solve the problem of how to make the destination visible in the saturated information environment (Ries & Trout, 2001). Positioning is, hence, the activity undertaken by the NTAs to bring the perceived and desired images about a destination, closer together.

Morrison (2013b) identifies a series of steps, which should be done to effectively position a destination in the competitive market environment and calls them the 5 Ds of positioning. There is little point in seeking a position that is unimportant from the customer's point of view, so conducting the steps carefully is of vital importance. The particular steps are documenting, deciding, differentiating, designing and delivering (Morrison, 2013b). Belch and Belch (2001) also break down the positioning process into six steps, which are identifying competitors, assessing consumers perceptions, determining competitors positions, analysing the consumer preferences, making the positioning decision and monitoring the position. Effective positioning ensures that the brand or destination occupies a meaningful and distinct place in the target customer's mind (Jobber & Fahy, 2009). Ries and Trout (2001) determine that an over-simplified message is the best option to reach potential customers, because the chances of the idea reaching their minds is the biggest. If there is a possibility to start the positioning program with widely recognised opinions about a destination, it is much more effective to create the position (*ibid*). It is also important to reach the customers first and make sure that there's no need for others to replace the message. In conclusion, only simple and even over-simplified ideas can be effective in the competitive information-filled world.

The aforementioned concepts are also closely related to branding theory, which enables to position the destination even more precisely. Marketers search for brand names that can communicate product concepts and help position the product in customer's minds (Belch & Belch, 2001). In order to promote unique tourism features, a clear image and a solid destination brand, it is important to conduct audits of existing tourism attractions, facilities and services in the region (Cox & Wray, 2011). Branding enables companies to differentiate their products and services from competitive offerings. Providing a destination experience for visitors that is both unique and appears to be authentic in light of the destination brand promoted is one of the key challenges for tourism marketers (King, 2002). Futurebrand Country Brand Index (Futurebrand, 2015) are the pioneers of exploring countries and ranking them the same way as a consumer or

corporate brand – according to their strength of perception across association dimensions. The index uses a hierarchical decision model to identify how key audiences perceive the country brand, measured through its awareness, familiarity, association, preferences, consideration, decision/visitation and advocacy (Pike & Page, 2014). Creating brand equity through the processes allows the brand to earn greater sales volume and higher margins than it could without the name, providing the company with a competitive advantage (Belch & Belch, 2001). So it is important to communicate all the benefits of visiting a destination and create images that extend beyond the name itself.

Marketing objectives is the second, equally important part of this question and serves as guidelines for the activities and programmes included in the DMO's marketing plan (Morrison, 2013b). Marketing objectives are generally stated in the firm's marketing plan and are statements of what is to be accomplished by the overall marketing program within a given time period (Belch & Belch, 2001). For products, the objectives can, be divided into two separate parts, which are strategic thrust and strategic objectives (Jobber & Fahy, 2009). First of the two concerns finding out which products to sell in which markets, and the latter, is about building sales and market share for these products. The effectiveness of promotional campaigns should be assessed so that the most cost-effective media is used to approach and persuade target markets to visit the destination or to purchase the products or services in question (Buhalis, 2000). Pike (2014) on the other hand, identifies three general characteristics of DMO objectives, which are suitable for tourism destinations:

- To raise awareness of the destination
- To educate the market about things to do
- To stimulate interest in, and visitation to the destination

Buhalis (2000) adds a fourth dimension of sustainability, which results in enhancing the long term prosperity of the local people, by optimising the tourism impacts. The marketing objectives, also shortly addressed in the previous chapters of this paper, have to be time and target market specific, so the ones mentioned above, can be as guidelines to form measurable objectives. They are usually defined in terms of specific measurable outcomes such as sales volume, market share, profits or return on investment (Belch & Belch, 2001). A core part of the destination marketing process is the creation of a time-ordered hierarchy of marketing goals and objectives (Morrison, 2013a). The objectives have to be realistic and often, partnerships are needed to achieve those objectives with efficiency. UNWTO (2007) states that these marketing

objectives should ideally follow the SMART principle, hence have to be specific, measurable, achievable, realistic and time bound. They should be objectives for the entire marketing program, and achieving them depends on the proper coordination and execution of all the marketing mix elements, which should not be limited to just promotional activities (Belch & Belch, 2001). The marketing mix will be further introduced in the next paragraph.

Destination management and marketing should also act as tools and facilitators to achieve a complex range of strategic objectives, which will ultimately need to satisfy the needs and wants of all stakeholders (Buhalis, 2000). It should be realized, that many DMOs have marketing objectives, but have not derived these through a visioning process and goal-setting (Morrison, 2013a). Destination marketers have to achieve the strategic goals set through stakeholders' analysis and match the appropriate demand with supply, by using the entire range of marketing tools for communicating with consumers and suppliers (Buhalis, 2000). Research on small and micro businesses has shown that not all stakeholders are necessarily interested in the viability of the destination, when their principal objective for operating the business is lifestyle (Pike & Page, 2014). It is possible to achieve the aforementioned marketing goals, when the processes are supported by larger strategic goals that the actions can be built upon. Companies often have secondary marketing goals which are related to activities they must undertake to solve specific problems and thus achieve their primary objectives (Belch & Belch, 2001). Buhalis (2000) also states, destinations that appreciate the new developments and build comprehensive tools for their local suppliers, increasingly improve their ability to reach their both their primary and secondary strategic objectives. When communicating all of the PIB characteristics, it is possible to create a comprehensive picture of the destination in the minds of potential visitors.

In conclusion, tourism destinations should also learn from past mistakes and appreciate that their strategic management and marketing must lead to the optimisation of tourism impacts and the achievement of their strategic objectives for all stakeholders (Buhalis, 2000). By carefully assessing previous marketing strategies, it is possible to fine-tune the current plan and find ways to efficiently reach the marketing objectives set by the NTA.

3.4.3 How do we get there?

After finding out the specific target markets, the NTAs can **develop a product portfolio**, which will enable the optimisation of benefits and adapt their marketing mix to their target market (Buhalis, 2000). A suitable mix of products and services has to be carefully identified. The marketing managers must be knowledgeable about the issues and the

characteristics of the mix and be aware of the possible opportunities to combine those elements to provide an effective marketing program (Belch & Belch, 2001). The marketing mix consists primarily of four major elements, namely the product, price, promotion and place, which are often referred to as the 4P-s (Jobber & Fahy, 2009). The challenge facing destination marketers is to select and combine the best mix of marketing elements in order to be most competitive and obtain the best return on investment in the target markets, while achieving the goals and objectives (UNWTO, 2007). Thinking about the marketing mix simply in terms of the four characteristics has been scrutinised in previous years. Several authors have argued that the traditional 4Ps do not fit as well to tourism as they do for physical products and there is a need to add other Ps like packaging, programming, partnerships and people (Morrison, 2013b). Analysing the 8Ps instead of only 4Ps enables to take a wider look at the destination and understand the complexities happening within the tourism destination. Additionally, more characteristics enables to address a wider segment of potential tourists, but too many will cause the plan to diffuse. This paper will not go into depth with the practical specifics of each category, but instead focuses on the wider concept of the marketing mix model. The basic task of marketing is combining these elements into a marketing program to facilitate the potential for exchange with consumers in the marketplace (Belch & Belch, 2001). Understanding and appreciating the type of destination enables marketers to develop suitable destination marketing mixes and deliver them to the appropriate target markets (Buhalis, 2000). It is important to closely investigate the destination and choose the most prolific characteristics. The proper marketing mix does not just happen, so the market has to be analysed through consumer research and the information gathered should be used to develop an overall marketing strategy and mix (Belch & Belch, 2001).

An effective marketing mix should be well-blended, match the customers' needs and corporate resources and create a competitive advantage (Jobber & Fahy, 2009). In some instances, a marketing mix that shows how the brand can be used to express a consumer's personality or have some distinct meaning to a consumer would perhaps be a cheaper, easier and more effective strategy than the one, that tries to position the brand on prestige and exclusivity (Reddy, 1998). Potential tourists might feel a personal connection to the characteristics, making them discard the reputation of the brand. As tourism demand is extremely dynamic, marketing research needs to follow constant developments to ensure that all elements of the destination marketing mix evolve continuously (Buhalis, 2000). Many companies also recognize the need to integrate the various marketing communication efforts

such as media advertising, direct marketing, sales promotion, and public relations to achieve a more effective strategy (Belch & Belch, 2001). Different communication methods have to be used according to the segment the NTAs are trying to reach. The most important challenge for destination marketing therefore is to bring together all individual partners and pool resources to develop an integrated mix and delivery system (Buhalis, 2000). The suitable mix of marketing strategies corresponds to each company differently.

The second part of this question focuses on **creating a marketing plan** for the destination, according to the information gained from the previous inquiries. A marketing plan is a written document that describes the activities and programmes that the DMO will use to accomplish its marketing objectives (Morrison, 2013b). It also involves analysing the environment and the organisations capabilities, and deciding on courses of action and ways to implement those decisions (Jobber & Fahy, 2009). Creation of a marketing plan includes several activities, which support the creation by making it more understandable and easily conveyed. As mentioned above, the ongoing plan should be critically assessed to find the weaknesses, which can be improved, when comprising the new one. Before developing a promotional plan, marketers must, hence, understand where the company (or brand) has been, its current position in the market, where it intends to go and how it plans to get there (Belch & Belch, 2001). Laws (1995) proposed five phases of marketing destinations – diagnosis, prognosis, setting objectives, implementing strategy and monitoring market performance. This theory has also been covered and expanded by several authors in the past.

Belch (2001) also identifies five basic elements of a marketing plan which are:

- A detailed situation analysis of internal and external factors
- Specific marketing objectives with a method for measuring its performance
- Marketing strategy and program, including the marketing mix
- Program for implementing the marketing strategy
- Process for monitoring and evaluating performance and providing feedback

Many of these elements have already been covered in the previous chapters, and the next ones will examine the activities concerning marketing control and its evaluation.

3.4.4. How do we make sure we get there?

The last two questions in the DMS model are concerning marketing control and evaluation after the feedback. During this stage the impact of the strategy would have to be evaluated, which would be likely to cover a number of factors, such as growing of economic

benefits, spreading seasonality, securing investment or raising quality, depending on the priorities (UNWTO, 2007). Different NTAs have various characteristics they find to be the most important. Also, the destination image and its development, the demand of each market segment and the marketing effectiveness can be evaluated in the last stages (Buhalis, 2000). First of the DMS questions addresses the marketing plan, when it is being implemented. Morrison (2013b) recognises that it is common to see DMOs keeping track of number of visitors and expenditure, but rarely anything else. That is the simplest approach, but effective evaluation procedure should entail more. DMOs also need to evaluate their competitive landscape regularly and consistently (UNWTO, 2007). Other, less reported performance effectiveness evaluations for DMOs include: the use of coupons, direct response marketing, travel trade shows, destination brochures, media coverage and promotional videos (Pike & Page, 2014). This is dependent on their individual marketing activities. Although many countries have substantially increased their spending on tourism products, there is little evidence of their effectiveness as studies, which have attempted to evaluate the promotional impact empirically have generally produced inconclusive and varied results (Buhalis, 2000). It is important to determine how well the promotional program is meeting communications objectives and helping the firm accomplish its overall marketing goals and objectives (Belch & Belch, 2001). In some cases, an entire section on evaluation of the plan is missing, and instead, spurious correlations often led to subjective evaluations of promotional performances (Pike & Page, 2014). Subjectivity in the evaluation phase can lead to false conclusions and unfounded criticism. Being positive is essential to the evaluation process, because it seems both less threatening and helpful to efforts looking to improve the projects (UNWTO, 2007), hence it is also likely that fair criticism will be accepted and absorbed by the project sponsors. Different situations happening in the external and internal environments, may cause strategic change, and this implies to the reorganisation of marketing activities and sales (Jobber & Fahy, 2009). The evaluation process has to take account these factors as well. There is a need to critically evaluate, how it is possible for DMOs, who have no direct contact with visitors, to engage in meaningful dialogue to stimulate repeat visitation and destination loyalty (Pike & Page, 2014). For example, problems with the advertising programme may lie in the media plan, which does not reach the target market in question. An evaluation system is needed to ensure that marketing objectives, strategies and tools are optimally adapted to the dynamic environment (Soteriades, 2012). The programme has to be flexible and take account the range of factors influencing it.

There has been a heightened interest in conversion studies or programme evaluation research, designed to assess the impact or net benefit, derived from destination promotional programmes (Dore & Crouch, 2002). The evaluation would need a good database and an intelligence system to track tourism market performance, visitor profiles, product quality and service levels (UNWTO, 2007). Dore and Crouch (2002) also identify the most popular methods for NTO performance evaluation of marketing tourism destinations, where they estimated the audience for each form of media, calculated the cost of printed material, determined the number of media outlets used, measured the number of participating journalists and monitored international arrivals, among other characteristics. The big challenge is to continuously scan and evaluate the trends in the macro environment including social, demographic, natural, technological and political changes (UNWTO, 2007). Given the large amounts of money spent on marketing and promotional activities, it is important to follow the process closely and keep an eye on the expenditures and their allocation. Controlling the latter is important to not make hasty and uncalculated decisions about investing the money and time. The evaluation process should be applied by the DMO in not only assessing its own programmes, but also those of its stakeholders (WTO, 1999), who play a crucial part in the success of the destination. Every element of the potential promotional mix should be critically evaluated and monitored in terms of return on investment, conversion cost, circulation achieved, life span of the medium used, profile of the audience reached and whether the activities enhance the credibility of the brand (WTO, 1999). As advertising costs continue to rise, the top management wants to be sure that the money is being spent efficiently and effectively (Belch & Belch, 2001). For example, familiarisation trips should be thoroughly evaluated through using questionnaires and personal interviews with attendees, which provide valuable lessons for future opportunities (UNWTO, 2007). The interviews will enable the managers to get an in-depth look into the distinctive qualities of the destination, which could otherwise end up being overlooked. The last question will take a closer look at the evaluation step of the DMS model, which looks to assess the most relevant marketing strategies.

3.4.5 How do we know we got there?

Although tourism planning is well established, with strategic destination planning gaining acceptance, little attention has been given to the evaluation of planning effectiveness (Jamal & Getz, 1996). This is especially true when the promotional plan has ended. One of the most important and often neglected aspects of media communication is to monitor and evaluate the returns achieved when media are hosted, once the stories of the destination are published

(UNWTO, 2007). The final stage of the process is designed to provide managers with continual feedback concerning the effectiveness of the promotional program, which in turn can be used as input into the planning process (Belch & Belch, 2001). Often the information gained from the implementation of marketing strategies is left unrecognized, when the companies simply accept the end of the programme. In the recent years however, there has been a heightened interest for evaluation research designed to assess the impact or net benefit derived from destination promotional programmes (Dore & Crouch, 2002). The evaluation is often done on a subjective, informal basis, particularly in smaller companies where ad budgets are low or advertising is not seen as the most critical factor in the firm's marketing performance (Belch & Belch, 2001). The evaluation system should ensure that the marketing objectives, strategies and tools are optimally adapted to the dynamic environment (Soteriades, 2012). Most of what is happening in the macro environment is largely outside the control of the destination marketer (UNWTO, 2007), hence controlling the factors is increasingly difficult, when more stakeholders are included. Because the tourism industry is fragmented, quality control is difficult and value can be substantially reduced by the actions of weak or unscrupulous service providers in the tourism value chain (WTO, 1999). NTOs recognise that they need to demonstrate the value of the programmes to industry partners, if they are going to be able to continue to count on industry support and participation in subsequent years (Dore & Crouch, 2002). An agreed framework of quality control and evaluation should be ensured by the NTA, but has to also contain the opinions of the most important stakeholders.

There are several ways to assess if the destination marketing goals are being achieved. Jamal (1996) noted, that evaluating the effectiveness of tourist organisations is difficult, and what evaluation does occur is usually based on the numbers and trends in visitor arrivals. Despite that, the outcomes of a strategic planning and management process influence traveller destination awareness and the subsequent steps lead back to revisiting marketing variables, fostering calculated change (Jamal & Getz, 1996). Constantly controlling, reducing costs and improving efficiency of operations can lead to out-pricing the competitors and thereby cost leadership (UNWTO, 2007). Essentially, when conducting visitor research, it is possible to trace back the steps and fine-tune the marketing strategy of the next plan.

4. Presentation of data

The five questions identified in the theory section of this paper will also be the basis for the last two-way analysis part. Firstly, the empirical data collected from the interviews will be introduced in similar order to help to get a better overview of the activities that are undertaken by the NTA of Estonia. Each of the DMS steps contains several concepts which all aim to help create a cohesive marketing strategy for an NTA or other tourism entities alike. The theory states that an NTA has to go through all of the steps in a specific order, to create an efficient market entry strategy. Later, the data introduced here, will be analysed both theoretically and empirically, according to the DMS model.

The first DMS question “Where are we now?” mainly entails three large concepts, which are an environmental scan, situation analysis and USP identification. First of the three is a continuous process, where change in the internal and external environments is monitored and enables to gain valuable insight for future activities. The ongoing plan should not be changed recklessly and should require careful consideration of these changes happening in, and around the business. Since the Estonian National Tourism development agenda ends on the year 2020, conducting changes is not yet considered in the current one.

Juhan Anupõld states: *“In the sense of planning for 2020, we have plenty of time left and we do not think of that now, because of the major changes happening in the Estonian tourism sector. For example, the increase of value-added-tax (VAT) for accommodation services, consequently raising the prices for the whole industry.”*

Even though different tourism stakeholder unions have proposed and lobbied to postpone the raise of the VAT tax from 2017 to 2019, the future is still uncertain. The raise of the tax is bound to cause an overall change in prices throughout the sector and might limit the interest of tourists to visit the area, or tourism businesses marketing Estonia, as an attractive destination. The preparation of the new marketing strategy will start on the year 2018, by which time, clarity around the changes in the tourism sector will be achieved. The external environmental developments that are happening in the sector are hindering the transformation process and will have to be carefully assessed in the future. This is why it is unreasonable for Estonian Enterprise to dedicate themselves to a specific strategy now, and will require a couple of years to understand the effect of the VAT tax raise. That is the biggest uncertainty happening in the

Estonian tourism sector, but more scanning will have to be undertaken to have a complete understanding of the factors which influence the development.

Additionally to following the political changes, the Estonian Enterprise also monitors statistics, which is created by Statistics Estonia, a part of the Ministry of Finance. This is a part of the situation analysis, similar to the environmental scan, and helps to assess the internal and external parts around the business. The main tasks of Statistics Estonia is to provide public institutions, businesses and research circles, international organisations and individuals with reliable and objective information on the economic, demographic, social and environmental situation and trends in Estonia (Statistics Estonia, 2016). Scanning is the process of gathering various information about the environments, which can be done through looking at the collected statistics.

Juhan Anupõld explains: *“We look at the accommodation statistics collected by Statistics Estonia on a monthly basis, which we then interpret and make more understandable for the regular person.”* He adds, *“Additionally, we look at the tourism market statistics created quarterly by the Bank of Estonia, which gives more information than just the data collected through accommodation services analysis.”*

The data collected by the two entities is based on border crossing statistics, the questionnaires completed by accommodation establishments and mobile positioning data, enabling to get information about the number of tourists and the duration of the visit (Statistics Estonia, 2015). Despite these quite straight-forward approaches to data collection, it is not enough to get a comprehensive overview of the tourists visiting the country. There is a need to also follow the demographic, legal, cultural and technological changes happening in the tourism sector of Estonia. This is also recognised in the quarterly bulletin of Statistics Estonia, which states: *“None of these data sources provide information necessary for the development of the tourism sector, such as information about the tourists’ activities, spending and purpose of visiting”* (Statistics Estonia, 2015). This has to be taken into account and hence would require even more in-depth analysis of the data and a range of methods to collect it.

Other statistics, in the larger perspective, are created by well-recognised European organisations, which publish reports about the tourism data collected through analysing the relevant countries.

Anupõld expands on the topic, *“we also look at the European Travel Commission quarterly data, which is meant for the members of the commission. For example, how the*

Russian market share is declining across Europe. Furthermore, we follow the UNWTO parameter, which is published six times a year and is used to follow larger trends and changes.”

Hence, there is little information obtained about single businesses, but larger trends and nation-based statistics are closely investigated. Following the larger trends helps to take a wider look in the general tourism market, and reduce strategic uncertainty, when planning for future marketing strategies. Aguilar’s theory of environmental scanning is used throughout the process, but it is highly important to fully understand the changes happening in the environments.

This is where it is important to also gain insights and similar statistics from the neighbouring countries to see the trends and travel motivations happening in the region. Juhan Anupõld explains, that “*we also follow the external environment through investigating the activities and trends concerning our neighbours, which are namely happening in Russia, Latvia, Lithuania and Finland.*” Since collecting visitor data is costly, time consuming and complex, it is important to collaborate within the region. Working together and sharing some of the visitation data relevant for the countries is particularly important to make sense in the constantly changing world. The statistics gained from other countries would still have to be segmented and put into the perspective of the country at hand, because the data could be interpreted falsely, resulting in incorrect strategies. Despite that, collaboration between the countries is still emphasized as highly important, for a small and unknown country such as Estonia.

Juhan Anupõld: “*Depending on the market, collaboration is happening in between the countries. There are also target markets, where there is no point to enter alone, such as further markets such as the USA and Japan. One country just is not an argument for them.*”

This can be considered a successful strategy, because visitors from countries that far, usually expect to visit several countries, if they are travelling to remote places, such as the Baltics or the Nordic countries. There is a need to reframe the strategies according to the market they are looking to enter. Situation analysis needs constant monitoring to come up with new ways to enter markets and innovative solutions to collecting the suitable data for it. The strategies for Estonia are departed between the two mentioned above, which enables to attract both visitors, who might be unaware of the proximity of these two areas.

He clarifies: *“We either talk about the Baltic region or Estonia-Finland, because of the well-connected airport in Helsinki, enabling us to attract the tourist from the Far-East. Japan is where we also promote the Baltics and do not limit ourselves to just one strategy.”*

Estonian Enterprise has recognised the necessity of collaboration, when entering new markets in faraway regions. Situation analysis is also used extensively to evaluate the macro environment, but less attention is put on the internal environment. The environmental scanning process and the situation analysis have both enabled to find information and collaborate within the region to attract visitors from countries, who would otherwise not visit just one country in the area. The internal analysis would require more attention to closely investigate the performance indicators in the first phase of the DMS model.

The third part of the first DMS question looked to identify the USPs of a destination such as Estonia. Since all of the countries in the region might seem similar to each other, it is especially important to find out the characteristics, which distinguish Estonia from the neighbouring countries.

Juhan Anupõld explains: *“Identifying the USPs is based on the “Introduce Estonia” marketing conception, which is a tourism sub-brand for Estonia. The characteristics were determined years ago, but can still be considered applicable.”*

The USPs have to be placed in the visitors’ minds, similarly to the brand concept and would have to be communicated throughout the marketing activities. This means demonstrating these propositions in a range of methods, from booklets to commercials, in order to solidify the ideas and create a picture of Estonia in the potential consumers’ minds. The USPs are also the basis for creating a sustained competitive advantage over the competition.

The second DMS question “Where would we like to be?” is built on the data and strategies identified in the first paragraph. This question looks to answer what kind of products and services should be marketed to which specific markets. First of all it is important to find out the target segments, which means identifying the most important target markets. These markets can be segmented in various ways.

Juhan Anupõld states: *“The segments are on the one hand formed historically and based on the nations, and on the other, according to the specificities of the market. We are looking to address clients, who span across the markets, such as business tourists, golf*

enthusiasts and people interested in gastronomy. That means there is no specific country they come from.”

This is hence, an effective strategy to attract a certain segment of people, who choose their travelling destinations on the basis of their niche preferences. There would be no reason to follow the country marketing strategy, because it is not the most efficient way to market Estonia. It is more likely to find success in addressing specific segments, who are mostly interested in their preferred interests and do not find other characteristics of the destination equally important. It must be analysed if the small segment, that the promotional campaign is looking to attract, is big enough to deserve that kind of special attention.

Ott Sarapuu identifies three main segmentation characteristics, which Estonian Enterprise finds the most relevant when entering new markets, and they are:

- Nation based segmentation
- Consumer behaviour in these countries
- Interests and activities of the potential visitors

Estonia has found out the countries they want to be involved and see the most potential in. The consumer characteristics of these countries will be shortly analysed in the following paragraph of this paper. The second point refers to the concentrated marketing strategy shortly touched upon in the theory section, which enables to attract a certain segment of tourists.

Ott Sarapuu illustrates: *“Every country has its own consumer behaviour and some segments visit Estonia, some do not. For example, the Finnish visitor is more likely to be an older person, and that segment is slowly fading. The challenge here is to find ways to attract the younger generation. They should view visiting Estonia not as a trip, but a casual activity, for example, with the purpose of enjoying the nightlife.”*

This is also the suitable strategy for an NTA with limited budget and resources such as Estonian Enterprise. The strategy also relates to the aforementioned concept of attracting tourists, who cross the boundaries of national segments. Similarly to the golf tourism and gastronomy mentioned above, the tourists' interests should be spanning national borders. As emphasized in the theory, it might be easier to position the country according to the consumers' personal traits, and not only the prestige of the offering. The strategy here is not concentrated on the socio-demographic qualities of the tourists, but rather their personal hobbies and activities.

Ott Sarapuu illustrates: *“A hobby connects people in different age groups and different incomes. We are currently promoting Estonia as a destination for foodies. We have good food, with reasonable prices, it is also fresh, clean, cultivated nearby and has low interference. We cannot say it is only important for a specific age group in a certain country. It is important for a tourist who picks their destination according to the gastronomy of the location.”*

Every destination has to focus on a certain segment of tourists, who are similar to the attractive qualities of the destination. Even though the criteria used by the Estonian NTA is simpler from the ones addressed in the theory, they still enable to provide the most appropriate combination of products and services.

Still, hobbies and interests should not be the only criteria when accessing new markets. A certain segmentation should still be done demographically, to find out the tourism segments, which have the most potential for the destination. In addition to sales potential, it is also vital to look at other characteristics of the destination, such as serviceability, accessibility and practicality. Even though Ott Sarapuu does not consider demographics as the most important factor in the target market selection, Estonian Enterprise still makes some plans according to it. Despite good accessibility, other factors such as practicality, can still come into play.

He demonstrates: *“Family tourism from Sweden is not a thing, because they will not come. They should first visit as a couple. Controversially, this is also not plausible, because Estonia is not in the bucket list for the Swedes. There is no point to market it, if they will not come anyway.”*

Estonian Enterprise has taken the path of concentrated marketing, which is the outcome of the segmentation process. The process determines how many and what kind of segments to enter in each of the target markets. Accessing a certain segment can reduce costs, and increase both measurability and accessibility for the tourists.

He adds: *“This is where the product-country-segment mix is relevant, which looks to offer specific products to specific markets. For example, in Finland, Latvia and Russia, family tourism is highly important, but the other way around in Sweden, Germany and England. We would rather try to access the young people instead.”*

The selected characteristics of each of the segments is determined by the research undertaken in the first question, which gives insight to the possible visitors to the destination in relation to the USPs.

Target markets for the appropriate market mixes should also be identified in this part. There are several criteria, which are identified through the segmentation process and should not be done by assuming or guessing their characteristics.

The main criteria for Estonia, was exemplified by Juhan Anupõld, who stated the four main aspects are: *“size of the target market, border surveys, market development trends and the availability of transport connections. The smaller sub-criteria are the regional distribution of tourists and seasonality.”*

Size of the target market is not that important if the tourists are not intending to travel to the Baltic region in the first place. It is also important to find out how much money did the visitors spend when staying in Estonia. That can be done by conducting border surveys, which is also a good indication of their experiences. Market trends are an important variable in the larger sense, because it enables to find out if the market share has increased or decreased, during a certain period. Connections to the country at hand are also very important characteristics, because without them, the motivation to travel here will decline. Hence it is important to sustain the quality and quantity of the different means of transport. Stop-over flights, delays, unreasonable flight or bus times are demotivating and can cause the tourists to simply select another well-connected destination nearby. Less important criteria are related to, if and how the tourists travel within Estonia, or will they stay in the capital. Seasonality analysis is also a straight-forward measurement of the tourists' interest to visit this area at a certain time of the year. When looking at these factors, similarities can be seen with these characteristics and the destination qualities proposed by Morrison. It is also important to stay focused with the marketing strategy and concentrate their activities on attracting a certain segment of visitors, which has a higher probability of successful completion.

Sarapuu expands on the topic: *“We could always take more target countries, but the factor of money and the number valuable markets comes into play. There are two factors to deliberate. Should we approach more markets and do less, or focus on specific markets and do more. I would say the second strategy works best.”*

Anupõld develops the idea in regards to Copenhagen: *“There is a good connection of flights between Copenhagen and Tallinn, but that cannot be the only criteria. A Dane will*

more likely travel south, than here, and that is already minus points for Estonia. If the criteria would be the number of flights, we could enter the Danish market, but it is not.”

The final part of the second DMS question relates to the PIB model, which looks to find out how to position the country in the consumers' minds through image creation and branding. This is needed to create a solid mental image for the consumer, but that is difficult due to several factors that influence the perspective of the potential tourists. After identifying the target markets, the NTA needs to position Estonia in the minds of future visitors. Positioning also looks to keep the visitors in the country for a long period of time to motivate them to travel across Estonia, see more and spend money whilst doing it.

Juhan Anupõld explains: *“We do the positioning according to the target market. Sometimes we talk about us as the Baltics and sometimes as the Nordics. Estonia, and only Estonia, is marketed to the closest countries to us. Latvia and Lithuania use the same strategies and sometimes also work together.”*

Consequently, it is quite problematic to position Estonia, because of the many factors influencing the internal and external environments, for example the location and general unknowingness about the country. On the other hand, it creates opportunities to play with the two images and find suitable marketing segments for them.

Ott Sarapuu comes back to the diverse strategy mentioned by Anupõld in the first question and emphasizes: *“We try to talk two tales. We try to position ourselves as Nordic, but not Scandinavian, and Baltic if there is a need.”* He adds, *“We really want to be seen as Nordic, but inevitably we are still a Baltic country.”*

In the author's opinion, this is something that has followed the Estonian people for a long period of time, because the Estonians relate ourselves more to the Finns, than the other two Baltic countries. There is a threat of creating false prejudices about the country, which are even more difficult to reposition. This is why Estonia should be careful when playing with the two strategies and concepts.

Anupõld agrees and exemplifies: *“We are more similar with Finland than, for example Lithuania. We have similar food, design and we are more likely to make business with the Finns.”*

From the marketing perspective, it can be seen as a possibility to attract a wide range of tourists, with differing interests and travelling motivations to this region.

Juhan Anupõld illustrates: *“visitors from further away do not see us as a part of the Eastern European region and we do not promote ourselves as one.”*

Ott Sarapuu responds: *“but for China, we are still in the Eastern European block, along with Montenegro, Hungary and Poland.”*

This can make creation of marketing strategies even more complicated, because there is not a single image to promote. The tourists might not consider Estonia as a destination when looking at it as a Baltic country, but might be interested in visiting it as a Nordic destination. This has to be considered when strategizing and positioning the country in a new target market. Also it might not be wise to promote the country to a target market in two differing ways.

The last part of the PIB model is the branding of the destination, which are created to position the country even more specifically.

Sarapuu expands the topic: *“The brand was created in 2009 and creation of the new brand is going on. It is not about just the logo, intensively broadcasted in the media, which will get us nowhere. The brand that is being designed will entail brand-value creation and will have to foster change.”*

The current brand comprises of a four-way value matrix consisting of influences from the North and East, progress and location. The matrix encompasses many areas of the Estonian brand, not just the tourism sector. The Eastern influences are multi-culturalism, relaxation in spas and the distant feel of the post-soviet era. The Northern influence is about the nature, architecture and art. Location refers to the rich history, unique culture and medieval old towns. Finally, progress, which is about the modern aspects and sights of Estonia. (Estonian Enterprise, 2016)

He adds: *“The current North-East influence matrix will be discarded in the next brand. Only the things that are proposed in this matrix are not only made for tourism and the other way around.”*

Hence, the upcoming branding strategy will have to comprise of a range of different factors, spanning the boundaries of tourism management and marketing. The future brand would have to emphasise our USPs and create an idea in the visitors mind. Brand development will most likely have to focus on the nature of Estonia and the events happening there, but there is also uncertainty in the process.

Sarapuu explains the creation: *“We have nothing as a brand. If you look at nature, everybody talks about the mountains, but we do not have any. The ABC of marketing is to differentiate from the others, but it is complicated.”*

If we want to promote ourselves as a nature destination it would be important to have eye-catching scenery and picturesque landscapes. These are the qualities, to which most people would be attracted to.

He adds: *“We do not have mountains, but we have bogs. Many people do not know what a bog is!”*

Unfortunately, bogs are not nearly as attractive as high snow-topped mountains, so promoting bogs as a sight to see, is a challenge on its own. He continues to contemplate on the brand strengths that Estonia could put to use:

“We do not have an active nightlife compared to the big cities in the world, and there will not be, but at the same time it is peaceful, comfortable, safe and quiet. We have a lot of brand strengths, as long as we as Estonians believe in them. We should be proud of them, and if we believe, then others will believe it is worth to visit!”

The brand of Estonia is looking to promote general values that can be found in every country in the world. The strength of the brand could be, that all of these values cannot be found in a single place. At the same time, it is difficult to promote these values, because they cannot be made attractive on booklets or brochures. The upcoming branding strategy has to encompass many areas, whilst being innovative and creative to attract potential visitors.

Also included in the third question is the analysis of marketing objectives, which are time-specific goals to persuade tourists to visit Estonia. These marketing objectives are set every year and are accessible for everybody on the Estonian Enterprise website. Furthermore, these objectives have several smaller goals, which should act as stepping stones to help complete the larger objectives.

The three goals that have been set for the year 2016 are:

- Estonia is well known as a tourism destination, well accessible and the products and services are internationally competitive
- Estonian tourist attractions and events are of international interest and create the motivation for travelling

- Estonian tourism destinations and their products are internationally competitive

These objectives include many smaller goals, which are also specified through time constraints or different numerical goals. They are similar to the three goals proposed by Pike, which can be used as facilitators for creating smaller measurable objectives. These objectives should be accepted by all of the stakeholders and should promote and develop the whole destination, not just a certain segment. Completion of these objectives would hence, require collaboration throughout the sector, to make sure no stakeholder is left aside.

The third question, “How do we get there?” looks to find the specific products and services of a marketing mix, that would be attractive to the target markets identified beforehand. That can be done through consumer research, to find out the product qualities which are attractive to potential tourists. This is also relevant for services that are offered in the destination.

When looking at the marketing mix, Estonian Enterprise has considered the most relevant topics which have the highest potential in attracting foreign interest. The Estonian Tourism Development Plan identifies the fact, that no country can be successful in addressing all of the needs and wants of the tourists. The main topics of interest for the tourism sector are identified in the Riigi Teataja, which is a website for legislation in various areas. Taking account the potential, resources and goals of Estonia, it is important to focus on the following areas: conference and business tourism, culture tourism, sport tourism, culinary tourism, nature- and sea tourism, health and welfare tourism, and finally, family oriented tourism (Ministry of Economics and Communication, 2016). There are several concepts identified in the report, which are all based on the marketing concept of Estonia and the main topics presented in it. Product strategies included in the main marketing themes are formed according to the demand, development possibilities, product offering and also include a guidance system for entrepreneurs to develop and market products according to the foreign market demand (Ministry of Economics and Communication, 2016). The basis of the product strategy is based on the number of service providers, interest in undertaking the development and the presence of foreign demand for these products.

The paper will now analyse the Estonian NTA strategies to enter new markets with the suitable marketing mix identified for each of the markets in the previous section.

The marketing measures that are used by Estonian Enterprise are divided into two separate segments, which are highly important to differentiate. On the one hand, they are addressing

other businesses in a certain region, but on the other, try to attract customers directly. They are abbreviated as B2B marketing, and B2C marketing. Using the 4P or 8P marketing strategy is more suitable for the B2C marketing plan, but can result in repetitiveness and a narrow mind-set about the possibilities. B2B is more about creating relationships between businesses who are responsible for attracting the suitable segments. Choosing the right strategy for entering a specific country with the narrow marketing mix that Estonia possesses, is essential to get the maximum benefit out of it. Addressing the customer segment directly would require a wider look on the marketing mix for each of the target markets. Because of the fact that Estonia is a small country and does not have a variety of attractive qualities, the strategy works backwards and the potential markets and their areas of interest are assessed first.

Ott Sarapuu explains: *“the selection is made according to the markets. Markets that are further away, such as China, USA and Japan have a non-existent B2C part, but a large B2B proportion.”*

This is quite clear because it is impossible to address the customers directly, because a lot of the marketing activities can be lost in the large quantities of advertisements already happening. The B2C buyer is usually looking for affordable prices, which can be unachievable, if the traveling agency is adding their own taxes to the service. Hence, it is important to closely investigate the destination and find out the characteristics that can have the most success. Secondly, the local businesses are much more effective in addressing the local people and have ways to promote the destinations in ways that attract the potential tourists, who are looking to travel to the region.

Furthermore he adds: *“it is the opposite in our neighbouring country - Latvia, where the B2B part is non-existent. There is no point in addressing tour operators because nobody travels to Estonia though using their services.”*

The strategy implemented in Latvia seems effective as well, because travelling from a neighbouring country does not need a lot of preparation, hence, it would be unwise to spend valuable resources on promoting Estonia in the local tourism agencies.

Anupõld explains: *“B2B is about choosing the right tools, whether it is contact events, fairs, roadshows, newsletters or online training. All-in-all, the B2B and B2C ratio for Estonian Enterprise is roughly 25/75.”*

Since the percentage of B2B activities from the whole, is only a quarter, they would have to be well thought through, and the business has to be clear of its effectiveness. B2B customers are usually representing niche markets and their selling is based on their extensive knowledge of the customers. There are several possibilities to access these new markets, but it is also important to assess the effectiveness of these strategies, which are done in the final two questions of the DMS system.

“How do we make sure we get there” and “how do we know we got there”, are the final two questions of the DMS system, which can be evaluated together or separately. These last DMS questions will be analysed together in this case, because they both look at controlling, monitoring and evaluating the different marketing strategies after that have been implemented. The questions relate to the evaluation and assessment of the marketing strategies and should provide the managers with continuous feedback about them. There are several ways that the Estonian Enterprise looks to assess the different strategies, which are first of all related to large strategic goals in the development plan. Secondly, they look at the concrete activities included within the larger goals. Through reaching and fulfilling the smaller objectives, it will be possible to access the encompassing marketing goals.

Ott Sarapuu explains: *“There are several activities, where we look at the foreign media coverage, the number of travel agents informed, how many are used to promote Estonia, surveys conducted and web visitations.”* They are not the only measurements used, so he adds, *“the bigger measurement factors are, for example, earnings from tourism and the number of overnights stays, among others.”*

Even though the outside environment is quite difficult to control, it is still important to keep an eye on the data, which can help to conduct strategic change in the marketing plan. This can also be used to show value to other tourism businesses to show, that the marketing activities that have been undertaken, actually worked.

Out of all the characteristics identified, the tourism earnings, also called tourism export, is found as the most important criteria of measurement. The profit earned from the tourists is clearly larger from overnight visitors, because a large part of the money spent in the destination country entails the cost of accommodation. This is also recognised by the Estonian Enterprise interviewees who both understand the importance of overnight visitors, who use more services and hence, spend more money.

Sarapuu exemplifies some attributes that influences the overnight stays: *“it can be for example, price, awareness, image, product mix or transport.”* He then goes on to discuss the possibilities for Estonian Enterprise to influence the tourists’ overnight stays. *“Estonian Enterprise cannot influence the price as a tourism board, because there are no tools for it. We can influence the product offering, but it is resource exhaustive, has a long term effect and is hard to grasp. We can also impact the transportation connections, though buying flight lines, but we do not do that.”*

These activities are very time and resource consuming and difficult to undertake for a small NTA such as Estonian Enterprise. Resources should be used wisely and hasty decisions can lead to unexpected results.

He also sees attributes that the tourism board could address: *“What we can do, is to deal with the awareness and image of Estonia. This is done through different international indexes such as the Nation Brand Index, tourist competitiveness, international competitiveness, International Communication Association (ICA) index and FutureBrand index.”*

Another big part in the evaluation phase is not only to raise Estonia within those indexes, but also follow the developments happening in them. This can be done though finding the CAPs, between the perspective of the tourists and what is actually happening in the country. The CAP enables to get an overview of the strategic areas that would need adjustments.

Sarapuu states: *“First of all, we investigate how important the certain attributes are to the tourists, when travelling. Secondly, how does the Estonian product mix compare to the previously attained qualities. There will be an either positive or negative cap between the two, which will then be used as the basis for analysis to foster change.”*

Enterprise Estonia also conducts various surveys on their own, to get an overview of the tourists and their activities in Estonia. These are, for example, border surveys, market surveys, consumer behaviour research, such as keywords searched online, and finally SEO activities. The latter refers to how the tourists end up on the website of Enterprise Estonia or, which keywords they use to find information about Estonia.

Sarapuu expands on the topic: *“Additionally to influencing the awareness image of Estonia, we can also influence the media broadcasts. We are already attracting the largest share of foreign media outlets, through articles created by over 300 different*

journalists each year. Media publications and website visitations reach over five million hits, and we are also the largest Estonian company in social media, with 200 000 fans on Facebook.”

It is important for Enterprise Estonia to reach the right people through the right media channels. If they are looking to attract the younger generation, it is highly important to stay in touch with the various media outlets and use them in a clever way.

The future vision for Estonia after the year 2020 is not clear.

Sarapuu confirms, that *“we do not think ahead that much, because we are practitioners who are looking to make things happen. There are too many visionaries here anyway.”*

Anupõld on the other hand, has a different idea, recited from the tourism development plan for Estonia:

“In the year 2020, Estonia is a well-known Nordic destination, which offers a pleasant experience and the possibility to travel to other countries in the Baltic Sea region. We have reached a level, where we are known as a tourism destination, accessible, and information about us is easily reached. Estonia is a hospitable and safe country and that the experiences exceed the expectations. Our products are inspiring, memorable and innovative. We are a country of inspiring events, and our attractions foster re-visitations. We also promote conference tourism and our coast is an area with active sea tourism.”

The proposed characteristics are far-reaching, but still achievable in the long run. Enterprise Estonia has a large role to play in each and every one of the developments proposed by Anupõld. Events are a big factor, but the Enterprise Estonia has a strategy to promote widely known events such as Tallinn Music Week (TMW) or the Dark Nights Film Festival (PÕFF). Enterprise Estonia is not responsible for attracting the visitors themselves, but instead, allocates the money to each of the events, for them to address the right people through the use of suitable channels.

Sarapuu expands on the topic: *“The money will be given by the event coordinators to the journalists, who apply for the marketing support, and in return, write articles about it. The money is not meant for renting stages or buying equipment. The borders are vague. We do not give money for the event, but for its marketing, to create demand.”*

A larger number events, and better events, will be the ultimate goal for Estonia as well as Enterprise Estonia. More foreign people and journalists, creates more demand, which enables

the event managers to bring in better artists, resulting in bigger demand. Critique about the allocation of the money has to be modest, because appointing the managers of these events to use the money, is considered to be more effective. Monitoring of the effectiveness through various intelligence systems is simple for a tech-savvy country such as Estonia, and they will help to create an overall perspective of the events and the visitors in the country. Focusing on segments such as events or nature has enabled Enterprise Estonia to focus their marketing activities and not spend valuable resources inefficiently. Both of the managers recognize that creating global awareness about Estonia is of little value and focusing on certain segments is the path to success.

Sarapuu explains: *“We only look at the segments, where we want to have good awareness and only deal with them. We do not have a lot of money and chasing global awareness is useless, because we would be overrun by bigger countries, with larger budgets. Our opportunity is to mark certain areas and be really great at them.”*

This means continuous strategic evaluation of the resources allocated for these activities, to make sure they are used responsibly. Additionally, the marketing programmes of the events, that the money was set aside for, have to be critically analysed. The feedback gained from the analysis is needed as vital input, to make strategic changes in the plans still to come.

He adds: *“I do not think we need to pursue global awareness and image. If we had a ton of money like Oman or Dubai, we could do that. But we have 3.5 million euros for tourism marketing, we have to use it wisely and not buy global awareness. This is the reason we have to be focused on our activities.”*

Quality control of a variety of activities is resource consuming and difficult, which means it is wise to only focus on a certain segment, and do it exceptionally well. NTAs have to constantly find ways to cut costs and raise effectiveness of the marketing strategies, which is the main idea behind the evaluation process for the future sense. Controlling and fully understanding the changes happening within the marketing planning activities, enables to reach cost leadership and eventually sustained competitive advantage.

5. Analysis and conclusion

This paper looked to challenge the DMS, which is widely used in many areas of tourism and guides the tourism organisation through a range of steps when going through changes in

their general strategy. The organisation exemplified here is the Estonian NTA, responsible for a range of activities and the power to conduct changes for the whole countries' tourism image and presentation. Due to the soon ending National Tourism Agenda, it would be important for the organisation to look to the future and consider strategies for improvement. This paragraph investigates the DMS model and its suitability for the NTA, though evaluating and criticising at each of the five DMS questions both theoretically and empirically.

5.1. Where are we now?

The first question, is a process of self-assessment and identifying the organisations' current position in the general tourism scene. It also includes research based planning tasks to build the subsequent activities on. Conducting the first step poorly, can result in inaccurate results, which are more difficult to correct in the later stages, if efforts to follow the wrong conclusions have become apparent.

5.1.1. Theoretical analysis

The theory states three big strategies, which can be done in the first step. The organisation can conduct an environmental scan, a situation analysis or find out their USPs. Organisations that adopt the first method, the environmental scan, are likely to succeed because they are "tuned in" on their environments and "know what is going on" (Slaughter, 1999). Despite that, one of the major issues of this method is to fully understand the excessive range of data collected from the two environments, through the scanning. The information can be assembled though conducting a SWOT analysis on both the internal and external environments. Additionally, the PESTLE analysis method can be used, to efficiently assess the opportunities and threats for the organisation. Environmental scanning also encourages future-oriented thinking in the organisation's decision makers (Heath R. , 2013). Value of the environmental scan comes from identifying and understanding the complex issues facing the organisation (Albright, 2004). Despite the recent revitalization of the Aguilar concept of environmental scanning, it still has its weaknesses, which are mainly the rapidly changing environment and the human aspect, present in the decision making stage. Since there are many sources for information, the scanners might miss potentially important information and even in the best circumstances, the information might not be timely, when they are able to locate it (Albright, 2004). Managers, who choose to collect as much data is possible, are faced with strong contradiction and uncertainty in the fast changing environment (Kourteli, 2000).

Situation analysis can comprise of a range of methods, which can again, include the SWOT, but additionally the Porter's 5 forces and the 5C method. This analysis is a key to

successful and well-calculated decision making and encompasses a wider range of examination methods. Similarly to the environmental scan, the method looks at the internal and external factors that influence the business environment, but uses slightly different tools to evaluate them. Porter's 5 forces is a development of the SWOT method and allows the business managers to be in-sync with all of the participants of an industry in which the business is located in. The 5C method also looks and assesses at the key areas and stakeholders that the business is influenced by. The techniques used in the situation analysis approach encompass an ample spectrum of characteristics, which all contribute to the complete understanding of the environment surrounding the business. It also helps to identify the additional research needed to develop a successful plan (Heath R. , 2013). Several analysis methods are needed, to fully complete the situation analysis, but compared to the environmental scan method, this one can be considered a more in-depth approach. Managers are responsible for choosing the necessary analysis techniques and making sure that they will be conducted efficiently and precisely. They also have the option to disregard some of the analysis techniques, which have already been identified. Others can be used to save valuable time in the latter stages of the DMS model.

USP identification is the last technique in the first DMS question and it looks to find out the one of a kind attractions that might foster a sustained competitive advantage for the destination. Finding these qualities is the most straight-forward and least time-consuming of the three parts, analysed in the first question. A small country with a limited number of attractions should not have a hard time finding and emphasizing the few that correspond to the characteristics of an USP. One can assume, that a unique proposition is a strong theoretical base for an advertisement, but there are thousands of unique propositions that do not sell (Reeves, 1961). The number of USPs for a country like Estonia is small, which means that it is not difficult to identify and focus on their marketing, with great efficiency.

5.1.2. Empirical analysis

When looking at the first question from an empirical standpoint, it should be noted that these scanning methods are not directly used by the NTA, but instead are done by the larger European tourism organisations. The first, environmental scanning theory is still scrutinised, because it would still require making judgements based on human opinions and feelings, but not specific calculations. Environmental scanning can also be considered unreliable, because of the rapidly changing environments and the continuous effort to keep up with them, without using too much valuable resources. These resources, which are limited for a small NTA, has led to the use of information collected by third-parties. For example, statistics collected by the

Estonian NTA is compiled from various sources, some foreign, some local. They investigate and analyse the local tourism data provided by Statistics Estonia and the Bank of Estonia. Additional data, about larger changes in the sector, is collected from the European Travel Commission (ETC) and UNWTO, but dedicating resources to the cause can lead to a more precise understanding of the data.

Environmental scanning methods, such as a basic SWOT analysis or PESTLE, are not undertaken by the NTA, but instead the organisation relies on the results conducted by the larger European tourism entities. Too many sources for the data could lead to false conclusions, because the researches might overlook important pieces of information, which gets lost in the noise of data. Hence, it might be necessary for the Estonian tourism association to undertake the process on their own and then compare the results with the data received from the ETC and UNWTO. Taking account the criticism about the environmental scanning procedure, Estonian Enterprise might be more suited to use the second technique presented in this question – the situation analysis, which will be assessed in the next section.

The aforementioned part of this question, situational analysis, has similar qualities to the environmental scan and is considered equally important, when assessing the business qualities. The situation analysis also includes the SWOT, and additionally the 5C analysis and the Porter's 5 forces analysis techniques, which make it slightly different from the first concept. Concepts used in this part give a more in-depth look into the internal and external environments, by using a range of analysis procedures to identify and select the most valuable opportunities for both the customers as well as the business itself. This step is also critical, when creating long term partnerships with the customers and other stakeholders. The macro- and micro environmental assessment allows the business to gain valuable information from the environments and an overview the current situation happening around it. The method is more flexible and allows the NTA to choose the most suitable techniques of scanning the situation around the business. Also, conducting a situation analysis covers some of the consecutive steps, saving time and resources, not gained through the environmental scan.

Thirdly, going through the processes of USP identification might be needless for Estonian Enterprise and should not require too much attention. As identified in the interviews, the prepositions have been found a while ago, but are still considered relevant today, because there are not many unique prepositions to start with. This simplifies the marketing activities for Estonian Enterprise, because the low number of internationally attractive and unimitable

qualities enables to fully focus on them and not waste valuable resources on promoting something that does not apply to the USP characteristics.

5.2. Where would we like to be?

The strategies included in this question look to build on the information and data gained in the previous one. Several activities can be used in this part of the DMS model, namely identifying and selecting the specific target market and using the PIB approach to reach the potential customers thereby, comprising the marketing objectives for the business.

5.2.1. Theoretical analysis

The process of visitor market segmentation is usually based on the historical characteristics and attractions of the destination. Distinctive qualities of the destination, which have formed over time, are considered very reliable, because communicating their strengths to potential visitors has worked so far. Segmentation of the potential consumers is an intricate process and requires thorough understanding of the business environment, as well as, the attractive qualities of the destination. Similar visitor market analysis could already be completed in the situation assessment part, explained under the first question. There is a range of ways to segment the potential tourists and finding the right ways to address them is a vital part of the marketing strategy for an NTA. It is important for the NTA to still focus on the segments that have been attracted by Estonia before, but should also find innovative ways to promote these qualities. Additionally, it would be important to find unique attractions, which can appeal to a new segment of tourists. Through acquiring this information, the NTA will be able to concentrate their marketing activities and resources to only address the segments, which have the largest potential.

After the segmentation, it is important for the NTA to select the correct number of target markets to focus their efforts on, and complete the marketing strategy planning. The most important characteristics of the markets should be identified by the managers, which means that no unified strategy for selection can be followed. The managers are responsible for choosing the qualities, which a target market should correlate to. This activity has similarities with the aforementioned environmental scan, where the quality of the segmentation can be altered by the human decision-making.

The second concept within planning to create an efficient marketing strategy, addresses the PIB model, which looks to find out different ways to address the segments found in the previous parts. The model contains a range of methods that focus on selecting the right qualities

to be marketed to the right segment. Positioning looks to create a distinctive idea in the tourists' mind, which would be the basis for their decision-making, when planning a holiday. An over-simplified message is considered to be the best strategy, because it is easy to remember and can occupy a certain place in a visitor's mind (Ries & Trout, 2001). Going through the PIB approach is necessary to create brand equity, and a clear idea of that, to the potential consumers.

Based on the information gained from the range of analysis methods used to form marketing strategy, the last part under this question focuses on setting realistic marketing objectives. These objectives should be set according to each of the target markets to follow the effectiveness of the marketing plan, in each of the countries. This is considered to be an essential part in every marketing plan, which also forms the general backbone that encompasses every aspect of an NTA plan. The qualities identified in the theoretical section of this paper have to be addressed fully to take advantage of the marketing mix that a country has to offer.

5.2.2. Empirical analysis

Empirical analysis of second planning and research related question in the DMS model is now undertaken to present the importance of this step. The specific markets where Estonia is looking to promote themselves in, are mainly formed historically, and have stayed the same for a long period of time. Targeting specific segments within those markets, has a much larger effect, because attracting niche visitors can result in repeat visitations to the destination. Focusing on a certain tourist segment is a relatively safe and cheap way to actively promote a destination. The marketing activities can span national boundaries, and word-of-mouth about the possibilities, can spread without appointing any extra funding for the plan. Managers have to choose and emphasize the characteristics, which are considered most important for the target markets.

When addressing the larger potential target markets, such as countries, it is important to know how the country positions in the minds of the potential visitors. Positioning is done according to the target markets, which enables the Estonian NTA to vary the strategies and emphasize the strengths in different ways. The NTA should also try to examine both the Nordic, as well as the Baltic image, that has already conveyed to the potential target markets. This is a unique opportunity for Estonia to take advantage of, but it is vital to examine, what kind of a strategy has worked so far and if there is a reason to make changes in it.

Lastly, the marketing objectives which are identified as the core part of a marketing plan have to encompass the whole business, and the large number of stakeholders surrounding the

NTA. Collaboration is needed to fully realise the potential of the marketing activities as well as having a unified perspective on the future of the Estonian tourism sector.

5.3. How do we get there?

The third DMS question focused on the implementation of the marketing characteristics that were identified in the previous sections. The suitable mix of elements that are applicable to promote in the previously identified target markets, has to be determined, to obtain the best results from the marketing activities. Writing and implementing the marketing plan is the second half of this DMS question and looks at the specific characteristics of the marketing plan and how to reach them.

5.3.1. Theoretical analysis

Firstly, the selection of the elements included in the marketing mix, which look to appeal to visitors of a destination, play a key role in the segments that will be attracted to the country. It is important to select the appropriate mix of elements to promote, in each of the target countries. 8P analysis of the characteristics is wider and hence suitable for a complex tourism destination, than the 4P, influenced by several factors in its surrounding environments. Information gained from the previous steps can be used as a solid theoretical basis for selecting the parts for the marketing mix. The managers should keep in mind that the marketing mix is a continuously changing conglomeration of elements and has to be monitored, to improve its efficiency within the target market. Adjustments can be taken, to further specify the strategy at hand.

Secondly, the marketing plan is a comprehensive document, stating the activities an NTA will look to accomplish in a certain period of time. Before comprising a new plan, it is vital to critically assess the ongoing plan to see its weaknesses, in order to avoid making the same mistakes in the future plan. These plans have to be specific and often quantitative to act as goals to strive for. Most of the elements in the marketing plan have already been identified by the NTA at this point, which means it will be a matter of writing it down and making sure that all of the goals are achievable. Despite the range of information collected previously, it is important for the NTA to set a timetable for the plan, and assign responsibilities, so that the implementation process would be as efficient as possible. Creation of a marketing plan according to Belch (2001) included the situation analysis, finding the marketing objectives and the marketing mix, which have all been identified previously and make it suitable for Estonian Enterprise to follow his theory efficiently.

5.3.2. Empirical analysis

Empirically, it is clear that an NTA has to find out, both the most attractive qualities of Estonia and has to create a specific marketing plan to reach the potential consumers with those qualities. The implementation stage is the most detailed and time-consuming stages in destination marketing and its planning (Morrison, 2013b). The general marketing mix for Estonia is narrow, but looks to attract a wide range of tourists with it. The managers of Estonian Enterprise have recognized the importance of attracting specific segments of tourists, to a varied area of tourism. Additionally, the strategies which are used to enter the potential markets have been considered and the channels to reach those segments have been identified. B2B and B2C marketing schemes to promote specific products and services are used to efficiently address the potential visitors. Since the range of target countries for Estonia is not that large, it is important to find out which strategy works best for each of the markets. Estonian Enterprise has found out the suitable strategies to access the chosen markets with the correct marketing mix of elements that would be most appealing to the tourists.

The creation of a marketing plan is necessary to have a comprehensive overview of the range of activities. Many of the characteristics identified previously should be included in the document and should summarize the results of the planning and research conducted beforehand. Essential part of the document is the schedule and the assignment of responsibilities for each of the NTA stakeholders and the participants. That will enable to follow the plan precisely and make it easier to conduct changes, if necessary. The vision and goals of this plan should be communicated throughout the business and the surrounding environment, to foster cooperation and collaboration.

5.4. How do we make sure we get there?

This question focuses on the control over the marketing activities that have been implemented in a specific target market. The characteristics that have to be controlled and later evaluated, differ for each of the segments, but finding out similar qualities between the segments, will enable the NTA to better understand the efficiency of its activities.

5.4.1. Theoretical analysis

Addressing the ongoing marketing plan in a critical way, is necessary to detecting weaknesses and finding possible solutions to those problems. Controls that are usually established during the creation of the marketing plan provide benchmarks to determine how well the plan has accomplished its goals. DMOs have the task to assess the performance of the

marketing plan in the rapidly changing environments surrounding the business. The shifts happening in the environments are causing the NTAs to reorganize the marketing plan, keeping in mind the long-term goals for the business. The plan should be evaluated thoroughly, because inefficiency in one of the parts, can be caused by a different variable of another section in the plan. Many of the NTA marketing activities have moved online to reach the vast number of potential visitors. The immense amounts of data moving through the internet is useful for the NTA and would require the creation of an evaluation system which compares actual progress against the standards. Control should be established, but not in an overpowering way, giving the sense of pressure from the NTA.

5.4.2. Empirical analysis

Control and feedback from the participants is vital to fully understand the success of the marketing activities undertaken by the NTA. Estonian Enterprise has several measurements and many sources of information, for assessing the marketing plan. Data collected by larger European entities is an important part for the Estonian NTA, because it is less time consuming to let the larger tourism organisations undertake parts of the research. On the other hand it would be wise for the NTA to invest money in conducting the research themselves, allowing to get real-time information about the environments surrounding the business. The Estonian marketing plan itself is evaluated by finding the CAPs, between the product mix and the qualities that visitors are looking for in a destination. Comparing the two statistics will enable to show the weaknesses of the marketing plan and will enable to find quicker solutions to reduce the CAP between the two. Various surveys and online activities are used to collect information on the targeted segments, which will ultimately be used to focus the marketing efforts, thereby making it less costly and more productive. The combination of data collected by the NTA and the information gained from the larger European tourism agencies, has enabled Estonian Enterprise to have a wider perspective on their activities. On the other hand, spending resources on collecting the data first-hand, might be more beneficial. That will allow the NTA to follow the inevitable environmental changes and be prepared to conduct changes in the marketing scheme.

5.5. How do we know we got there?

The final question is concerning the evaluation of the marketing plan, which is also closely related to the previous section about control. The evaluation step focuses on analysing quantitative and qualitative metrics, which are associated with the strategy at hand. That means

investigating the data and finding out if the marketing plan is helping to achieve the strategic objectives for the business.

5.5.1. Theoretical analysis

When taking a theoretical perspective on the last step of marketing plan evaluation, it is important for the NTA not only to find the most important qualities, but also look at the big picture. Many of the characteristics can influence each other and therefore cause misconceptions about the data in question. Finding connections within the data should be done with caution, because not everything that seems related, is a basis for causalities. Events, that are financially supported by the Estonian Enterprise, need to make sure that the money is spent efficiently, resulting in a dynamic way of marketing for the NTA. This is beneficial for both sides and shapes the marketing activities to be more economical and productive.

Being focused on the larger marketing activities, and allocating the money to local event managers, is a way for a small NTA such as Estonian Enterprise to be concentrated and prolific in their actions. Detailed feedback is necessary for the NTA to decide if the money allocated for the cause was reasonable. The data can be collected through analysing various articles, blog posts and other media outlets, which cover the specific event. Quantitative goals can be set for each of the events, but the content of the articles and social media posts is what matters to the potential visitor.

5.5.2. Empirical analysis

Empirically, it is quite easy to monitor the statistics and quantitative data online, both when the event is happening and after its conclusion. The managers would need to assess, if the media channels used to promote the activities have been relevant and, if the message has been delivered to the right audience. It is also important to find out the quantity of channels, as well as conducting a content analysis of them to understand, how did the journalists and bloggers viewed the event. Based on the number of posts and the followers who read them, the rough number of people that the message was conveyed to, can be identified. Since the NTA is looking to attract a specific target market, the media outlets would ideally need to communicate a unified perspective of the activities. Controversial opinions about the events can be highly influential and may cause unwanted attention, but should not be discarded by the NTA to get a full overview of the marketing activity at hand.

6. Discussion

This paper looked to investigate how the Destination Marketing System and its many strategies apply to a small, resource limited NTA such as Estonian Enterprise. Considering the small size of the country, it is important to acknowledge the fact, that the scarce number of internationally attractive qualities have already been identified by the managers. The innovation mostly resides in how to promote these reliable attractions creatively, rather than investing to create new and engaging attractions. A limited number of attractions with international appeal has enabled Estonian Enterprise to focus on a certain segment of people accordingly. These qualities have stayed the same for a long time, but if the Estonian NTA is looking to widen their range of target markets, they would have to go through the DMS and its guiding questions.

Analysing the sequence of strategies needed to complete the managing process, identified, that many of the concepts seem to overlap. Making the progress through the DMS fluent and dynamic will have many positive qualities for the business. It saves valuable time on doing extensive research, is more cost-efficient and helps to stay focused on the long-term objectives set by the NTA. Taking a critical look at the DMS model will enable the small NTA to streamline the process and gain the full advantage from it, without going through all of the concepts within the five questions.

Planning and research tasks identified in the first two questions, included a number of marketing activities, from where the managers would have to choose the most prolific ones. For Estonian Enterprise, choosing the correct concepts is vital, if they are looking to streamline the process overall. The situation analysis seems to be the more flexible option for the small NTA, because some of the analysis techniques do not require the same amount of treatment. Environmental scan on the other hand is more rigid and needs constant monitoring and reframing within the environments. Finally the USP identification is the least important concept in the first question, because they have already been identified in the past and have worked for a long time. Because of the limited number of USPs in Estonia, an NTA has to be creative in marketing them to the consumers in order to gain a sustained competitive advantage.

Next, the NTA would have to continue with the research and look outwards and to the future, to set their marketing strategy and objectives. Visitor market segmentation, as the first step, is done in a variety of ways f.e. according to the countries, or clients who have a similar interest in a tourism activity. Many of the segments have formed historically and do not need a lot of attention or resources by the NTA, to remain attractive in those destinations. The

following step would be to find the appropriate markets for the different products. For Estonia, a large part of the customer base comes from historically and previously identified countries. The intensity and effort that is put into promoting the innovative tourism products in new countries, is dependent on the formerly determined target markets. The fourth part in this question focuses on the PIB approach, which is vital to create a picture in the visitors' minds. Positioning is done by the NTA, based on the target markets and on two fronts – namely the Nordic and the Baltic perspectives. It is important for Estonian Enterprise to understand which view to promote to which new target market, because taking the wrong strategy, could require years of working against it to change the position in the consumers' mind.

The following, third step, entails the selection of a suitable marketing mix and the implementation of the marketing plans for the relevant countries. The PIB model used previously will enable to create specific marketing objectives for the target markets. Finding the suitable product mix should be done through using the 8P model, which is more useful and analytical for a tourism destination in a fluctuating environment. A comprehensive marketing plan should be created, based on the range of analysis methods and marketing techniques used in the previous questions. NTAs should also be clear in the realistic timetable and the budget allocated for each of them. Implementation of the marketing plan has to be well thought through and should not surpass the actual capability of the NTA, which would leave room for flaws and inconsistencies.

The fourth and fifth step in the DMS model, concerned control and evaluation, which are both highly important to gathering feedback on the success of the marketing plan. Every NTA has to decide on the most important variables for their business and needs to find the most effective way of gathering that information. Communication is vital at this stage of the DMS model and the stakeholders have to be able to collaborate towards achieving long-term goals for the destination. Since NTAs follow a wide range of characteristics, no specific steps can be suggested to capture the valuable information. Quality control in this situation is difficult, but helps to cut costs and make adjustments in future marketing plans and strategies.

Conclusively, going through the process of DMS requires the managers to be ready to adapt to environmental changes and select the processes suitable for their situation. Every NTA should focus on the most important characteristics and find ways to monitor their success. No unified action plan can be exemplified as ideal, which makes the DMS process uncertain and highly influenced by several factors.

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