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The Business Environment of Destination Marketing

The relationship between marketing and destination marketing

Marketing is the process of creating, communicating and delivering offers which prove valuable to the customers, clients, partners and community focused around a given brand, product, service, person, event or place. It is the process consisting of the identification, prediction and delivery of the strategic benefits expected by the recipients as well as the management of profit-generating relations with clients.

Destination marketing is a realisation of the process in relation to a selected geographical unit and, at the same time, a market concept of managing the said unit. Activities undertaken within the destination marketing strategy may be aimed at improving the image of a given territory and increasing its recognisability, developing specific features of its social and economic life, and influencing opinions, attitudes and behaviours of external and internal groups of stakeholders by shaping appropriate set of means and instruments for the stimulation of trade-off relations. These activities result in creating the image of a destination, that is a set of impressions and interpretations spontaneously connected with a given stimulus (physical or social) which brings on appropriate associations with the place in question.

Beliefs, impressions, thoughts, ideas and emotions (of an individual or a group of persons) about a given destination, which all add up to its image, are shaped in a recipient's mind, but the 'message sender' may have a significant influence on moulding the image, thanks to marketing activities.

To a large extent, these tasks constitute the basis for the operation of the destination marketing offices established by the territorial units and, in

the case of the meetings and events segment, of convention bureaus, which are responsible also for the development of the product, this being the destination in the meetings industry.

Upon the increase of the importance of meetings and events, and occurrence of circumstances which boosted rapid development of the meetings industry (for the USA – the beginning of the 20th century, in Europe – the 1950s), particular entrepreneurs and the authorities of cities and regions noticed the potential in this segment, which had not yet been formally shaped.

The real benefits that can come from the organisation of meetings prompted local and regional authorities to play an active role in the improvement of infrastructure, and to promote their destination. At first, only local hotels or companies providing services within the meetings industry were responsible for promoting their venues, and the place where they operate. It has been noticed, however, that such activities may be productive not only to the entrepreneurs, but also for the destination itself and to this end, their promotion requires a systemic approach. The growth in tourism and the appearance of diverse international organisations, including corporations, created the need for appointing coordinators responsible for providing information on specialised centres, where business meetings could be held. That is why the marketing of group business tourism was taken over by specialised external organisations, i.e. convention bureaus.

The Detroit Convention and Businessmen's League

The formal beginning of the meetings industry, in the context of destination management or the establishment of convention and visitors bureau, is attributed to Milton J. Carmichael, a journalist for the *Detroit Journal*. In February 1896, he wrote an article on the positive impact organising conferences may have on the promotion of a city. He indicated not only the factual value of such events for Detroit, but also suggested that local companies should join forces to promote Detroit as a perfect place for conference venues. Carmichael based his argument on his own observations:

‘During the past few years Detroit has built up a name as a convention city, delegates coming from hundreds of miles, manufacturers holding their yearly consultations around our hotels, and all without any effort on the part of the citizens, or any

special attention paid to them after they got here. They have simply come to Detroit because they wanted to. (...) Can Detroit by making an effort, this year, secure the holding of 200 or 300 of these national conventions during the year of '97? It will mean the bringing here of thousands and thousands of men from every city in the union... and they will expend millions of dollars with the merchants and the people of the City of the Straits' (Ford & Peeper, 2008).

He saw a tremendous value in the product itself, but also great possibilities for its development, thanks to promotion.

The argument was effective. On 19 February 1896, members of the Chamber of Commerce joined the meetings organisers to form the Detroit Convention and Businessmen's League. During a meeting in the Cadillac Hotel, attended by hoteliers, railway agents and other interested parties, the mission of the newly-formed organisation was defined as 'hustling for all these conventions'. On the report covering the first year of the League it was stated that Carmichael was appointed its first secretary and travelled over 17,000 miles in the first year of his work on the position. He was so successful in promoting Detroit as 'the most beautiful city in the country' and its residents as persons who are very hospitable to visitors that at the end of the first year, the League had over 300 potential clients.

Even though Detroit may be considered the place where convention bureaus began to develop, congress and conference-related operations had been already in existence, and a growing number of cities had been appointing persons responsible for their promotion. A major part of these operations focused on representing local members of national organisations who tried to bring a national conference to their home town in order to ensure its publicity and reinforce its reputation. Many of them were also responsible for promoting local hoteliers, sellers and those who noticed economic benefits of attracting business visitors to their towns and cities. What Detroit contributed to this enterprise set an example of how to change accidental and usually uncoordinated efforts of towns and local companies to attract conference organisers and participants. The chronology of the establishment of CVB-type organisations in various towns and cities of the United States has been presented in Table 2.1.