

# 7

# Tourism Branding

## Chapter outline

For any tourism purchase decision, consumers are spoilt for choice of available services offering similar features and benefits. Owning a brand that stands out from the crowd and simplifies decision making for the consumer represents a source of competitive edge. Therefore, effective branding is mutually beneficial for both the organisation and the consumer. Branding is a co-creative process involving the organisation and consumers, a philosophy underpinned by the inter-related concepts of brand identity, brand image and brand positioning. The *brand identity* is the image aspired to in the market by the organisation. *Brand image* represents the actual perceptions held by target consumers, and might or might not be similar to that intended in the brand identity. *Brand positioning* is the attempt to achieve congruence between the brand identity and brand image, through a focused value proposition that is meaningful to consumers and differentiates the organisation from competitors. The chapter presents a seven-stage brand positioning process for small tourism businesses. Due to the challenges in developing and maintaining a differentiated position in crowded markets, branding needs to be a long term investment. This necessitates that all marketing communications reinforce the brand identity and brand position, and that there is a consistency of message over time.

## Learning aims

To enhance your understanding of:

- The role of branding in tourism marketing
- Branding as a co-creative process involving a brand identity, brand positioning and brand image
- The seven-stage brand positioning process.

## Key terms

### Brand identity

The desired brand image that differentiates the organisation from competitors. How the organisation aspires to be perceived in the market.

### Brand image

How the organisation is actually perceived by consumers, which might or might not be similar to that intended in the brand identity.

### Brand positioning

A set of marketing activities that attempt to achieve congruence between the actual brand image and the brand identity, through a focused value proposition that is meaningful to consumers.

## Differentiation

The concept of branding products has been around for thousands of years, with evidence of identification marks on pottery from China, India and parts of Europe from as far back as 1300 BC (Keller, 2003). The purpose of these early identification marks was to differentiate the manufacturer's products from those of others, a philosophy that continues to support the rationale for branding today. Ever since the topic appeared in the psychology literature in the 1940s (e.g. Guest, 1942), there has been acknowledgment from marketers that branding provides firms with a process for achieving differentiation in markets crowded with *me too* type products. For every tourism purchase decision, consumers are spoiled for choice of services offering similar features and benefits. Therefore, owning a brand that can help the consumer simplify their decision making, reduce the perceived purchase risk, create expectations and deliver on them, represents a source of competitive edge.

Branding has also always been a key factor in the balance of power in manufacturer-distributor-consumer relationships (King, 1970). As is discussed in 13: *Tourism Distribution*, travel trade intermediaries, such as tour wholesalers and travel agents, play a powerful role in influencing consumers' buyer behaviour. In this regard, the ultimate goal of individual tourism businesses seeking to attract customers via travel intermediaries is to develop a brand that will be in *demand* from target consumers. If there is not sufficient demand from customers, a tourism business will be regarded as a commodity where competing on price is the only differentiating factor. In other words, tourism marketers need to enhance the value of their brand in the mind of consumers, with the ensuing aim of increasing demand on travel intermediaries. This principle applies whether the target travel intermediary is a small local visitor information office or a multinational online travel agent.

## Case 7.1: Kumazawa Brewing Company: Pioneer of Saké Tourism

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Saké is an integral part of the Japanese food culture, and the national alcoholic beverage. Like the wineries in France, saké breweries have a history dating back several millennia and have been an important constituent of the regions they are located in, many being family owned small businesses. Also, like wine, saké exhibits unique attributes and flavours based on the *toji's* (master brewer) skills, the brewery, and the region they are located. Regrettably, since 1945 the number of the saké breweries has steadily declined because of severe competition from other alcoholic beverages such as beer, whisky and liquors, and shrinking local market due to depopulation in regional areas.

Saké makers and their representative bodies have embarked on implementing branding strategies to ensure the survival and prosperity of the breweries and regions. The key strategy has been to develop differentiated high-quality saké that the market demands. Japan Saké and Shochu Makers Association (JSS) (<http://www.japansake.or.jp/>), the nationwide body of saké breweries have embarked on destination branding to promote the breweries and regions. In addition, the Japanese government started an initiative in 2013 named "Sakagura (Saké Brewery) Tourism" to promote saké producing regions and breweries as desirable destination for both local and international travellers.

A pioneer of destination branding and saké tourism is Kumazawa Brewing Company (KBC) (<http://www.kumazawa.jp/>). KBC was established in 1872 at Chigasaki city in Kanagawa prefecture about an hour's drive from Tokyo. In the 1980s, like many other small brewers, KBC was languishing in obscurity and struggling to survive. Mokichi Kumazawa, became the sixth president of the company in 1993. He began implementing changes to the corporate strategy to ensure the survival and growth of the firm while keeping the company firmly rooted in its rural settings. Kumazawa – san was aware that KBC was a local saké brewery with little brand power, and relying on the regional market had little prospects for growth. Therefore, he implemented a strategy focused on a higher-quality, premium price niche marketing with smaller volumes. To achieve success he: reduced production by two thirds to minimize inventory carrying costs; recruited a young graduate specializing in zymurgy (fermentation process) from Tokyo University of Agriculture; and recruited a master brewer from Nada, the most famous place in Japan for its long lived saké breweries. New sake, branded *Tensei* (sky blue) was developed after five years of experimentation. It won acclaim and accolades from professionals and saké lovers. The company opened a restaurant named after its new saké brand adjoining the brewery in 2002.

Saké production takes place during the winter months, leaving many of the workers underutilized during summer. To offset this downtime and to tap into the craft beer