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# Strategy for Tourism

8

**John Tribe**

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 Published by Goodfellow Publishers Limited, Woodeaton, Oxford, OX3 9TJ  
<http://www.goodfellowpublishers.com>

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Design and setting by P.K. McBride

# 8

## Strategic Directions and Methods

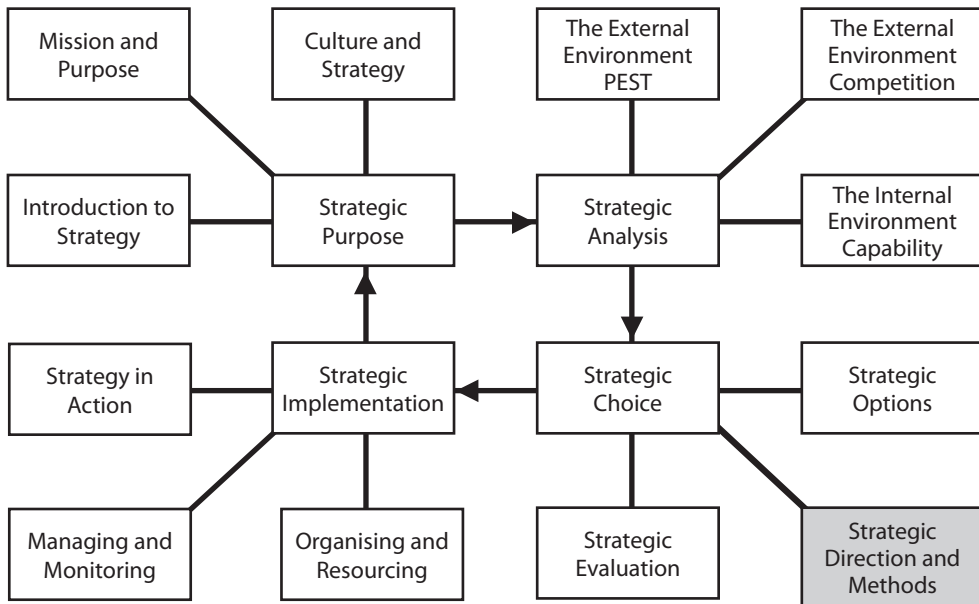


Figure 8.1

### Learning outcomes

After studying this chapter and related materials you should be able to understand:

- Strategic directions such as consolidation, market penetration, market development, product development, diversification and withdrawal.
  - Strategic methods of growth including internal growth, mergers and takeovers, and joint ventures and alliances.
  - Strategic methods of development such as innovation and entrepreneurship.
- and critically evaluate, explain and apply the above concepts.

## Introduction

Chapter 7 examined the types of strategy a tourism entity could adopt, distinguishing between price competitiveness, value added and hybrid strategies. This chapter follows this up by looking at two key areas that would support these strategies. The first area of analysis here is strategic directions. This examines the products or services and markets that an entity should participate in and how these should be developed. The second area of analysis is strategic methods. This in turn divides into three further subheadings. The first of these is strategic growth which analyses how entities themselves can grow, develop and extend their reach. The second subheading under strategic methods is development via innovation and the third is development via entrepreneurship. This underlines the fact that the highly competitive environment that most tourism entities operate in both stimulates and demands successful innovation for entities to maintain their competitive environment.

Case study 8 uses Merlin Entertainment to show how a tourism organisation delivers its strategy through directions and methods that include product development, rolling out its brands internationally and acquisition of other operators in the attractions industry.

### Case Study 8: Merlin Entertainment

Merlin Entertainment is an international attractions-based organisation incorporating the well known international brands of Legoland, Madame Tussauds, Sea Life and Dungeons as well as owning the London Eye, and UK theme parks such as Alton Towers, Chessington World of Adventures and Thorpe Park. In 2010, Merlin comprised 57 attractions and operated in 12 countries employing 13,500 people at peak season with over 35 million visitors a year.



The Merlin Entertainments London Eye

**Chapter extract**

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