

Destination Branding: Concept and Measurement



In Summary:

Destination branding is about how consumers perceive the destination in their minds. Branding a destination is not just about creating a logo or a slogan. It is about capturing the distinct elements of the destination in the brand and communicating these elements through the brand's components: identity, essence, personality, image, character and culture. Managing these components in order to create a unique position of the destination brand in the consumer's mind is called brand positioning. A destination brand can be leveraged by creating a new "product" under the same umbrella name to increase the customer base and by co-branding. With the continuous increase of Internet usage among travelers, online branding has become very important. Websites can be the communication tools that move the consumer's mind from brand awareness to brand preference and finally to brand loyalty. In order to know how effective the destination brand is, marketers should monitor its effectiveness.

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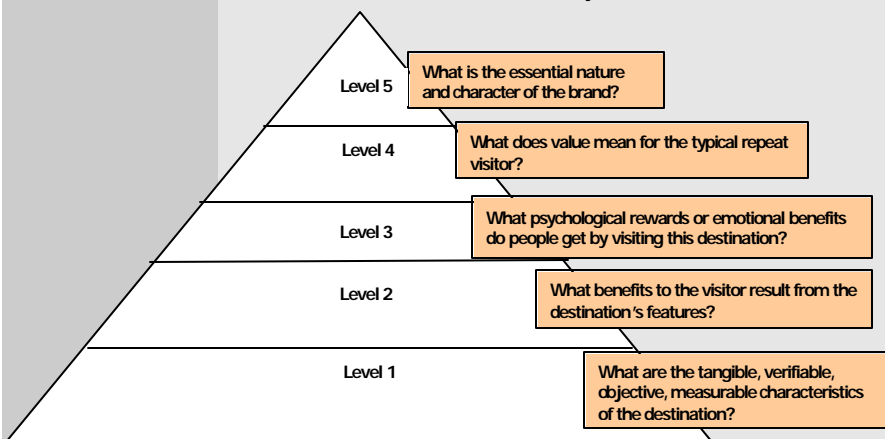
The concept of destination branding

All products require a "branding" effort to successfully compete for customers. Destination branding is about combining all the attributes associated with the place (i.e. its products, and services from various industries such as agriculture, tourism, sports, arts, investment, technology, education, etc.) under one concept, which expresses a unique identity and personality of the destination and differentiates it from its competition. Most importantly, branding requires a vision and mission about the destination and its future success. For example, the vision of "The Henry Ford" is that within a decade it will be the greatest history attraction in America, setting the standards in this field for educational value, hospitality, and meaningful, memorable and satisfying visitor experiences that are related to its mission.

What is behind a brand and what does it take to create a brand? It is important to understand what brand means in order to better utilize its marketing potential. A brand is an accumulation of characteristics that form a destination's image and identity. In simple words, branding is a **promise** to the consumer, **an expectation of performance** and a **mark of integrity and reputation** (Travis, 2000). It builds up continuously in the minds of the destination's consumers and it is affected by experiences, memories (Deutsch and Real, 2002) and other visitors' comments. A brand reflects all the destination products and services, which are part of the destination's identity. A brand needs to have unique elements, which differentiate it from its competitors and establish an image in the mind of the consumer. After establishing an image, branding can further build upon other destination brand elements.

Figure 1 below depicts the 'destination brand benefit pyramid.' Answering these questions can help identify a destination's brand identity elements.

Figure 1. Destination brand benefit pyramid
(Source: Gyimothy, www.humsamf.auc.dk/edu/snf/turisme/brandingopl%E6g.ppt)



Destination branding is not just about the visual and verbal elements used in a logo or slogan

Destination Marketing Organizations (DMOs) usually face challenges with selecting verbal elements to include in a brand name and tagline, as well as selecting visual elements to use in a logo. However, branding is not only about these elements. It is about the philosophy and the values that form the brand. The verbal and visual elements of a destination brand should represent the values and identity of a destination and capture the perceptions of its visitors.

The Department of Tourism and Marketing in Vermont embraces this approach and encourages all their partners to be consistent with the visitors' conceptions, which are part of the brand and they are: beauty, peace, outdoor fun and great amenities. On their website, vermontpartners.org, they present that "Vermont brand is not a logo, set of official colors, or a "look and feel" on advertising a website. The brand exists solely in the minds of the consumers and it encompasses their overall perceptions and attitudes of Vermont." (http://www.vermontpartners.org/htm/research_vtbrand.asp)

When a brand is established in a consumer's mind it can trigger associations with smaller destinations within the area the brand represents. But first there is a need to establish a consistent brand identity. For example, "The Henry Ford" brand is the umbrella brand name for five different attractions in the same destination. Although each attraction has its own positioning, promise, descriptor and tagline, all of them are consistently branded under one brand: "The Henry Ford". The choice of this brand name was based on research performed by the organization as to how visitors perceived and referred to the destination.

In the case of a state, the brand name provides an umbrella for the state's other destinations, as well as other business entities, which benefit from its greater exposure. For example, a shopping related business located in a primarily outdoor recreation destination will benefit from the overall increase in traffic in the area caused by the overall attractiveness of the larger destination. A brand also relies on how much the smaller entities in a destination embrace and support it in order to reinforce the brand identity to the visitors and increase its reputation.

Comments of tourism industry experts on branding

In order to better understand how experts in the Michigan Tourism industry think about branding, personal interviews were conducted with managers involved in branding projects in their industry. Some important points raised in the interviews are discussed below.

Tamara Real, project director of the publication "Just who do you think your customers are? A guide to branding your organization" prepared for the Michigan Museums Association emphasizes that a brand is a promise and that branding is about the essence of what a destination is.

Linda Jones, Program Manager at the Michigan Grape and Wine Industry Council in the Winery branding guide states that by exploring the role that "branding" plays in the success of an organization, individual wineries and groups of wineries can develop stronger messages to gain more support for this emerging industry.

Patricia Mooradian, Chief Operating Officer of "The Henry Ford" suggests that the most important components of a brand are its identity and essence. Ms. Mooradian also identifies the importance of having a mission and a vision, which guides an organization's current and future branding efforts.

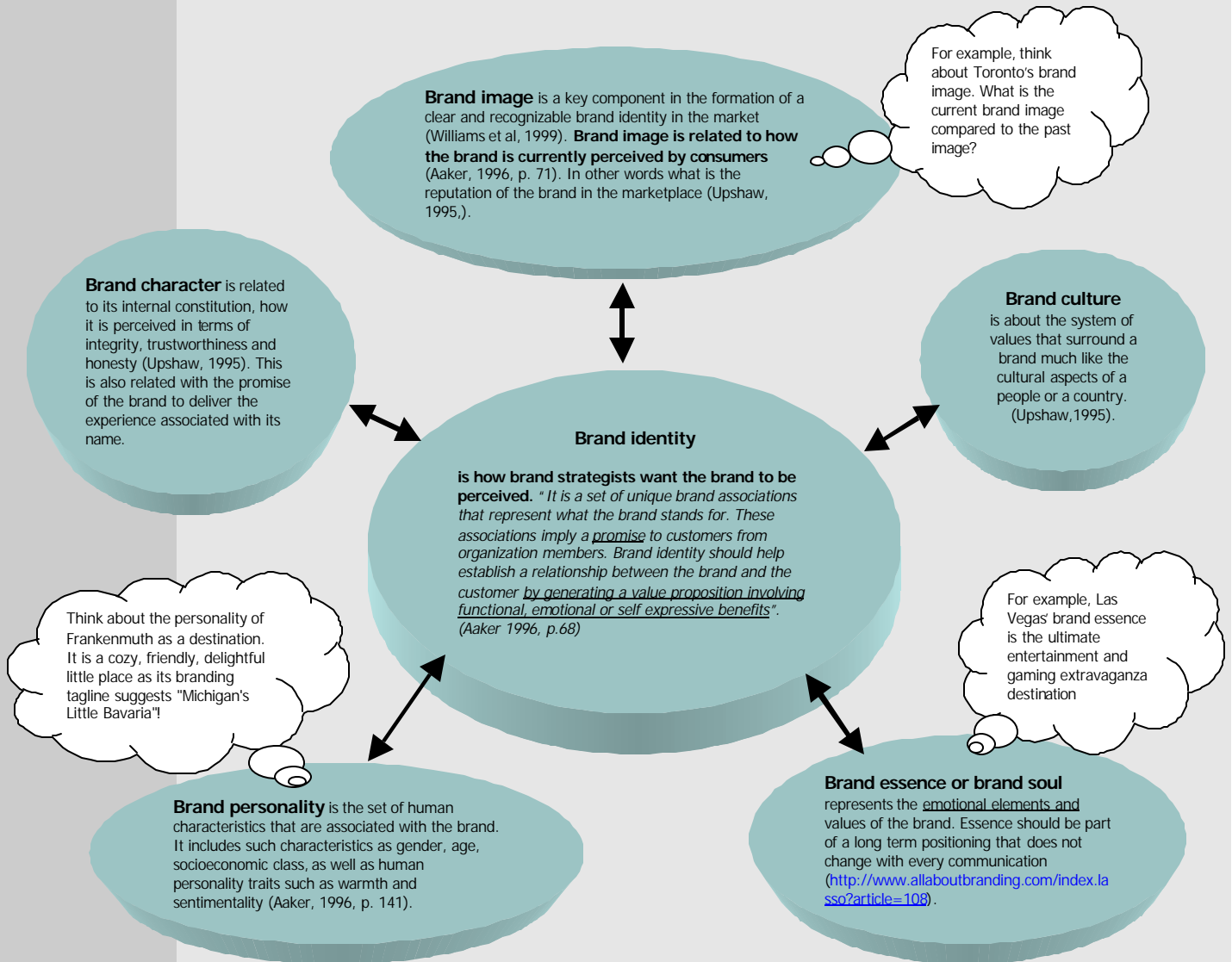
Some important points...

- Branding creates that first idea about a destination in the consumer's mind
- Branding efforts should be based on visitors' perceptions about the destination
- A mission and vision are necessary in destination branding
- A destination brand exists in the mind of the consumer who, if satisfied, remains loyal and does not switch.

Components of destination branding

Branding is not just a logo or trademark. It incorporates many components that work together to form the destination brand concept. Their management is part of the brand strategy. The components are identity, image, personality, essence or soul, character and culture. The value of the brand is described by the term brand equity. Brand positioning and leveraging are branding management approaches. These components are described in Figure 2.

Figure 2: The components of branding



All the components above communicate that a destination brand is about a promise to the potential visitor to deliver a positive experience on its distinctive elements. The brand experience can create emotional attachments, which also reinforce the identity and essence of the destination in visitors' minds.



Brand positioning

Brand positioning involves the management of the brand and the “manipulation” of the brand components to create an image, a position in the minds of the visitors that differentiates the destination from its competitors. **Do not try to be all things to all people!** This is not differentiating the destination brand from the competition. Create a unique position in the minds of the consumers. The positioning of a brand is associated with the concepts of brand image and brand associations. A brand association is anything “linked” in memory to a brand (Aaker, 1991, p. 109.) For example, when a visitor hears Kellogg's or Tony the Tiger he/she associates the product name with Battle Creek in Michigan, the Cereal Capital of the world.

Positioning a destination brand means to use the destination's strong points and build upon them. It is vital that the brand is believable and reflects some of the underlying features of the destination even though they might not be widely known. It is also important to understand the position of the destination in the minds of the consumers so that the pertinent positioning strategy is formulated. An example on positioning comes from Morgan, Pritchard and Piggott (2002) and is related to the positioning of New Zealand. The writers discuss that the brand is ‘New Zealand’, its brand essence is ‘landscape’ and its positioning is ‘New Pacific Freedom.’ This tagline for their positioning strategy aims to communicate an adventurous new land and culture on the edge of the Pacific Ocean (Morgan, Pritchard and Piggott, 2002).

Brand equity

David Aaker (1996, pp. 7,8) defines brand equity as “a set of assets (and liabilities) linked to a brand's name and symbol that adds to (or subtracts from) the value provided by a product or service to a firm and that firm's customers. The major asset categories are brand name awareness, brand loyalty, perceived quality and brand associations.”

Ritchie and Ritchie (1998) define brand equity in more technical terms as “the total accumulated value or worth of a brand; the tangible and intangible assets that the brand contributes to its corporate parent, both financially and in terms of selling leverage.”

Consequences of branding absence

The importance of branding may be better perceived by discussing what happens when branding is not present. Lack of branding means that the consumer may not be as aware of a destination or its identity. This means that during the decision making process of choosing a travel destination the consumer will consider a destination, which has a distinct position in his/her mind. Lack of branding means also lack of visual, emotional, rational and cultural destination images, which do not encourage potential visitors to feel a certain way about a destination and potentially motivate them to go there. Branding is very important in today's market. With so many products and services to choose from, consumers need to have some basis in order to make decisions (http://strategis.ic.gc.ca/epic/internet/inee-ef.nsf/vwGeneratedInterE/h_ee00231e.html). **Absence of destination branding leads to loss of potential visitors.**

Tips on branding

Now that the definitions are understood the following sections provide some tips on how to build, leverage, measure branding and manage on-line branding.

Building destination brand loyalty

Marconi (2000, p. 62) in his *Brand Marketing book* suggests that consumers decide to remain loyal to the brand based on the following elements:

- value (price and quality),
- image (brand's personality and reputation),
- convenience and availability,
- satisfaction (deliver on the brand promise)
- service and hospitality,
- unique past and future experiences and
- guarantee or warrantee.

Leveraging the destination brand

Leveraging the destination brand assets is one recipe for success. Aaker (1996, p. 274) states: “with its awareness, perceived quality, associations and customer loyalty, a brand is usually the most powerful asset that a firm owns”. The question is how to leverage a brand. There are various ways to do this. According to Aaker (1996) leveraging the brand involves:

- Line extensions strategies
- Strategies for stretching the brand vertically within existing product/service class
- Brand extensions strategies in different product classes
- Co-branding strategies

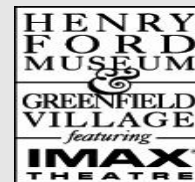
For destination branding, two strategies of leveraging are often used: line extensions and co-branding.

Leveraging destination brand

Line extensions

A line extension is a new version of the product/service within the same product/service class. Examples of product line extensions would be new flavors, new packaging options, or new sizes. In the case of destination branding, which is more service oriented, a line extension would involve creation of a new service or a new experience under the same umbrella destination name. For example, “The Henry Ford”, America's greatest history attraction added the *Ford Rouge Factory tour* attraction under the current umbrella name.

Previous logo



Current logo



Line extensions can expand user base, provide variety, energize the brand, manage innovation and block or inhibit competitors (Aaker, 1996, p. 275).

Co-branding

A destination brand can be leveraged through co-branding with another destination brand that receives more exposure and receives greater brand awareness. An example of this is the partnership program that Travel Michigan is offering to Michigan's tourism industry. The state of Michigan brand benefits partners through wider exposure in target markets, which otherwise couldn't be reached due to small promotional budgets. Co-branding with the State of Michigan provides the opportunity to share the benefits of each other's brand identity. Research performed by Cai (2002, p. 720) showed that “cooperative branding results in building stronger linkages of the image to the brand identity and more affective and attitudes-based brand associations for a region than for individual communities.” Another example of co-branding comes from the Michigan Grape and Wine Industry Council. The Council is using in some of their logos a similar version of the State's tagline adjusted for the Wine Industry: “Great Lakes, Great Tastes”. Also, both the Council and the Official State of Michigan travel web site feature a link in each other's web sites.



Measuring the effectiveness of the destination brand

Branding is also about measuring how successful a brand is. In order to do that a destination marketing organization should think what they want to achieve with their brand. Factors that can be measured and can be indicators of a brand's success are: brand name awareness, visitors perceptions about the brand and its identity elements, visitors opinions and attitudes, brand loyalty and traveling behaviors.

Travel Michigan has been conducting research on brand awareness. They ask: *When you are thinking about taking a vacation or short pleasure trip in the UNITED STATES or CANADA what cities, states or provinces come to your mind?* The following table represents the results on top of mind brand awareness (no recall aids) from Spring 1999 to Spring 2002. The sample of people was drawn from Michigan's designated marketing areas (DMAs).

Table 1: Travel Michigan study results on top of mind awareness of Michigan as a travel destination

	% who mentioned Michigan as a vacation destination
Spring 1999	5%
Spring 2000	7%
Spring 2001	7%
Spring 2002	7%

Table 2: Internet usage in the US in 2002

Population category	% of Internet users in 2002
U.S. Adults	54%
Travelers	67%
Travelers who use the Internet for travel plans	45%
Travelers who use the Internet for travel reservations	27%
Business travelers	79%
Pleasure travelers	67%
Frequent travelers taking five or more trips in the past year	74%

Source: Travel Industry Association of America

Destination Branding on-line

The use of Internet is increasing and people continue turning to this communication vehicle for more information regarding tourism destinations. Travel Industry Association of America has conducted research on Internet usage among various segments of the population, one of them being travelers. The data support this growth in Internet usage overall and among travelers. Tables 2 and 3 show usage in 2002 and over the years among all and on-line users.

Table 3: Travel Planning on the Internet-- Millions of U.S. Adults

Year	Online Travelers (millions)	Online Frequent Travelers (millions)
1997	12.0	6.0
1998	31.2	16.1
1999	48.1	23.5
2000	59.4	30.8
2001	64.5	32.0
2002	63.9	39.0

Source: Travel Industry Association of America
**A traveler is defined as a person who took at least one trip 50+ miles away from home, one-way, in the past year (not including commuting to from work or school).*

Furthermore, there has been an increase in the number of people who use the destination's website for travel planning. **Among 63.9 million online travelers, 63% used a destination's website in 2001 and 2002 compared to 52% in 2000 for travel planning** (source: TIA, 2002 Travelers Use Of Internet report).

Since people are turning to destination web sites for more information, the branding efforts of a destination should be communicated consistently through its website. Any inconsistencies can confuse the user at this phase. The important aspect with the destination website is that it should reflect all the branding components and communicate the destination's brand identity to the potential visitor.

How important is branding on-line? Very important!

Branding theory predicts that in cases where choosing among brands becomes difficult, consumers are likely to pick brands they prefer or they are familiar with (Kania, 2001). According to Nielsen//Net ratings, web users visit an average of ten websites per month (Kania, 2001, p. 122). They spend more time visiting their favorite few sites over new ones (Kania, 2001, p. 122). Based on this point, it is important to create and maintain a destination web site that is among the traveler's favorites in order to encourage repeat visitation and increase the opportunities for purchasing a vacation.

Websites can be the key communication vehicle that moves a customer's mind from brand awareness to brand preference and finally to brand loyalty (Kania, 2001).

But how can brand loyalty be built through the destination's website? Destination web sites are different from most product web sites since they offer experiences and services to the consumer. As such, they have to produce a pleasant first visit and form a distinct and clear image of what the destination stands for. Pleasant experiences will potentially make the visitor visit again and eventually become loyal. As well, visitors can be pulled back to the web site through e-mail notifications about new and exciting information. Interactivity (e.g. regional maps that provide information on town activities by clicking on the name of the town), quality of content, and pleasant website features could affect the user to visit again. Creating a pleasant visit will potentially lead visitors to talk about the site and the destination brand with other people as well.

Temporal (2002) states that "the critical success factor is the brand experience" (p. 190) and offers some general purpose rules to consider in order to make the website visitors "stick" to it (Temporal, 2002, p.183):

- Avoid time-consuming downloads
- Ensure quality content
- Concentrate on ease of use and navigation
- Use direct relevant language
- Provide an immediate response



How to measure brand loyalty on the web

One of the web's strengths is the ability to measure the behavior of website visitors and determine whether customers are loyal. Some of the key measures regarding brand loyalty are:

- **Website conversion rates:** find the number of unique web visitors who decided to visit the destination because of the website information. One way to do this is to ask for the visitors' e-mail address in order to subscribe them to a news service the web site offers and perform a follow-up study on whether the information provided influenced the web visitors to visit the destination.
- **Customer satisfaction:** use e-mail addresses or exit surveys to ask visitors how satisfied they were with the website and the information and services offered. Satisfaction is a good indicator of preference and possibly loyalty (Kania, 2001).
- **Repeat visitation numbers:** Monitor the number of repeat visitors to the website. For example, Travel Michigan has been monitoring the number of visitors who visited the official State of Michigan travel website more than once. Table 4 shows that the number of people visiting more than once is increasing.

Table 4: Visitors who visited the Michigan.org website more than once over a six month period in 2003

2003	Numbers of visitors who visited the website more than once	Total number of unique visitors per month	% of visitors that visited more than once
January	15,385	92,200	16.90%
February	14,168	83,827	16.70%
March	17,392	106,084	16.40%
April	20,323	123,159	16.50%
May	37,400	190,891	19.60%
June	44,894	215,678	20.80%

- **Commitment to the brand:** some indicators of commitment are asking customers if they will recommend the brand to others, to monitor the numbers of site users that enjoy website membership benefits such as free travel information and special offer newsletters. Also, monitor the number of people who cancel their e-mail newsletter subscriptions.

Conclusion: Remember the essentials....

When a DMO considers developing, transforming or maintaining a brand it should consider the following key points:

- Understand how visitors perceive the destination and build the brand's components based on these perceptions
- Create a vision and a mission for the organization's branding efforts
- Create a brand with unique features that differentiate it from the competition
- Remember... brand is a promise, it is set of strong associations people have with a place, which form their expectations. The brand has to deliver on the expectations to increase its value and create loyal customers
- Manage the brand through the right positioning to stimulate and affect consumer's perceptions and claim a position in their minds
- Leverage the brand through co-branding and "product" (services and experiences) extensions
- Monitor brand effectiveness



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This is the third paper of the new Marketing and Research paper series created by Travel Michigan and the MSU Dept of Park, Recreation and Tourism Resources to better inform Michigan's tourism industry on marketing research topics. The topics of the first and second research papers were on conversion studies and word-of-mouth respectively. You can view these papers at the following web address: <http://www.travelmichigannews.org/Research.htm>