

Destination Marketing through Networks

Veronica Königsson
Sara Stark

Luleå University of Technology

Bachelor thesis
Marketing

Department of Business Administration and Social Sciences
Division of Industrial marketing and e-commerce

ABSTRACT

The purpose we established for our thesis was to examine the process of marketing a town as a single unit and the use of networks. The appointed research strategy was a case study and we conducted interviews with destination marketing organizations and companies in the towns of Luleå and Piteå. The empirical data that was gathered from the interviews was then compared to previous studies and literature regarding the subject of destination marketing to see if there were any similarities and/or differences. The results of our study showed that much focus is directed on communicating a positive image of destinations through marketing activities. Furthermore, tourism actors within a destination work with networks in order to market the destination as a single unit; to do this successfully the different relationships within the network has to be functioning and the members need to work towards a mutual goal in order to attract as many tourists/visitors as possible to the destination.

ACKNOWLEDGEMENT

Throughout this thesis we have focused on the destination marketing organizations' work with destination marketing through networks. We have gained knowledge of the importance of networks when working with destination marketing to attract tourists, both leisure and business tourists. We would like to thank all of you that have contributed to our thesis. We would like to thank Rickard Wahlberg, our supervisor, as well as Elisabeth Ennerfors, Ingela Larsson, Bo Sandström and Bo Eriksson for agreeing on interviews that contributed with valuable information to this study. Furthermore we would like extend a great thank to all the seminar opponents who have contributed with valuable comments on this thesis.

Thank you!

Luleå 1st of June 2009

Veronica Königsson and Sara Stark

TABLE OF CONTENT

| | |
|---------------------------------------------------------------------------------------------------|-----------|
| 1 INTRODUCTION | 1 |
| 1.1 CLARIFICATIONS..... | 1 |
| 1.2 BACKGROUND | 1 |
| 1.3 PROBLEM DISCUSSION | 2 |
| 1.4 PURPOSE..... | 5 |
| | |
| 2 THEORY | 6 |
| | |
| 2.1 HOW DO DMOs WORK TO MARKET A TOWN AND ITS SURROUNDING AREAS TO ATTRACT TOURISTS? | 6 |
| 2.1.1 THE TOURISM AREA LIFE CYCLE..... | 6 |
| 2.1.2 MODEL OF DESTINATION IMAGE..... | 7 |
| 2.1.3 SLOGANS AND LOGOS AS MARKETING TOOLS | 8 |
| 2.1.4 THE MARKETING MIX FOR SERVICES..... | 9 |
| 2.2 HOW DO ACTORS WITHIN THE TOURISM BUSINESS USE NETWORKS? | 10 |
| 2.2.1 RELATIONSHIPS WITHIN NETWORKS | 10 |
| 2.2.2 RELATIONSHIPS BETWEEN COMPETITION AND COOPERATION | 11 |
| | |
| 3 METHODOLOGY | 12 |
| | |
| 3.1 LITERATURE SEARCH | 12 |
| 3.2 RESEARCH STRATEGY | 12 |
| 3.3 CASE SELECTION | 12 |
| 3.4 DATA COLLECTION..... | 13 |
| 3.5 DATA ANALYSIS | 14 |
| 3.6 METHODOLOGICAL PROBLEMS..... | 14 |
| | |
| 4 EMPIRICAL DATA..... | 16 |
| | |
| 4.1 LULEÅ..... | 16 |
| 4.1.1. HOW DO DMOs WORK TO MARKET A TOWN AND ITS SURROUNDING AREAS TO ATTRACT TOURISTS? | 16 |
| 4.1.1.1 Visit Luleå..... | 16 |
| 4.1.2. HOW DO ACTORS WITHIN THE TOURISM BUSINESS USE NETWORKS?..... | 19 |
| 4.1.2.1 Visit Luleå..... | 19 |
| 4.1.2.2 Park Hotell | 20 |
| 4.2 PITEÅ..... | 22 |
| 4.2.1. HOW DO DMOs WORK TO MARKET A TOWN AND ITS SURROUNDING AREAS TO ATTRACT TOURISTS? | 22 |
| 4.2.1.1 Piteå Presenterar..... | 23 |
| 4.2.2. HOW DO ACTORS WITHIN THE TOURISM BUSINESS USE NETWORKS?..... | 25 |
| 4.2.2.1 Piteå Presenterar..... | 25 |
| 4.2.2.2 Pite Havsbad | 27 |

| | |
|---------------------------------------------------------------------------------------------------|-----------|
| 5 DATA ANALYSIS | 30 |
| 5.1 HOW DO DMOs WORK TO MARKET A TOWN AND ITS SURROUNDING AREAS TO ATTRACT TOURISTS? | 30 |
| 5.2 HOW DO ACTORS WITHIN THE TOURISM BUSINESS USE NETWORKS? | 32 |
| 6 DISCUSSION | 35 |
| 6.1 RESEARCH QUESTION 1 | 35 |
| 6.2 RESEARCH QUESTION 2 | 36 |
| 6.3 CONCLUSIONS AND CONNECTION TO THE RESEARCH PURPOSE | 37 |
| 6.4 CONTRIBUTIONS OF OUR STUDY | 38 |
| 6.5 SUGGESTIONS TO CONTINUOUS RESEARCH | 38 |
| LIST OF REFERENCES | 39 |
| APPENDIX 1: INTERVIEW GUIDE - ENGLISH VERSION | |
| APPENDIX 2: INTERVIEW GUIDE - SWEDISH VERSION | |

1 INTRODUCTION

In the first section of the thesis we begin with some clarifications regarding a few terms we have used throughout this thesis. The clarifications are made in order to reduce misunderstandings for the reader. Thereafter a background is presented to introduce the reader to the research subject followed by our problem discussion concerning the subject of destination marketing. The problem discussion leads down to the purpose of the thesis and the research questions that we have formulated.

1.1 CLARIFICATIONS

Throughout this thesis, we have used the term destination marketing. However, some authors have used the term place marketing. We consider these two terms to be synonyms and therefore we have only used the term destination marketing to avoid misunderstandings. In our research questions, we use the expression ‘towns and its surrounding areas’ to explain the geographical area of our interest. We chose ‘surrounding areas’ since we did not want to use limited words such as ‘region’ or ‘municipality’. Another clarification that we feel we have to make concerns the term DMO. The literature uses this term as a shortening for both destination marketing organization as well as for destination management organization. When reading the literature, one can understand that even though these terms are not directly synonymous, both terms of DMO concern the same type of agencies/organizations. The cases concerning this clarification in our study are destination marketing organizations hence that are the expression we will use in our thesis.

1.2 BACKGROUND

Travel and tourism is a global and growing industry which contributes to increased gross national product for many countries across the world (Riege & Perry, 2000). According to Kavaratzis and Ashworth (2008) destination marketing and its usefulness are presently most recognized in the area of tourism development. The practice of destination marketing has evolved over time, shaped by historical happenings and findings as well as influenced by developments within the marketing science (ibid). Today, destination marketing is performed throughout the world because places need to differentiate themselves and promote the individual and unique characteristics they hold (Kavaratzis & Ashworth, 2008). The authors state that it is essential that an organization is established that has responsibility of coordinating the marketing efforts of the implemented destination marketing. Aronsson and Tengling (2003, p. 85) state that there are numerous actors from different lines of businesses within the tourism industry. Camprubí, Guia and Comas (2008) claim that close relationships between the tourism actors within a destination will lead to assets such as new information and exchange of knowledge; in turn this lead to more successful way of performing destination marketing.

1.3 PROBLEM DISCUSSION

Kamfjord (1999, p. 58) defines the tourism market's three main purposes as; business travels, courses and conferences, and holidays and free time. Mill (1990, p. 18) defines a tourist as a person traveling for pleasure as well as a person traveling for business reasons. Kamfjord (1999, p. 34), on the other hand, states that tourism is when a person is temporary at another location than the place of residence, where the purpose of the visit is not work. However, there are not any boundaries of what could be defined as tourism; the only important thing is that the tourist has to be outside the home district (ibid).

Destinations can be of various kinds, they can be: self-sufficient resorts, towns, cities or villages, areas such as national parks, countries or a group of countries (Vellas & Bécherel, 1999, p. 183). According to Hankinson (2005), destinations are multifunctional; they can offer historical buildings, sports facilities as well as entertainment. This is also something that von Friedrichs Grängsjö and Gummesson (2006) explain by stating that the product, the tourist destination, is a fixed place with many enterprises offering a large number of services for the tourists and these enterprises can be spread inside and outside of the destination. In addition to this, destinations can experience different stages such as exploration/discovery, discovery/development, development, consolidation/stagnation and decline (Brooker & Burgess, 2008). These stages can occur over a longer period of time and they can represent a destination's lifecycle (ibid).

Briggs (2001, p. 41.) state that marketing is mainly about selling the right product at the right price to targeted people by using the most suitable promotional methods. Destination marketing is the marketing of a destination in order to attract tourists (Ryan, 1991b, referred to in Wheeler, 1995). According to Wheeler, destination marketing can lead to a successful targeting of suitable groups and tourists for a place. If the groups' and tourists' expectations match the perceptions and interests, a greater marketing satisfaction will occur (ibid). To succeed with this, it is according to Briggs (2001, p. 44) important to know what you are selling. Tourism products consist of many components and it is significant to sell experiences and benefits rather than features (ibid). In addition to this, Wheeler (1995) states that the tourist product is different than other products in the sense that it is consumed at the point of production rather than being produced and then consumed since the tourism product is the sum of experiences rather than a physical product.

Wheeler (1995) explains how destination marketing distinguishes from the marketing of physical goods since tourism is a performance and is therefore intangible. This is also stated by Mill (1990, p. 284), who also differentiate marketing of physical goods from destination marketing. Because of its intangible character, destination marketing is difficult since the marketer has to choose from these individual elements in order to form the foundation of the destination product (Hankinson, 2005). Furthermore von Friedrichs Grängsjö (2003) declares that a disadvantage with marketing theories developed for manufactured products is that they do not include the social aspects, which is an important aspect on the behavior of companies. In addition to this these marketing theories also exclude the relationships, interactions and the

networks that provide the geographical and social framework the actors work within (ibid). In order to be able to include the social aspects modifications has been made to the 4P marketing mix. Booms and Bitner (1981), (referred to in Cooper, Fletcher, Fyall, Gilbert and Wanhill, 2005), have added three additional Ps, people, processes and physical evidence. Cooper *et al* claim that people, processes and physical evidence are important factors when it comes to service products since they are intangible.

By establishing a destination marketing organization (DMO) destinations can benefit when it comes to facilitate the destinations' tourism product (Lebe & Milfelner, 2006). According to Sainaghi (2008) destination management organizations (DMOs) are commonly the agencies that are liable for the strategy of the destination, how the management of the communication is handled and also to overlook the progress of new product development. Lebe and Milfelner (2006) state that a problem for DMOs is the fact that suspicion exists among the many stakeholders that are present within a destination's boundaries. Because of this suspicion some organizations do not want to join the network because they fear they might lose some of their market share/position by uniting with the DMO association (ibid). The authors claim that one of the most important challenges for a DMO concerns how to have a good development strategy. This include tasks like education and training for locals, training for local tourist guides and the formation of programs in order to raise consciousness among the locals of the significance that tourism has for the destination in forms of incomes and job opportunities (ibid). Timur and Getz (2008) claim that DMOs have a certain authority within the destinations; DMOs are regarded as professional organizations that possess expertise and a wide range of customers. In addition to this, the authors claim that it is the job of the DMOs to make sure that the internal collaboration with the stakeholders functions so that they share the same tourism policy (ibid).

Warnaby, Bennison, Davies and Hughes (2002), (referred to in Medway and Warnaby, 2008), state that one important element of destination marketing is the coordination of the chosen attributes of the place in order to be able to promote a positive image of the place as a unified entity. Kotler, Haiden and Rein (1994), (referred to in Camprubí, Guia & Comas, 2008) defines image as the result of a person's beliefs, ideas, feelings, expectations and impressions about a place or an object. Mossberg (2003, p. 168) thinks that this definition fits well since it can be applied to places. According to Mossberg (2003, p. 167), image is of great importance when it comes to why people choose to visit a certain place. Another promotional tool to consider for destination marketers is a slogan (Pike, 2005). The author argues that a slogan can be a way to differentiate a destination since nowadays destinations are faced with substitution.

As mentioned, destinations are more complicated to market since it consists of several services and experiences. Mossberg (2003) discussed the importance of having an image to attract tourists to a destination. In addition to this, Pike (2005) emphasizes the importance of a slogan in order to promote the town and Lebe and Milfelner (2006) state that a DMO should

be established in destinations. This thesis will examine how DMOs work with marketing from the perspective of the DMO. Based on this discussion the first research question is;

RQ1. How do DMOs work to market a town and its surrounding areas to attract tourists?

Marketing tourist destinations and its products have become a commonly known practice for both public and private sector organizations (Riege & Perry, 1998). Kamfjord (1999, p. 35) explains that actors within the tourism industry are many and whether or not the actors are active in the industry permanent or on an occasional basis, they all play important roles. Furthermore, actors in the tourism industry also come from different positions in the society such as private or public actors (op cit, p. 36). Vellas and Bécherel (1999, p. 184) furthermore explain that the destination marketers include many different types of actors. They can be single or multiple owner private sector operators, public sector bodies, both from smaller local authorities as well as government agencies, public/private sector partnerships and also cooperatives of destination marketing agencies (ibid). In addition to this, Vellas and Bécherel explain that it is essential that the different agencies recognize that they have to consider each other's objectives and their own limits when they develop the marketing strategy for a place. von Friedrichs Grängsjö (2003) explains one other restriction for tourism actors, which is that a tourist product consists of several entrepreneurs. Ownership is divided among these and each actor is dependent on the others in order to offer an integrated quality product for the tourist (ibid).

The marketing of a destination becomes complicated since it is involving networks of enterprises which are not controlled by a central management (von Friedrichs Grängsjö & Gummesson, 2006). The importance of networks to coordinate the marketing is something that Cambrudí, Guia and Comas (2008) also explain. Cambrudí *et al.* further state that a high degree of cooperation between the tourism agents is important in order to get new knowledge and access relevant information.

von Friedrichs Grängsjö (2003) explains networks as complex to organize since there often are numerous actors involved. These actors have to co-exist at the same time as they all have their own aims, goals and motivations for the marketing of the destination (ibid). Morrison, Lynch and Johns (2004) also explain that for a network to be successful, it requires a balance between the mutual interest (marketing the destination) and the diverse interest (marketing themselves). This is also something that Wang and Krakover (2008) discuss as they state that the relationship between companies can be both competitive and cooperative. The relationship changes depending on the closeness of the activity to the customer; close activity to the customer means competition and activities far from the customers mean cooperation (ibid). This leads to the term "coopetition" which Bengtsson and Kock (1999) stated to show that the relationship can be versatile.

As we have discussed above, networks are necessary for a destination in order to promote the town as a unified product. However, it is still complicated since it works with the balance

between competition and cooperation (Cambrudí, Guia & Comas, 2008). In addition to this, Kamfjord (1999, p. 35) claims that there are many actors which play an important role within the destination. In addition to examine how DMOs work with marketing, this thesis will also examine the importance of tourism networks from the perspective of both the DMOs and the actors. This leads to our second research question;

RQ2. How do actors within the tourism business use networks?

1.4 PURPOSE

Based on the discussion above, the purpose of this thesis is to examine the process of marketing a town as a single unit and the use of networks.

2 THEORY

In this section we will present the theoretical framework in order to find answers to the research questions that we have in this study. We have divided the theory chapter into two sections according to the research questions that we presented in the previous chapter. We will start by discussing research question one in section 2.1 and then continue with research question two in section 2.2.

2.1 HOW DO DMOS WORK TO MARKET A TOWN AND ITS SURROUNDING AREAS TO ATTRACT TOURISTS?

Trueman, Klemm and Giroud (2004) state that it is important for towns to have a comprehensible identity and that the town's assets are understood in order to attract tourists. Wheeler (1995) and Medway and Warnaby (2008) discusses the importance of destinations images and according to Pike (2005) a concise slogan can be an effective marketing tool. The intangibility that is characteristic for a service can create marketing difficulties and therefore resources such as people are important to the marketer (Nicoulaud, 1989).

2.1.1 THE TOURISM AREA LIFE CYCLE

According to Brooker and Burgess (2008) the development rate has been positive for many destinations during the last years. The outcome of this is that continuing growth has been seen as something evident, however, many destinations have also experienced that the number of tourists decrease (ibid). In addition to this the authors also explain that since it is common for destinations to experience changing numbers from season to season it is essential for the marketers to understand why this occur. Repositioning in the marketplace and revitalizing the tourism product is challenges that destinations can be forced to do since the number of visitors are one of the most important factors of a destinations performance (ibid). In order for this to be successful, Brooker and Burgess claim that it is important for the destination marketers to position their destination according to the framework of the Tourism Area Life Cycle, TALC, (Butler 1980, referred to in Brooker & Burgess 2008).

The idea of the TALC model is to show that a destination experience five different stages and according to Butler's model, growth will have an S-shaped form followed by a dip in the end (Brooker & Burgess). The stages in TALC are:

Exploration/Discovery

In this stage the destination is "found", not many tourists visit the place; the ones who do visit can be described as adventurous. With time and through word of mouth more people get interested in traveling to this area.

Discovery/Development

In the second stage the destination experience a wave of more usual tourists. There are also a few entrepreneurs there to establish facilities in order to maintain the tourists. The adventurous visitors have moved on to new places.

Development

Now the destination has been discovered by the media which leads to a higher degree of recognition of the destination for the general public. The first signs of mass tourism begin to occur as well and the infrastructure is built to sustain and attract the tourists to the destination.

Consolidation/Stagnation

In the fourth stage, the destination has reached its high point, the number of visitors do not increase much; it may even be declining in this stage. At this point, the destination has all the facilities and entertainment that is characteristic for a tourist destination and therefore it looks like other places, substitutability is now a problem.

Decline

Here the destination experience a loss of visitors as well as the ones who go there stay a shorter amount of time as well as spend less money while at the destination.

According to Brooker and Burgess (2008) many actors within the tourism industry blame the downward spiral of visitors on external forces such as the weather and fuel prices. The real problem is instead the unwillingness to ongoing investment in their products through both small scale and large scale inventions (ibid).

2.1.2 MODEL OF DESTINATION IMAGE

According to Leisen (2001), image is of importance when it comes to the traveler's anticipation of a destination and a positive image can indicate that visiting a destination would be a satisfying experience for the traveler. Leisen furthermore states that people form their own image about a destination by being exposed to information from different sources during a period of time.

McCartney (2008) states that the image formation process is difficult because it consists of several dimensions. Additionally, McCartney explains that the different dimensions are made up by personal factors such as psychological and social, as well as the destination factors, affective a cognitive constructs. In *Figure 1*, McCartney's model of the holistic view on all the elements in the destination image process is shown.

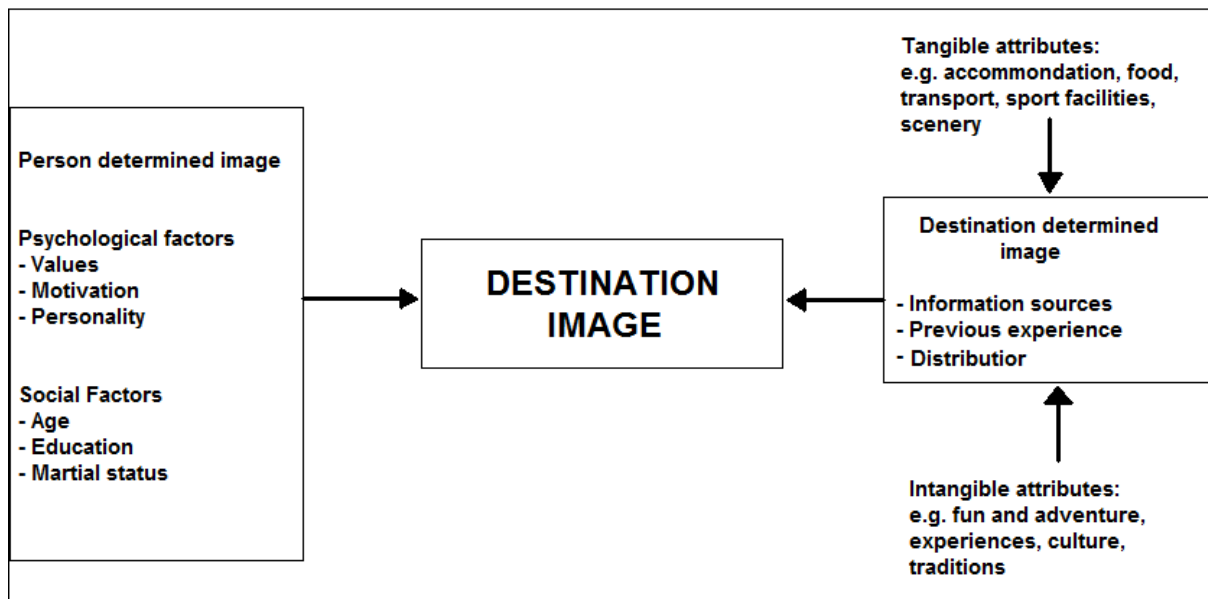


Figure 1. The formation of a destination image.

Source: Adapted from McCartney, G. (2008). Does one Culture all think the Same? An Investigation of Destination Image Perceptions from Several Origins. *Tourism Review* 63(4), 13-26.

In order to create a destination image, both the personal determined image and the destination determined image have to be taken into consideration. The personal determined image consists of both psychological factors and social factors. The destination determined image consists of, for example, previous experience which in turn consists of both tangible attributes such as food and transport but also of intangible attributes such as fun and adventure. Depending on how the marketer emphasizes the attribute of the destination, they can attract different segments of tourists. Together, these images create the destination image.

2.1.3 SLOGANS AND LOGOS AS MARKETING TOOLS

The marketing of destinations also include the use of slogans and logos, in fact the use of slogans was one of the first tools that was used for marketing purposes (Ward, 1998, p. 54). For a product, slogans can help establish its desired image and identity; situate it in its intended niche and enhance customers' recall of its name. (Lee & So, 2007).

According to Ward (1998, p. 55) a slogan can be used to:

- Imply the real meaning of a place
- Suggest what is appealing about a destinations
- Explain the destinations attributes

In addition to this, Pike (2005) argues that a slogan can be the connection between the places' identity aspired by the marketers, and the image of the place that the market has. However, slogans may not significantly differentiate destinations in the long run (ibid).

According to Arens, Weigold and Arens (2008, p. 422) logos are special designs of the marketer's product or a company name; they appear in advertising and the purposes of the logo are:

- To give a product individual acknowledgment
- To make it more recognizable

2.1.4 THE MARKETING MIX FOR SERVICES

According to Cooper, Fletcher, Fyall, Gilbert and Wanhill (2005, p. 680) the reason why there has been adaptations of the original marketing mix is because it is more suitable to manufacturing companies rather than service companies. Booms and Bitner (1981), (referred to in Cooper *et al*, 2005, p. 680), have added three additional Ps for services: people, process and physical evidence. Rafiq and Ahmed (1995) agree to the fact that the 7P framework has an advantage over the 4P framework when it comes to marketing services, as well as they believe that it could be used in other areas of marketing. Mayer, Bowen and Moulton (2003) also consent in that the marketing of services include other elements than what is presented in the 4P framework. Cooper *et al* (2005, p. 681) argue that the major difference between a service product and a manufactured product is that it contains intangible elements. In the tourism industry, the quality of the human behavior is of great importance and it is an intangible element (*ibid*). In *Figure 2* below the extended marketing mix is shown. In our study we chose to look at the added elements, people, processes and physical evidence, not the 7P framework as a whole. We chose to only include the three added Ps since they are the ones argued to be important for intangible services.

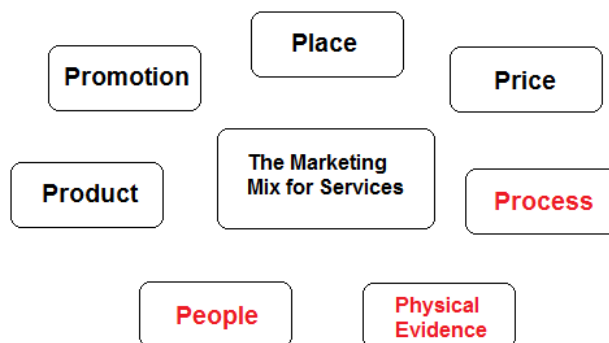


Figure 2. The Marketing Mix for Services.

Source: Adapted from Cooper, C., Fletcher, J., Fyall, A., Gilbert, D., & Wanhill, S. (2005). *Tourism – Principles and Practice*. Essex: Pearson Education Limited.

The element of **People** include factors such as personnel, training of personnel, appearance, attitudes, customers behavior, degree of customer involvement and customer contact (Cooper *et al* p. 681). **Process** includes factors like policies, procedures, employee discretion, flow of activities and customer involvement (*ibid*). According to Cooper *et al*. **Physical Evidence** includes things like the environment, level of noise, layout and colors and facilities.

2.2 HOW DO ACTORS WITHIN THE TOURISM BUSINESS USE NETWORKS?

Bengtsson and Kock (1999) claim that by interacting with others, a company can develop and improve its business. Timur and Getz (2008) state that a network is the pattern that is formed when different actors combine with each other; the actors can be combined indirectly or directly. In addition to this the actors of a network can be involved in single as well as multiple relationships (ibid).

2.2.1 RELATIONSHIPS WITHIN NETWORKS

The three different relationships within tourism networks that many authors mention are competition, cooperation and co-competition (for example: von Friedrichs Grängsjö & Gummesson, 2006; Wang & Krakover, 2008; von Friedrichs Grängsjö, 2003). Bengtsson and Kock (1999) have established a figure to show the different relationships between competitors (See *Figure 3*). Co-existence is when the relationship only includes information and social exchange, not economic exchange, and when the competitors know of each other but do not interact with each other (ibid). The authors explain that cooperation is when the exchanges are frequent and consists of business, information and social exchange but just because the competitors cooperate, does not mean that they do not compete. Camprudí, Guia and Comas (2008) explain that cooperation also is important for the image. Competition is when competitors follow or copy each others' new ideas and the goals are set independently (Bengtsson & Kock, 1999). Wang and Krakover (2008) explain that the competitive and the cooperative relationships are divided due to the closeness of the activity. This leads to the term 'co-competition' which was introduced by Bengtsson and Kock (1999) and it is also the last relationship in their *Relationship between competitors*-figure. Co-competition is when the relationships are both cooperative and competitive; the competitive side is based on the actor's position and strength and the cooperative side is based on functional aspects (ibid).

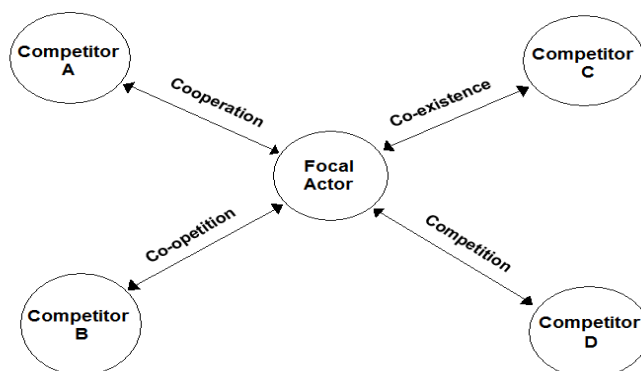


Figure 3. Relationships between competitors.

Source: Adapted from Bengtsson, M., & Kock, S. (1999). Cooperation and Competition in Relationships between Competitors in Business Networks. *Journal of Business & Industrial Marketing* 14(3), 178-193.

2.2.2 RELATIONSHIPS BETWEEN COMPETITION AND COOPERATION

According to Wang's (2008) study, tourism organizations involved in collaborative relationships will have conflicts due to natural disagreements. The relationships are characterized by various issues of importance and complexity, mainly between individual and common benefits and between competition and cooperation (ibid). Wang and Krakover (2007) state that the cooperative or competitive relationship depends on the closeness of the activity to the customer. The closer the activity is between the businesses, the more of a competitive relationship (Wang, 2008). When individual organizations try to maximize their own interests, the competitive behavior is noticed (ibid). The cooperative behavior on the other hand is shown when the different tourism businesses participate in collective actions to reach a mutual goal (Wang, 2008). von Friedrichs Grängsjö (2003) emphasize that the balance between competition and cooperation is vital for the marketing of the destination since it often takes place at many different levels. The tourists experience the destination as a unified product whereas the tourism business within the destination is competing (ibid). von Friedrichs Grängsjö (2003) furthermore state that a destination develops or stagnate depending on how the different businesses behave as rivals or are able to co-exist and therefore the destination's development is affected whether or not the businesses can work with, or against each other.

Wang has developed a model to show the factors which decide if the relationship will be more competitive or cooperative (see *Figure 4*). The competition vs. cooperation strategy depends on the individual and common benefits, whether a micro or macro way of thinking is adopted, perceived level of interdependence, perceived level of complementarities of products, personality of owners and managers, availability of leadership of CVB (Convention and Visitors Bureau), locality of marketing activities and the focus of total experience for travelers (ibid).

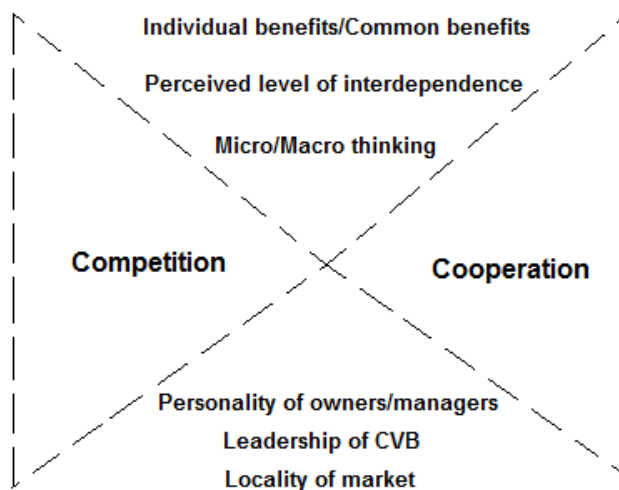


Figure 4. The dynamic relationship between competition and cooperation.

Source: Adapted from Wang, Y. (2008). Collaborative Destination Marketing. *Journal of Travel Research* 47(2), 151-166.

3 METHODOLOGY

This chapter will present the methodology we have used in our thesis. First we present how the literature review was conducted and then we discuss the research strategy we have used as well as the cases we selected for the research. Furthermore this chapter contains information about our data collection and the analysis of the data. Last we discuss the methodological problems we have experienced during our research.

3.1 LITERATURE SEARCH

After deciding the subject for our thesis we started to search for relevant books and scientific articles. The books used in our study have been found through Luleå University of Technology's library search Lucia. The scientific articles have been found through databases such as Emerald and Ebsco at Luleå University of Technology's library homepage.

The search words we used both individually and combined were tourism, destination marketing, destination image, models, networks, coopetition, collaboration, place marketing.

3.2 RESEARCH STRATEGY

According to Denscombe (2000, pp. 41-43) a case study is characterized by the depth of the study, relations and processes, a holistic view, a natural environment and the use of multiple sources. We chose a case study as our research strategy because we wanted to gain a deeper and more detailed understanding of our research subject. In addition to this, our research questions are of how-character which indicates the use of a case study strategy.

3.3 CASE SELECTION

In order to put together a high-quality case study, the choice of cases is important. We wanted to examine two towns to see how the marketing and the collaboration among actors differentiate between the towns; if one of the towns is more successful with the marketing activities and also if the collaboration between the actors work in the towns. The two cases we have chosen are Luleå and Piteå. We chose Luleå and Piteå as our cases because of the limited research time and financial reasons. Another reason for choosing these cases is due to the fact that Luleå and Piteå are situated within a close traveling distance from Luleå University of Technology. The first case is Luleå, a town with 73 000 inhabitants located by

the coast in the North of Sweden¹. The second case, Piteå, is a town located 60 kilometers south by the coast of Luleå with nearly 41 000 inhabitants².

3.4 DATA COLLECTION

Since we wanted a deeper understanding of the research subject we chose face to face interviews as our data collection method. Interviews are often used when the researcher wants to gain a deeper understanding and interviews indicate a case study which further supports our choice of research strategy (Denscombe, 2000, p.132). We have used semi structured interviews as our data collection tool; we wanted to use semi structured interviews because of their flexible nature and also because the respondent is able to answer more detailed and develop his/her answers. According to Denscombe (2000, p. 135) semi structured interviews gives more room for discussion.

When we had chosen our two cases, Luleå and Piteå, we selected two different companies and organizations within each case. We chose one DMO and one company in Luleå respective Piteå in order to get a deeper understanding of the two cases marketing activities and networking. In Luleå we contacted the DMO Visit Luleå and the company Park Hotell. In Piteå the DMO Piteå Presenterar was contacted as well as the organization Pite Havsbad. We chose Visit Luleå and Piteå Presenterar since both are the only DMOs in the towns of Luleå and Piteå. The reason for choosing Park Hotell and Pite Havsbad was that Park Hotell is a small actor and Pite Havsbad is a large actor and we wanted information from both actors' perspectives regarding the networks. Furthermore we thought that examining a DMO as well as a company within each of the two cases we would be able to gain understanding from two different perspectives regarding the marketing activities and the use of networks within each case; that will enable us to answer our research questions as thoroughly as possible.

We contacted these four businesses and informed them about our errand so that we could be forwarded to the most suitable person and we then agreed upon dates to meet and carry out the interviews. Beforehand the interview guide was e-mailed to all our respondents except Ingela Larsson at Park Hotell. The reason for this is that we only had contact with her through telephone so we forgot about it and she did not ask for it. We wanted to send the interview guide in advance so that the respondents would have sufficient time to have a look at our questions and prepare themselves for the interview if they so wished. The interview guide can be found in *Appendix 1*. Our interview guide was constructed from the theoretical framework presented in section two of this thesis and the questions are divided according to our research questions. In addition to this the interview guide had been scrutinized in a seminar previous to the interview occasions.

¹ Luleå Municipality's homepage

<http://www.lulea.se/meromlulea/befolkningsstatistik.4.6eb58bee10bd2eb0cd980001264.html>

² Piteå Municipality's homepage

http://www.pitea.se/templates/Pitea_Page____20407.aspx?epslanguage=SV

The respondent we interviewed from Visit Luleå was Elisabeth Ennerfors; she is the managing director of Visit Luleå. At Park Hotell we met for an interview with one of the family owners, Ingela Larsson. Piteå Presenterar's managing director Bo Sandström agreed to an interview and at Pite Havsbad Bo Eriksson, sales manager and involved with Pite Havsbad's marketing activities, welcomed us for an interview. The interviews took 30 to 60 minutes and we used a tape recorder during the entire interview so that no information would get lost as well as we took individual notes. We asked each of the respondents if they would mind if we recorded the interview but none of the respondents had any problem with this. When we had carried out the four interviews we listened through and wrote down all the tape recordings and in addition to this we looked at the personal notes made during each interview.

3.5 DATA ANALYSIS

The data analysis was based on the theoretical framework presented in this thesis as well as on the empirical data we collected through the interviews. The data analysis is presented in the data analysis section of the thesis and contains comparisons between the empirical and theoretical data. In section six of this thesis a discussion regarding why and how some of the empirical data differentiates from the theoretical literature framework is presented. The discussion will be divided according to our research questions.

3.6 METHODOLOGICAL PROBLEMS

The methodological problems we have encountered have been problems in finding some of the original articles; hence we have used a few second referrals in our thesis. Another problem that arose due to the fact that our thesis is written in English is that the interview questions are also in English. However, we will carry out the interviews in Swedish since it is the respondents' native language. This presented a problem for us in the sense that we risked losing information or misconstrue one and other during the interview due to language barriers and translation misinterpretations. In order to reduce this risk, we translated our interview questions beforehand as well as we could so we would have the interview guide available in both languages for comparison reasons. The language situation is a problem that cannot be ignored and we had it in mind and thought the best solution was to translate the questions so that we had one Swedish version and one English version of the interview guide. However the respondents have just been offered the Swedish version of the interview guide.

We chose to send the interview guide out beforehand so that our respondents would have time to go through them and be able to answer our questions thoroughly. However, as mentioned we forgot to send Ingela Larsson from Park Hotell the questions beforehand so this gave her a disadvantage regarding preparing herself for the interview. In our opinion, Ingela Larsson was able to give us informative answers anyway but since the other three respondents had seen the questions beforehand and Ingela Larsson had not, we felt that we needed to mention this as a possible problem in the sense that Ingela Larsson was not given the same condition.

We have not sent our respondents the compiled versions of the interviews since we asked each respondent if this was something the respondents wanted. None of our four respondents demanded this but they all said they would be satisfied if we sent them the final version of the thesis instead.

Another problem that needs to be recognized is that Park Hotell and Pite Havsbad is two actors that are very different regarding size and what services they can offer to customers. This is recognized by us as researchers but we chose Park Hotell and Pite Havsbad because we wanted to investigate how a smaller as well as a larger actor uses networks. In addition to this we also wanted to see if there were any differences regarding attitude towards the use of networks within destinations.

4 EMPIRICAL DATA

In this section of the thesis we will present the empirical data that we have collected through the interviews with respondents from Visit Luleå, Park Hotell, Piteå Presenterar and Pite Havsbad. We have divided this section into two subparts, 4.1 and 4.2, one for each case. The cases are thereafter divided into two other sections depending on the research questions.

4.1 LULEÅ

In Luleå, which is our first case, we selected one DMO and one hotel to study, Visit Luleå and Park Hotell. At Visit Luleå we interviewed the managing director Elisabeth Ennerfors and at Park Hotell the owner Ingela Larsson.

4.1.1. HOW DO DMOS WORK TO MARKET A TOWN AND ITS SURROUNDING AREAS TO ATTRACT TOURISTS?

The first research question was only asked to the DMO Visit Luleå and not the actor Park Hotell since we only wanted to see how DMOs work with marketing from the DMO's perspective.

4.1.1.1 VISIT LULEÅ

Visit Luleå is a DMO and was founded in 2004. Elisabeth has been the managing director for the company since 2005.

Tourism Area Lifecycle

Since 2004, when Visit Luleå was founded, there has been an increase in accommodation with 25 percent according to a tourist economical model says Ennerfors. Furthermore she says that visitors are seen as both private and business visitors. These numbers are based on statistics from Statistiska Central Byrån (SCB) and Sveriges Camping- och Stugföretagares Riksorganisation (SCR). However, Ennerfors says that there is hidden information in this statistics in form of how many visitors that stays over at friends' and relatives', which is something that is impossible to know. When it comes to the future, Visit Luleå has taken the extreme economical recession into consideration and Ennerfors says that a decrease in the number of accommodation in Luleå can already be seen, which means that Visit Luleå already have a hint in which direction this is going for the coming statistics. The economical recession is not something that frightens Visit Luleå; Ennerfors says that in times like these, investments in marketing efforts are necessary so that it can pay off in the future because the economical recession will turn around, the question is just when. Ennerfors says that Visit Luleå possesses a great product as a whole and a good trademark but that have not reached out enough yet so that people know about this.

Visit Luleå has a strategy that reaches to 2009 according to Ennerfors. Through surveys Visit Luleå knows what type of visitors that comes to Luleå at different times of the year. These visitors are mainly from Norrbotten, Västerbotten and the north of Finland. During the summer Luleå has many visitors from Norway because then that group of visitors is targeted. Ennerfors says that when it concerns Norrbotten and Västerbotten, Visit Luleå knows that there are many visitors from there that comes to Luleå on weekend trips and therefore a new concept has started called “Puls i Luleå”. This concept targets people from the “Orefield area”, Arvidsjaur, Arjeplog and Tornedalen. The idea is to market Luleå as a town that offers nightlife, culture and theater as well as restaurants and entertainment; Luleå is profiled as the “Town with Pulse”.

Ennerfors explains that there are different types of marketing to attract different segments. When Visit Luleå works with marketing the weekend trips, it mainly concerns the rest of the year, apart from the summer. Naturally Visit Luleå does not market Luleå as a shopping town with pulse when targeting areas in the south of Sweden, like Mälardalen. If there are conference guests from Mälardalen, Visit Luleå works with the exotic attributes that Luleå has to offer such as long bright summer nights or the winter in the archipelago.

Image

Ennerfors says that the marketing message is different depending on what type of customer that is sought. She furthermore says that image is something that is different from person to person since it is formed in one’s mind. She gives the example of that a fisherman’s perception is totally different from the perception of a conference guest from Enköping; which means that Visit Luleå needs to mediate different messages to the customers which will lead to different images of Luleå depending on the customers’ preferences.

Ennerfors says that she thinks the image of Luleå that is mediated through Visit Luleå’s marketing activities is perceived in a desired way in the regions where Luleå is known. On the contrary, Ennerfors thinks that the image of Luleå is weak in regions like Mälardalen where Luleå is still unknown.

Slogan

Visit Luleå works with a slogan for conference visitors, which is “Luleå – the Capital of Swedish Lapland” is used. The expression Swedish Lapland is used because in some parts of Sweden people do not know where Luleå is located but they have heard about Swedish Lapland and in that way they can get an association of where Luleå is situated. Furthermore, Luleå is the residence town and the gateway so that is why the expression “Luleå – the Capital of Swedish Lapland” is used. The slogan is used actively in the marketing. In addition to this, Ennerfors says that Visit Luleå has started using the slogan in their marketing activities on foreign markets as well. The main purpose for using the slogan on this market is, as she mentioned before, people might not be able to locate where Luleå is geographically, but they have heard of Swedish Lapland.

Logotypes

Visit Luleå has a logotype for the organization that is used in the marketing material but not that frequently. However, Visit Luleå also uses "Luleåmärket", but this is more of the towns own label.



Figure 5. Visit Luleå's logotype.

Source: <http://www.visitlulea.se/forbesokare/turistorganisationvisitlulea/affarsideochvision.4.5ee063d310c3f1df7dd800011663.html>

Ennerfors furthermore says that Visit Luleå uses another logotype/trademark for the destination and that is Swedish Lapland. This is used on markets where there is an attraction for the destination so Visit Luleå do not use this in the northern parts of Norway as an example because people from that region do not want to travel to Lapland. Instead Visit Luleå uses this logotype/trademark in the marketing activities in the south of Sweden and on an international level.



Figure 6. Swedish Lapland's logotype.

Source: <http://www.swedishlapland.com/images/logo.gif>

Swedish Lapland is frequently used in all of Norrbotten since that trademark is agreed upon says Ennerfors. This means that Piteå for example, can use it as: Piteå – a part of Swedish Lapland. The expression "Swedish Lapland" is something that this region has in common.

Elements of the marketing mix

People

The five employees of Visit Luleå have continuous staff training as well as often getting involved in project where the marketing activities are. From these projects Visit Luleå often hire lecturers which the employees themselves go to along with the companies in the network. We always need inputs says Ennerfors, and therefore it is very good to attend lectures and doing so on a regular basis. Since Visit Luleå is an economical association with about 80 members, Visit Luleå tries to have a platform with different forms of education for the members. For example, a current education is about treatment for the front desk personnel.

Ennerfors explains that Vårdskapet AB has carried out educations concerning what kind of role a host has. An example of an education is host trips where members of the network can attend guided bus tours within their own destination, Luleå. This is done to make the front

desk personnel able to answer questions about places and activities to do in Luleå and the surrounding area.

Physical Evidence

Visit Luleå's homepage is one of the most important tools Visit Luleå has says Ennerfors and currently there are two different homepages. First, Visit Luleå has one homepage for conference- and congress guests since they often have very specific needs which Ennerfors thinks is very good when marketing as a conference town. This homepage is called luleacvb.se and there the guests can find information such as where to find meeting facilities, accommodation and anything else this type of guest needs to know. The second homepage is for private visitors that want to visit Luleå for pleasure and experience reasons. This homepage is called pulsilulea.se and Visit Luleå uses this homepage when marketing in Norway and Finland as well as in Norrbotten and Västerbotten. Ennerfors also add that the municipality's homepage, lulea.se, works as a gateway where visitors can find both pulsilulea.se and luleacvb.se. Furthermore, Visit Luleå has given out their domain visitlulea.se to the municipality so that it will be easier for visitors to navigate.

Processes

Ennerfors says that Visit Luleå does not have any settled agreements concerning secrecy within the company, but she adds that there is a secrecy policy concerning economical situations. In addition to this she declares that when talking to owners and members of Visit Luleå about certain situations and development plans, it is done in complete confidence. Since Visit Luleå has a lot of network grouping it comes naturally that the members confide in one and other about plans, but whatever the situation, the information stays within the group.

4.1.2. HOW DO ACTORS WITHIN THE TOURISM BUSINESS USE NETWORKS?

The second research question was asked to both the DMO Visit Luleå and the actor Park Hotell since we wanted to see how networks is seen from both the actor's as well as the DMO's perspective.

4.1.2.1 VISIT LULEÅ

Networks

Ennerfors starts by stating that the network that Visit Luleå is active in is called a strategic alliance. She continues by saying that the purpose for all members joining that network is to increase their profit and to develop their own businesses. Ennerfors adds that within the network there are sub alliances since there are 80 different members in Visit Luleå and the members have different needs. The two major sub alliances in the network are the private travel alliance and the business travel alliance. The reason for that is simply because most visitors that come to Luleå fits into those two categories. In addition to this the alliance that works with development and improvement is important as well. When all sub alliances is functioning, the network as a whole is functioning. Ennerfors says that it varies how often

members of the network attend the meeting, some of the members go to many meetings, some go to a few and some go to none of the meetings and it is up to the individual what to do.

Visit Luleå tries to make sure that the actors within their network never should have to reveal information about their profit or other information that gives them a disadvantage against competitors. The members have expressed that they do not want to share this information and Visit Luleå tries to make sure that they do not have to. Visit Luleå's network is more about sharing information and ideas on how to attract more tourists to Luleå and its surrounding areas. Ennerfors continues by saying that even though the members of Visit Luleå's network are cooperating in order to attract more tourists and visitors to the area, the members are well aware that the competition is really hard once the visitors are in Luleå and the surrounding area. In short Ennerfors says it is cooperation until the tourists are here, then the members are competitors.

Ennerfors says that Visit Luleå used to have a hotel group in their network but it got too sensitive. Visit Luleå had to re-think and today the hotels are divided into alliances depending on where they are located and their interests. The group consisting of only hotels is more a latent group in the network and if there is a special event taking place in Luleå or close by, this group gets together and cooperates.

Ennerfors says that Visit Luleå actively seeks new members to their network. Naturally some members leave the network and new members join in and this happens for different reasons. Most organizations in Luleå are in the network, for example, all tourist companies are. She continues by saying that the more the merrier so Visit Luleå always tries to recruit new members in order to have as many resources as possible.

Apart from cooperating with other DMOs in Norrbotten in the Swedish Lapland network, Ennerfors explain that this summer they cooperate with Boden Turism concerning a summer magazine that will be distributed to all households in the northern part of Norway. Ennerfors continues with saying that it would not have been financially possible to do so if there have not been cooperation with Boden Turism.

4.1.2.2 PARK HOTELL

Park Hotell is a small family owned and family driven hotel. The person we interviewed, Ingela Larsson, is one of the family owners and she is working full time along with one other employee while the rest of the Larsson family only works at Park Hotell when needed. Larsson tells us that the hotel has three floors with a total of 14 rooms and 29 beds. Larsson continues by saying that the hotels clientele is mixed; during summertime there is mainly leisure travelers from Sweden as well as abroad, and the rest of the year Park Hotell mainly has business travelers.

Level of cooperation

Larsson says that as a small entrepreneur she would very much like to actively participate in the networks and she points out that she did so at first by being a member of groups and sub

groups in the tourism business. According to Larsson, it is very hard to balance the time one put down for the business as well as the time for one's personal life which made it very hard to be a part of these networks. Larsson says that she gladly goes to general meetings as long as she finds the time to do so in order to take part of the information that is shared within the groups.

Larsson continues by saying that being a member in Visit Luleå generates information and other things to her company. Larsson says that it is important for her to trust and believe in Visit Luleå's organization and the people that represent Visit Luleå.

Furthermore Larsson says that for her own business, Park Hotell, she has formed her own cooperation. For example Park Hotell cooperates with Södrahamnrestaurangen and Glad Fjäril, which is a spa. Larsson says that this is a way for her to be able to offer an added value for her hotel guests since the cooperation gives her guests discounted prices at Södrahamnrestaurangen and Glad Fjäril.

Being part of Visit Luleå's network has also been beneficial for Larsson in the sense that she constantly gets updated of what happens in Luleå and what there is to see and do. This is something that Larsson finds especially important since she wants to be able to provide this kind of information to her guests when asked.

Larsson says that she is a member of both Visit Luleå and Convention Byrå; Convention Byrå is a network which is characterized by its project form. Larsson says that she thinks it is important to support these organizations and work with marketing Luleå as a conference town and in order to do so it is important to be surrounded by professional people because all members will get their share if this is successfully performed. Larsson says that by being a part of networks, Park Hotell supports the idea of making Luleå an attractive town and a good meeting place.

Larsson says that actors that are not in the network can still send information to all hotels so that they can offer the tourist information to all guests which is something that Larsson thinks is good since it gives her additional information that she can share with her guests. It is a mutual benefit, the actors get to market themselves and Larsson can provide this information to her guests at Park Hotell. Larsson also adds that the tourist agency in Luleå is helpful and provides good information as well as she herself is interested in knowing what happens in town so a lot of information Larsson finds on her own in order to give to the guests at Park Hotell good service.

Cooperation with competitors

Larsson says that there is no direct cooperation between the hotels in Luleå. However, since Park Hotell is a small hotel and often fully booked she can recommend other hotels to guests that contact Park Hotell in order to book a room. However, Larsson points out that there is no prearranged cooperation between the hotels in town. Larsson also adds that even though one

has to think from a business perspective, one also has to help others when able to do so and it is after all a service business.

Park Hotell does not have any cooperation with other companies within the Visit Luleå network. Larsson says that the cooperation Park Hotell has is with contacts that she has met elsewhere and it has been the natural thing to do.

Factors deciding cooperation or not

For Larsson and Park Hotell, it is very important that she herself believes in the idea, which is the factor that usually decides if there is going to be cooperation or not. Furthermore, what is being offered through the cooperation has to fit with what Park Hotell has to offer and that is: a central living at affordable prices and added value. Larsson says that she has to believe in what she's offering but that she at the same time has to adjust her supply after her guests' demands.

The balance between competition and cooperation

Larsson says that she does not experience that there is competition between the hotels in Luleå because, as she says, people have different preferences. Some people want to stay at big and luxurious hotels and some want to stay at small and cozy hotels with personal treatment, which is more what Park Hotell has to offer. Larsson says that if a customer wants something that Park Hotell does not have to offer, she recommend a hotel that does to that person. It is not about competition but instead what people want and need, and that is different from person to person.

Larsson says that she has not experienced any difficulties at the network meetings that she has attended. She adds that most people are professionals that represent their business in a very good way and furthermore she says that the hotel business is not of a very secrecy nature so if someone has a good idea it is natural that others follow that example. However, people do not discuss business plans and investments, it is very internal information and it should be kept within a close network. On the other hand, this is something no one discusses openly no matter what business category one is in says Larsson.

4.2 PITEÅ

In Piteå, we interviewed Bo Sandström from the DMO Piteå Presenterar and Bo Eriksson from the actor Pite Havsbad.

4.2.1. HOW DO DMOS WORK TO MARKET A TOWN AND ITS SURROUNDING AREAS TO ATTRACT TOURISTS?

The first research question was only asked to the DMO Piteå Presenterar and not the actor Pite Havsbad since we only wanted to see how DMOs work with marketing from the DMO's perspective.

4.2.1.1 PITEÅ PRESENTERAR

Piteå Presenterar, as the organization is established today, was founded in May 2008 but the organization has been around in different forms for ten years altogether says Bo Sandström. Sandström has been the managing director since May 2008. Piteå Presenterar is an economical association with 135 different companies and organizations. Piteå Presenterar works with both the visitor industry as well as the commercial industry in the network. The work with destination marketing and destination development is Piteå Presenterar's responsibility says Sandström. Piteå Presenterar works with the creation of new events as well as the development of existing events. Sandström says that a lot of effort and money is put into marketing activities.

Tourism Area Life Cycle

Sandström says that according to the last measurement, which is the TM-measurement 2007, the number of hotel nights has increased with 13 percent. The increase has been from private living to hotel living and the numbers in Piteå continues to increase. How the statistics turn out this summer is still hard to know says Sandström. He also adds that naturally the numbers change from year to year. Noliämässan is held in Piteå every second year and that generates more visitors since, in general, Noliämässan has about 130 000 visitors from Norrbotten and Västerbotten mainly.

Furthermore, Sandström says that Piteå is above average among the Swedish municipalities when it comes to tourism's commercial turnover. The Swedish average is just about 50 percent while in Piteå it is 74 percent. This indicates that Piteå really is a touristy town.

According to Sandström, Piteå is definitely a summer town this far, much because of all the events that take place this time of the year such as, for example, Sweden's second largest football tournament Piteå Summer Games and the city festival Piteå Dansar och Ler. Sandström adds that these events are of great importance for Piteå when it comes to the tourism business. Piteå is not as attractive as a winter town and this is something Piteå Presenterar knows and the organization works on trying to develop Piteå as a winter town. What the organization wants to do is to build an arena for long distance skating, which would be a huge venture for Piteå. Sandström explains that the goal with this venture is for Piteå to be one of the two leading towns of long distance skating, but he clarifies that in order to succeed with this all involved parts has to be on board for the project to work. Holland is a great market for this type of activity; if Piteå succeeds with this venture the destination can go from there and build more that contributes to make Piteå attractive as a winter destination as well. Sandström adds that up until now, Piteå has been satisfied to be seen as a summer destination with Pite Havsbad as the largest contributor. Now Piteå wants to try to be a winter destination as well and Piteå has the right conditions says Sandström.

Image

Sandström says that the perceived image of Piteå is that it is an enjoyable small town, an event town and that everybody is welcome. Sandström says that in Piteå all inhabitants act as

ambassadors for the town, which is a unique phenomenon. He continues by saying that this is something that is very important and valued because it creates a positive image of the town. No matter where in the world you meet a person from Piteå they speak well of their hometown. There is even a book written about this phenomenon called “Piteåandan” (The Piteå Spirit) where there has been research about the subject says Sandström. The image of Piteå is also that it is an event town, things happen there and the town has a lot to offer its inhabitants in forms of work which is a safety factor and plays an important role for the inhabitants’ well being. If someone starts being positive others tag along, which is the case here in Piteå says Sandström. Sandström thinks that the fact that most people that live in Piteå are happy and satisfied has helped spread a positive image of Piteå a lot. He definitely believes that the image Piteå wants to mediate is also perceived that way. He has never heard anything that indicates otherwise.

When Piteå Presenterar markets Piteå as a destination they use different types of messages in the marketing activities depending on what customer segment that is targeted. When Piteå Presenterar works with the business segment the organization highlights aspects, for example, Pite Havsbad which is a complete establishment for business meetings and fits well for business travelers. When Piteå Presenterar markets Piteå towards a younger segment, events, music and the University College are highlighted instead.

Slogan

The slogan that Piteå uses is “Det är hit man kommer när man kommer hem” (This is where you come when you are coming home). This slogan is a political decision and the municipality in Piteå uses it in the marketing activities. The slogan is mostly used in the Swedish market according to Sandström.

Logo

Piteå Presenterar’s logo is an updated version of the original logo, according to Sandström Piteå Presenterar wanted to renew it and make it softer (See Figure 7).



Figure 7. Piteå Presenterar’s logotype.

Source: http://www.pitea.se/ext_Templates/default____33558.aspx?epslanguage=SV

Piteå Presenterar actively uses the logo in the marketing in order to be seen and to mediate what the organization works with. Sandström says that Piteå Presenterar wants its members to feel proud of being a part of the network since all members contribute to the destinations

development. It is important for Piteå Presenterar to be seen and using the logo is a way to be seen says Sandström.

The Marketing Mix for Services

People

According to Sandström, Piteå Presenterar arranges different educations for its members as well as education for the personnel at Piteå Presenterar. In general it can be difficult for the member organizations to find the time to come to the educations. Sandström adds that Piteå Presenterar takes part of the educations that Swedish Lapland offers if their members wishes so. Sandström claims it is important with educations in order to be up to date on what happens on the market as well as what is taking place in the world.

Physical Evidence

Piteå Presenterar's homepage can be found on pitea.se which is the tourist homepage about Piteå and its surrounding area. Sandström explains that the homepage is a very important marketing tool and soon Piteå Presenterar will launch a new booking system called City Break on the webpage. City Break enables the visitors to book accommodation and other activities any time of the day and a future thought is to launch a payment system as well on the webpage. Piteå Presenterar is not pleased with the fact that visitors have to go through the municipality's homepage in order to access the company's own webpage so that is also something Piteå Presenterar most likely will change in the future.

Processes

Piteå Presenterar does not have any prearranged agreements on secrecy with their members; Sandström states that the arrangement Piteå Presenterar has is based on common sense instead. For example, if one member organization reveals information during a meeting with Piteå Presenterar it is kept within the office, it is not something that Piteå Presenterar talks about with fellow member organizations.

4.2.2. HOW DO ACTORS WITHIN THE TOURISM BUSINESS USE NETWORKS?

The second research question was asked to both the DMO Visit Luleå and the actor Park Hotell since we wanted to see how networks is seen from both the actor's as well as the DMO's perspective.

4.2.2.1 PITEÅ PRESENTERAR

Level of cooperation

Piteå Presenterar represents the cooperation between companies within the tourism business in Piteå but there can also be a more direct cooperation between companies than the network Piteå Presenterar has says Sandström. Cooperation among businesses in Piteå is definitely something Piteå Presenterar supports, and is what the organizations stand for, says Sandström.

The advantages that cooperations bring are many and all organizations that are interested in cooperation should be given the chance to do so says Sandström. He also does not see any disadvantages to this and has not experienced any difficulties with the network cooperation even though it is made up by many organizations of various sizes. According to Sandström it is important for Piteå Presenterar to be specific about what the organization does to eliminate misunderstandings. He continues by saying that all members can benefit from this network cooperation no matter what size the company has. The network enables members to find partners to cooperate with, which might have been difficult outside of the network.

Sandström says that Piteå Presenterar also cooperates with the Swedish Lapland organization as well. This is a way for Piteå Presenterar to work with other destinations and this cooperation is important for the organization. Sandström says that through the Swedish Lapland cooperate more marketing activities concerning the region as a whole is possible, for example Vildmarksmässan in Stockholm which brought a lot of positive attention to Norrbotten as a region. Sandström continues by saying that at bigger events like Vildmarksmässan representatives from the different destinations work together and not as competitors to market Swedish Lapland. If there is an interest about something that regards one of the destinations, people are referred to the appropriate informant says Sandström.

Piteå has a strong foundation to rest upon and for Piteå Presenterar it is important to find a long term solution with the organization's work, not just projects that last for two years, says Sandström. Sandström says that the Piteå Presenterar network is not something that will change, it is a big network and the members join the network for different reasons. Sandström says that a real estate owner can be a member of Piteå Presenterar's network because in the longer run he gets more tenants while the commercial businesses has a more short term perspective on the network and wants a more direct payback on Piteå Presenterar's activities. However, Piteå Presenterar's message does not have to change because of the members different needs and wants says Sandström.

Balance between cooperation and competition

There is no major problem with the balance between cooperation and competition in Piteå Presenterar's network according to Sandström. He adds that naturally all members are not pleased all the time and minor problems can occur. The major factor to avoid problem is communication and it is important for Piteå Presenterar to handle this well.

Sandström says that the main targets for Piteå Presenterar within business travels are Norrbotten, Västerbotten and Mälardalen and Pite Havsbad is known in the Mälardalen area. He continues by saying that within tourism the target of marketing activities is focused on Norrbotten, Västerbotten and Norway's northern parts; Piteå Presenterar then cooperates with Pite Havsbad to attract tourists from these areas.

4.2.2.2 PITE HAVSBAD

Bo Eriksson is the sales manager at Pite Havsbad, but he also works with marketing activities in the business. Eriksson says that he has worked at Pite Havsbad for many years and because of this he has knowledge and is involved with all parts of the entire establishment.

Pite Havsbad publish a magazine three times a year, according to Eriksson and is given to all the tourists that come to Pite Havsbad, which is about 300 000 to 400 000 every summer. The magazine is also an attachment in all local newspapers in Norr- and Västerbotten and it is also distributed to the tourist agencies in Norway. The magazine promotes Piteå as a whole, not just Pite Havsbad.

Level of cooperation

Pite Havsbad has always been the largest and most well known tourist attraction in Piteå with a very strong brand, says Eriksson. Because of this, the company has to a larger extent worked on its own and there has not been very much cooperation with the local government, says Eriksson. However, he adds that since Pite Havsbad became members in Piteå Presenterar's network, there has been an increase in cooperating with other actors in the business. Eriksson says that the Piteå Presenterar network has led to gratifying results.

According to Eriksson the advantages of cooperation is the mutual work with marketing Piteå and the surrounding area in order to attract tourists together. The disadvantages with the cooperation on the other hand, is that Pite Havsbad has been on many meetings with small entrepreneurs in the tourism business and since Pite Havsbad is such a big actor, they have not been able to beneficiate from each other very much since they act on different levels within the tourism business. Eriksson clarifies that it is not a disadvantage cooperating with smaller actors in the business, it is rather the fact that Pite Havsbad is in a league of its own and that there are not any other actors that are similar.

Eriksson explains that Pite Havsbad does not have any direct competitors, since it is such a multifunctional organization and in the tourism business there are no competitors that can offer the same "package" as Pite Havsbad can to visitors. Eriksson also adds that Pite Havsbad owns one other hotel in Piteå, which further reduce competition.

Cooperation with competitors

When it comes to cooperation with other companies, Eriksson says that Pite Havsbad always try to cooperate with different entrepreneurs that offers incentive activities such as scooter safaris and dog team rides. This cooperation can be between entrepreneurs from Piteå as well as from the rest of Norrbotten. Pite Havsbad has this cooperation in order to be able to offer the customers an added value to their stay claims Eriksson. Furthermore, it is also because Pite Havsbad work and market the organization towards markets abroad. The foreign market is mainly interested in travelling to Piteå during the winter time when Piteå is an exotic place for foreigners. When Pite Havsbad is not an expert in an area, cooperation with those who are is necessary states Eriksson.

Piteå is to a large extent a summer town and has been so since Pite Havsbad was founded in 1942. According to Eriksson the towns in the coastal area around Norr- and Västerbotten are all considered to be more popular in the summer but none is a typical summer town. According to Eriksson, Piteå is the most pronounced summer town and the reason for that is Pite Havsbad; since the business distinguishes Piteå from the other towns in Norrbotten.

Eriksson says that Pite Havsbad cooperates with the organizers of “Piteå dansar och ler” by offering a package deal which includes access to the festival events and accommodation. This deal has been successful before according to Eriksson.

Factors deciding cooperation or not

Eriksson claims that there are a number of factors that are important to consider when deciding if there will be cooperation or not. First there has to be a need and something that Pite Havsbad cannot do on its own. After that Pite Havsbad seeks out a cooperation partner to start a new cooperation with. Pite Havsbad is always careful when making this kind of decisions and the potential cooperation company has to be both serious and have expertise in the area that is sought. Eriksson says that personal contact is very important, especially in the tourism business where personal treatment and personal service is a major factor for how well a company succeeds in the business. Eriksson adds that if a company fails to achieve these factors, they will probably not do well in the tourism business in the longer run.

The balance between cooperation and competition

Pite Havsbad tries to cooperate with other organizations/actors as much as possible since it is considered important says Eriksson. The importance of cooperation is most noticed when it comes to attracting the international market; where the marketing activities mainly concern the winter tourism. According to Eriksson, Norrbotten has to be better with this type of marketing and in order to succeed with attracting tourist to the Norrbotten region, Pite Havsbad is a part of the Swedish Lapland network. The network helps making Swedish Lapland more recognizable since the marketing activities can include more, such as the Icehotel in Kiruna.

The competition among organizations does not apply to the foreign tourists since they already have chosen their destination prior to arrival through so called Incoming companies who work with different travel packages for foreign tourists. Another factor that decides if there is competition or not is how big the tourist groups are says Eriksson. Pite Havsbad is a large establishment with the capacity to accommodate groups to up to a 1 000 persons. There are not many other establishments like Pite Havsbad in northern Europe which makes it a crucial factor that benefits Pite Havsbad. Larger group of tourists therefore come to Pite Havsbad, says Eriksson, while smaller groups of tourists can choose to stay at any given hotel in the town or around. Eriksson sums it up by saying that Pite Havsbad does not have any direct competitors since they are such a big and unique establishment with no equal. Small and cozy places for accommodation can be found throughout Norrbotten, but there is only one place like Pite Havsbad.

Eriksson assures that there have been no problems with the Swedish Lapland cooperation. He continues by saying that the problem is that there are not enough tourists that come to the region and there are a lot of thoughts about why this problem occurs. Eriksson says that there are a lot of ideas about how the network can improve the marketing of the region as well as how they can cooperate better in order to increase the number of tourists to the region. Eriksson continues by saying that this is what Swedish Lapland wants to accomplish and there are no fights about the tourists that actually come there, the problem is to find a way of operating that enables to attract more tourist to Norrbotten as a region. If there are more tourists in the region, it will lead to more tourists to Pite Havsbad as well as to other places in the longer run says Eriksson.

According to Eriksson there have not been any problems in the Piteå Presenterar network, since Pite Havsbad always tries to have a good cooperation with them. The only difficulty that Pite Havsbad has experienced via this network is that Pite Havsbad is a much larger actor than others in the network, which sometimes can make collaboration tricky since Piteå Presenterar needs to think about the small actor as well as the big actor, but there have been no major problems.

Eriksson does not think that Pite Havsbad is too big for Piteå Presenterar, but he thinks that Pite Havsbad is an important member for the network. Pite Havsbad does not demand more attention from Piteå Presenterar due to the fact it is a big company, than any other entrepreneur as far as he has experienced the situation.

5 DATA ANALYSIS

In this section of the thesis, a comparison between the empirical data that we have collected and previous research is carried out. We have divided this section into two sub sections according to our research questions. Furthermore the sub sections are presented after the models we have used in the theory section of the thesis.

5.1 HOW DO DMOS WORK TO MARKET A TOWN AND ITS SURROUNDING AREAS TO ATTRACT TOURISTS?

Tourism Area Lifecycle

Both Elisabeth Ennerfors from Visit Luleå and Bo Sandström from Piteå Presenterar explained that their destinations had seen an increase in number of visitors the last years. According to the tourism area life cycle (Brooker and Burgess, 2008), the third stage called 'Development' is when the destination has been discovered by the media and leads to a higher degree of recognition from the general public. The development stage also explains that the infrastructure is built to sustain the tourists. Both Piteå and Luleå fulfill the criteria of the third stage, Development, since they have seen an increase of visitors the last years. Piteå also fulfill another criterion in the development stage since Piteå Presenterar in their strategic plan explains how the infrastructure should be developed. Luleå is now trying to profile themselves as a "town with pulse" which has made them more recognizable in the northern part of Sweden and therefore the criterion of recognition from the general public is fulfilled.

The stages Luleå and Piteå have been compared with are regarding their summer season since that is the time of year these cities have the most visitors. Brooker and Burgess (2008) explain that it is common for destinations to experience changing numbers of visitors from season to season and therefore it is important that the marketers understand why this occur and then revitalizing the tourism product in order to increase the number of visitors. This is something Sandström from Piteå Presenterar says Piteå are trying to do. He says that Piteå Presenterar knows that Piteå needs to be developed as a winter town and the project now is to establish Piteå as one of the two top cities regarding long distance skating in order to attract Dutch people since that is a huge sport in the Netherlands.

Model of destination image

Leisen (2001) explained that a positive image can indicate that visiting a destination would be a satisfying experience for the traveler. This fits well with what Sandström from Piteå Presenterar says about the positive image surrounding Piteå, and that all inhabitants from Piteå are ambassadors for the city and are so in a very positive way no matter where in the world they might be. Leisen (2001) furthermore explains that persons form their own image depending on what information they are exposed to at the destination. Ennerfors from Visit Luleå explains that the marketing message sent out is different depending on what type of

customer that is sought. She furthermore explains that Visit Luleå tries to mediate different messages to the customers which lead to different images of Luleå depending on the customers' preferences. This is something that Sandström also confirms by saying that when Piteå Presenterar market Piteå they use different types of messages depending on the segment that is targeted.

The destination image model summarizes the destination image process by stating that the destination image consists of two parts, the person determined image which depends on social and psychological factors and the destination determined image which consists of tangible and intangible attributes. This is something both Ennerfors and Sandström say they work with in their networks in order to attract different customer segments. Sandström gives the example of how they highlight the physical attributes when targeting younger segments by using events, music and the University College in Piteå.

Slogans and Logos

The theory regarding slogans explains that a slogan can help to establish the desired image by intend the niche and enhance the customers' recall of its name (Lee & So, 2007). According to Ward (1998, p. 55) a slogan can be used to imply the real meaning of a place, suggest what is appealing about a destination and explain the destination's attributes. The image Pite Havsbad wants people to have of them is that it is fun to go there and the word 'fun' is also used in their slogan; "A more fun destination" (Ett roligare resmål), says Eriksson. Ennerfors says that the slogan Visit Luleå uses is mostly directed towards business visitors, the slogan is "Luleå – The capital of Swedish Lapland". This slogan is used since Visit Luleå wants to emphasize that Luleå is a part of Swedish Lapland and therefore attracts visitors who want to visit something exotic but also since not everyone knows where Luleå is but have heard of Swedish Lapland. Sandström from Piteå Presenterar says that the slogan used in Piteå is "This is where you are coming when you are coming home" (Det är hit man kommer när man kommer hem) which is used to show what is appealing with Piteå; the warm and welcoming atmosphere. However, this slogan is more used by Piteå Municipality and not by Piteå Presenterar as much.

Arens, Weigold and Arens (2008, p. 422) explain that the purpose of a logo is to give a product individual acknowledgement and to make it more recognizable. According to Ennerfors, Visit Luleå uses the Visit Luleå logo but not in the marketing. Instead the "Luleå logo" or the Swedish Lapland logo is used because Visit Luleå believes that Swedish Lapland is a strong brand and name to use when it comes to marketing activities. Piteå Presenterar on the other hand uses the Piteå Presenterar logo frequently in order to make the general public, the existing members of the network and potential members of the network aware of the advertising and work that is done. The city of Piteå's logo is not used by Piteå Presenterar; it is mainly used by Piteå Municipality. Piteå Presenterar also uses the Swedish Lapland logo if there is a campaign concerning that network.

The marketing mix for services

According to the theory of the 7P's, the three extra P's added from the traditional 4P's price, place, product and promotion are people, physical evidence and process (Cooper, Fletcher, Fyall, Gilbert & Wanhill, 2005). The element of People include factors such as personnel, training of personnel, appearance, attitudes, customers behavior, degree of customer involvement and customer contact (ibid). Both Ennerfors from Visit Luleå and Sandström from Piteå Presenterar say that they have continuously personnel training both with the members of the network as well as the network personnel and this fit well under the "people element". Both Sandström and Ennerfors explain that education is very important in order to be updated.

Physical Evidence includes things like the environment, level of noise, layout and colors and facilities (Cooper *et al.*, 2005). Ennerfors says that Visit Luleå uses two homepages, one for business visitors and one for leisure visitors. She furthermore adds that the homepage is one of the most important tools Visit Luleå has to work with. Sandström from Piteå Presenterar also says that the homepage is a very important marketing tool and adds that it can always be improved more. This fits with the physical Evidence of the 7P marketing mix since it involves layout and colors.

Process includes factors like policies, procedures, employee discretion, flow of activities and customer involvement (Cooper *et al.*, 2005). When it comes to policies, which is one of the elements in the model, neither Visit Luleå nor Piteå Presenterar have contracts regarding secrecy. However, both organizations point out the importance of discretion and trust within the network. Sandström from Piteå Presenterar says that it is about common sense.

5.2 HOW DO ACTORS WITHIN THE TOURISM BUSINESS USE NETWORKS?

Relationships within networks

According to the literature the three most common types of relationships within the tourism networks are: competition, cooperation and cooptation (von Friedrichs Grängsjö & Gummesson, 2006; Wang & Krakover, 2008; von Friedrichs Grängsjö, 2003). Ennerfors from Visit Luleå says that their network is called a strategic alliance and that the purpose for all members joining Visit Luleå's network is to increase their profit and to develop their own business. This description of the strategic alliance fit well with Bengtsson's and Kock's (1999) definition of cooperation. The authors define cooperation as regular and repeated exchange of business, information social exchange. Larsson from Park Hotell thinks that cooperation within the tourism business in Luleå is strong and networks is beneficial for Park Hotell in the sense that it generates information and updates on what happens in Luleå so that she can pass that information on to the guests at Park Hotell. Sandström from Piteå Presenterar state that cooperation among businesses in Piteå is definitely something Piteå Presenterar supports. Sandström says that in addition to the network in Piteå, Piteå Presenterar

also cooperate with the Swedish Lapland organization, which is a network that work with marketing the Swedish Lapland region as a whole. Sandström continues by saying that all members can benefit from this network cooperation no matter what size the company has. The network enables members to find partners to cooperate with, which might have been difficult outside of the network. Eriksson from Pite Havsbad claims that since Pite Havsbad became a member in Piteå Presenterar's network, cooperation with other actors in the tourism business has increased and the results of the network has been positive. However, Eriksson says that in the past there has not been much cooperation from Pite Havsbad's aspect since Pite Havsbad always has been the largest and most well known attraction in Piteå as well as the fact that Pite Havsbad is a multifunctional establishment. The state that Pite Havsbad used to be in can be described as co-existing according to the literature. Co-existence is a relationship characterized by the exchange of information and social factors and that competitors know of each other but do not interact with one and other (Bengtsson & Kock, 1999).

Bengtsson and Kock (1999) explain that even though cooperation exists among actors, it does not mean that there is no competition between the actors. The literature state the same as what Ennerfors from Visit Luleå says; that in spite of the cooperation within the network, the members know that competition is hard once the tourists have come the Luleå and the surrounding area. This statement can also be compared to what Wang and Krakover (2007) declare. The authors claim that the closeness of the activity to the customer decides the relationship between the members. Wang (2008) state that the closer the activity is between the businesses the more competitive the relationship will be.

According to Bengtsson and Kock (1999), cooperation is a relationship that can be described as both cooperative and competitive. The competitive side is based on the actor's position and strength and the cooperative side is based on functional aspects (ibid). This can be applied to the hotel business in Luleå because Larsson from Park Hotell claims that her company does not have any direct cooperation with other hotels in Luleå. However, Larsson says that she can recommend other hotels to guests but there is no agreed cooperation. Furthermore the definition applies to both Visit Luleå's network as well as Piteå Presenterar's network, the members cooperate to attract tourists to their areas and then competition takes over.

Relationships between competition and cooperation

Sandström from Piteå Presenterar claims that as expected all members of the network cannot be pleased all the time and minor problems can occur. However, Sandström adds that there have been no major problems within Piteå Presenterar's network. According to Ennerfors from Visit Luleå the hotel group that used to be in the network had to be reconstructed since things got too sensitive between the members of the group. These facts are supported by Wang's (2008) study, which showed that tourism organizations that are involved in collaborative relationships will have conflicts due to natural disagreements.

Some of the factors that decide if a relationship will be of a more competitive or co-operational nature are common beliefs, perceived level of interdependence, perceived level of complementarities of products and personality of owners and managers (Wang, 2008). The

relationships are characterized by various issues of importance and complexity, mainly between individual and common benefits and between competition and cooperation (ibid). The major factor that decides if Larsson and Park Hotell will cooperate or not is that Larsson herself has to believe in the idea and that the idea fits with what Park Hotell has to offer. Eriksson from Pite Havsbad states that there are several factors that they consider before Pite Havsbad decides to start a new cooperation. The most important is that there has to be a need that Pite Havsbad cannot fulfill on their own. Eriksson also adds that personal factors are important as well as the contemplated cooperation partner needs to be both serious and have expertise. Both Larsson's and Eriksson's factors can be found in Wang's study.

According to Wang (2008), the relationship between competition and cooperation is distinguished by certain factors. When individuals try to maximize their own interests, the competitive behavior is noticed. The cooperative behavior on the other hand is shown when the different tourism businesses participate in collective actions to reach a mutual goal (Wang, 2008). The cooperative behavior can be found in the empirical data from the previous section of the thesis. Ennerfors from Visit Luleå claims that networking is the key to the way Visit Luleå works and when all sub alliances is functioning, the network as a whole is functioning. In addition to their own network, Visit Luleå is also a member of the Swedish Lapland network. Park Hotell meets the criteria of cooperative behavior since Larsson says that she thinks it is important to support DMOs and work with marketing Luleå as a single unit. The DMO Piteå Presenterar represents and stands for cooperation according to the managing director Sandström and Piteå Presenterar is also a member of the larger network Swedish Lapland to market the region together with other members which could be both other DMOs as well as individual companies. In addition to this, Pite Havsbad's sales manager Eriksson consider cooperation important and Pite Havsbad engage in networking as much as possible. He continues by saying that Pite Havsbad is also a part of the Swedish Lapland network since the marketing of Norrland as a destination will be more successful by being a part of this bigger organization.

6 DISCUSSION

In this final section of the thesis a discussion of the thesis' results regarding the case study is presented. In this section we also answer the study's research questions. In addition to this we present contributions made from this study, both theoretically and practically. Finally, our conclusion as well as the connection to our purpose is presented.

6.1 RESEARCH QUESTION 1

How do DMOs work to market a town and its surrounding areas to attract tourists?

Our research revealed that DMOs need to look into the future regarding marketing activities to attract tourists. Because of the statistics, the DMOs know what types of tourists that visit the destination and what time of year they do so. If the destination experience that one particular season is very popular among tourists while other seasons are not popular; it is essential that the DMOs focus on trying to develop the less popular seasons. Recognizing this is important so that efforts can be made in order to try to create a more even flow of tourists to the destination throughout the whole year. For example, if it is much more focus on the successful summer season, the destination would decrease the winter visitors. In addition to this, the destination could also miss visitors that enjoyed their winter holiday and after that would have liked to return for the summer season.

Previous studies have shown that marketing a positive image of a destination is of utmost importance. Our study revealed that DMOs agree to this fact and is trying to mediate a positive image of their respectively destination through marketing activities. According to us, promoting a positive image is important; however, the focus should not only be on marketing a positive image outwards. Instead we consider that a focal point could be on creating a positive image amongst the inhabitants of the destination. If this is done and the inhabitants have a positive attitude and mediate this to tourists/visitors it would help DMOs in their marketing activities, it would be joint marketing and most likely benefit the destination in the longer run. Over time this could lead to not only attracting more tourists but also to more people moving to the destination if they see that most inhabitants feel at home and only have positive experiences to share about the destination.

In our study we have also discovered that DMOs use different marketing messages regarding the destination depending on what customers the DMO is targeting; this leads to the mediation of different images of the destination. We consider the usage of different marketing messages to be a necessary marketing move since it can attract a variety of people to the destination instead of placing the destination in a niche, which could be the case if DMOs only use one marketing strategy. However, the theory suggests that the image formation is difficult to carry out in a successful way since an image is determined by both psychological factors as well as social factors.

Previous research explains how a slogan can establish a desired image. According to us, it is important for the DMOs to have a slogan both for their own town but also for the surrounding area in order to be able to work together with other destinations for a unified goal. Furthermore we consider that different slogans should be used for different segments. For example, a slogan for younger more active people and one for older people looking for a nice quiet holiday. In this way the slogan can be connected to the desired image depending on what segment that is targeted.

Previous literature clarify that the purpose for using logos is to give a product individual acknowledgement and also to make the product more recognizable. We consider that DMOs need to be better in using their logos in marketing activities, if DMOs display their logo more frequently it will probably lead to a higher degree of recognition of the DMO among people outside the DMO network. In addition to this a well recognized logo can help make the general public more familiar with what kind of work the DMO performs. A well known logo might also lead to that the DMO members feel proud to be a part of the network and that can result in a positive atmosphere internally as well as externally.

The literature explains the importance of considering 7P's instead of the traditional 4P's when marketing services. In our study we focused on the three Ps added for the service industry, people, processes and physical evidence; the study came to the conclusion that DMOs need to attend these three Ps in order to be successful in their work. We have found that it is of great importance to educate both the members of the networks as well as the network personnel in order to make sure the personnel are updated of what the destination has to offer. In addition to this our research revealed that the homepages used by the DMOs should be separate from the municipality's homepages. The current homepages the DMOs use are not focused enough on just the tourists and consist of other information no relevant for the tourists. However, a link on both homepages should be established in order to clearly highlight the destination's attributes. According to the literature, one of the factors belonging to processes in the extended marketing mix is policies. Our research has shown that DMOs do not have any stated policies regarding secrecy. However, the DMOs have pointed out that importance is laid upon discretion and building trust within the network. We think that if some form of agreement was established in written form it might lead to a higher degree of trust among members in the DMO network, it could also eliminate suspicion and disturbances if it was a recognized policy.

6.2 RESEARCH QUESTION 2

How do actors within the tourism business use networks?

According to researchers the three most common network relationships are cooperation, competition and cooptation. Our study has come to the conclusion that cooperation is the most common relationship within tourism networks. In addition to this our research supports what the theory state about the degree of cooperation is depending on the closeness of the activity to the customer. The theory claims that the further away the activity takes place, a

higher degree of cooperation exists and on the contrary, closer activity to the customer means that more competition takes place. According to our findings, the actors within networks collaborate when it comes to developing and improving the destination. However, even though the network is based on cooperation none of the members want to expose too much information about their own business and company. We think that this finding is due to the fact that in the end, all companies see to its own interests even though the companies want the destination to be successful; businesses need to be selfish to a certain degree in order to break even.

Our research revealed that there is not much co-existence within destination networks. The literature states that a relationship that is co-existing is characterized by the exchange of information and social factors and in addition to this the competitors know of each other but do not interact with one and other. Our research has not shown signs of co-existence within the destinations, however the study showed that this kind of relationship have existed in the past. On the contrary we found that co-competition exist; co-competition is when a relationship is both cooperative and competitive. In our opinion, actors in a co-competition relationship are truly service minded because if the actors can put the competitive side away and recommend one and other to customers, the actors really think about and value the customers' preferences, needs and wants.

The literature states that there are many factors deciding if the relationship will be competitive or cooperative. Our research has found that personal factors are of great importance when entering a cooperation. Other important factors is that the actor need to believe in the cooperation as well as that the cooperation need to be beneficial to the actor or DMO. We have also found that it is important that the actors believe in the network in order for it to be functional.

6.3 CONCLUSIONS AND CONNECTION TO THE RESEARCH PURPOSE

In this study we have found that one of the most important things for a DMO to work with is to create a positive image of the town. Therefore, we consider it important that the DMO target the inhabitants of the destination first. If this is done successfully and the inhabitants feel happy and satisfied this message will be spread, thus a positive image will be promoted externally in a cost efficient way. In our study we have also found that networks are of great importance when marketing a destination. However, it is important that the actors within the network recognize what type of relationship they have to one another in order to avoid suspicion and disagreements concerning their own business.

We experienced some difficulties regarding the tourism area life cycle. We found it hard to apply the empirical data to the theoretical framework that the model provided. We consider that this theory is not applicable to our cases, Luleå and Piteå, since there has been no major happenings that has affected the destination's character. Due to this we found it hard to see

that the destinations had gone through one or more stages in the cycle and place them in appropriate stages.

The purpose of this thesis was to examine the process of marketing a town as a single unit and the use of networks. By studying previous research literature and by performing interviews based on our theoretical framework, we gained a deeper understanding of how DMOs work with destination marketing and the importance of networks in order for the destination marketing to be successful.

6.4 CONTRIBUTIONS OF OUR STUDY

The digression that our study has shown from previous studies regarding the subject of destination marketing is concerning the 7P marketing mix for services. Most previous studies has expressed that the 4P marketing mix is a sufficient model for the service business as well. In our study we chose to focus on the three elements of the extended marketing mix, people, processes and physical evidence. By investigating the chosen cases our study has revealed that especially the elements of people and physical evidence as invaluable when it comes to the tourism business. Furthermore our study has shown a differentiation from the theory when it comes to the use of slogans in the marketing activities. Our study showed that slogans are of a lower importance than other marketing tools for DMOs. In addition to this, our study revealed that not all DMOs make good use of their logo in their marketing activities. This is something that might need to be reconsidered since research literature shows that the use and display of logos is important in order to give a product individual acknowledgement as well as to make it more recognizable. In addition to this our study has also pointed out that cooperation within networks is of highest importance when marketing a destination. Our study showed very little signs of competition within the networks in the destinations and also between the different DMOs.

6.5 SUGGESTIONS TO CONTINUOUS RESEARCH

In our study we found that the DMOs did not consider the slogan and logos as an important marketing tool as others. Therefore we would like more research of how the display of logos as well as the use of slogans affects potential tourists and how essential it is for a DMO to use it when marketing the destination. Furthermore we consider that more literature regarding the 7P framework and its importance for the service industry would be helpful for future researchers regarding the subject of destination marketing. Another suggestion would be to perform investigations regarding how pleased inhabitants are with living in a certain destination to see if the investigation shows a connection between pleased inhabitants and pleased tourists this suggestion regards the thought that DMOs should target the inhabitants of a destination first when promoting a positive image and then focus on promoting the image externally.

LIST OF REFERENCES

Literature

- Arens, F.W., Weigold, F.M., & Arens, C. (2008). *Contemporary Advertising 11th Edition*. New York: McGraw-Hill.
- Aronsson, L., & Tengling, M. (2003). *Turism – Världens största näring*. Malmö: Liber Ekonomi.
- Bengtsson, M., & Kock, S. (1999). Cooperation and Competition in Relationships between Competitors in Business Networks. *Journal of Business & Industrial Marketing* 14(3), 178-193.
- Briggs, S. (2001). *Successful Tourism Marketing: A Practical Handbook. Second Edition*. London: Kogan Page Limited.
- Brooker, E., & Burgess, J. (2008). Marketing Destination Niagara Effectively Through the Tourism Life Cycle. *International Journal of Contemporary Hospitality Management* 20(3), 278-292.
- Camprubí, R., Guia, J., & Comas, J. (2008). Destination Networks and Induced Tourism Image. *Tourism Review* 63(2), 47-58.
- Cooper, C., Fletcher, J., Fyall, A., Gilbert, D., & Wanhill, S. (2005). *Tourism – Principles and Practice*. Essex: Pearson Education Limited.
- Denscombe, M. (2000). *Forskningshandboken; för småskaliga forskningsprojekt inom samhällsvetenskaperna*. Lund: Studentlitteratur.
- von Friedrichs Grängsjö, Y. (2003) Destination Networking: Co-Opetition in Peripheral Surroundings. *International Journal of Physical Distribution & Logistics Management* 33(5), 427-448.
- von Friedrichs Grängsjö, Y., & Gummesson, E. (2006). Hotel Networks and Social Capital in Destination Marketing. *International Journal of Service Industry Management* 17(1), 58-75.
- Hankinson, G. (2005). Destination Brand Images: a Business Tourism Perspective. *Journal of Service Marketing* 19(1), 24-32.
- Kamfjord, G. (1999). *Turism och Affärsresande - Nya Idéer och Strategier*. Oslo: Reiselivskompetanse AS.
- Kavaratzis, M., & Ashworth, G. (2008). Place Marketing: How did we get here and where are we going? *Journal of Place Management and Development* 1(2), 150-165.

- Lebe, S. S., & Milfelner, B. (2006). Innovative Organization Approach to Sustainable Tourism Development in Rural Areas. *Kybernetes* 35(7/8), 1136-1146.
- Leisen, B. (2001). Image Segmentation: the Case of a Tourism Destination. *Journal of Service Marketing* 15(1), 49-66.
- Mayer, J.K., Bowen, T.J., & Moulton, R.M. (2003). A Proposed Model of the Descriptors of Service Process. *Journal of Service Marketing* 17(6), 621-639.
- McCartney, G. (2008). Does one Culture all Think the Same? An Investigation of Destination Image Perceptions From Several Origins. *Tourism Review* 63(4), 13-26.
- Medway, D., & Warnaby, G. (2008). Alternative Perspectives on Marketing and the Place Brand. *European Journal of Marketing* 42(5/6), 641-653.
- Mill, R.C. (1990). *Tourism-The International Business*. New Jersey: Prentice-Hall Inc.
- Lee, M.Y.P & So, D.W.C. (2007). Corporate-slogans of Corporations Operating in Greater China. *Corporate Communications: An International Journal* 12(1), 58-74.
- Morrison, A., Lynch, P., & Johns, N. (2004). International Tourism Networks. *International Journal of Contemporary Hospitality Management* 16(3), 197-202.
- Mossberg, L. (2003). *Att Skapa Upplevelser - Från OK till WOW!* Lund: Studentlitteratur.
- Nicoulaud, B. (1989). Problems and Strategies in the International Marketing of Services. *European Journal of Marketing* 23(6), 55-66.
- Pike, S. (2005). Tourism Destination Branding Complexity. *Journal of Product and Brand Management* 14(4), 258-259.
- Rafiq, M., & Ahmed, P. K. (1995). Using 7Ps as a Generic Marketing Mix: An Exploratory Survey of UK and European Marketing Academics. *Marketing Intelligence and Planning* 13(9), 4-15.
- Riege, A.M., & Perry, C. (1998). National Marketing Strategies in International Travel and Tourism. *European Journal of Marketing* 34(11/12), 1290-1304.
- Sainaghi, R. (2008). Strategic Positioning and Performance of Winter Destinations. *Tourism Review* 63(4), 40-57.
- Timur, S., & Getz, D. (2008). A Network Perspective on Managing Stakeholders for Sustainable Urban Tourism. *International Journal of Contemporary Hospitality* 20(4), 445-461.
- Trueman M., Klemm, M., & Giroud, A. (2004). Can a City Communicate? Bradford as a Corporate Brand. *Corporate Communications: An International Journal* 9(4), 317-330.

Vellas, F., & Bécherel, L. (1999). *The International Marketing of Travel and Tourism-A Strategic Approach*. Hampshire: Macmillan Press Ltd.

Wang, Y., & Krakover, S. (2007). Destination Marketing: Competition, Cooperation or Coopetition? *International Journal of Contemporary Hospitality Management* 20(2), 126-141.

Wang, Y. (2008). Collaborative Destination Marketing. *Journal of Travel Research* 47(2), 151-166.

Ward, V.S. (1998). *Selling Places – The Marketing of Towns and Cities 1850-2000*. London: E & FN Spon.

Wheeler, M. (1995). Tourism Marketing Ethics: An Introduction. *International Marketing Review* 12(4), 38-49.

Personal Communication

Elisabeth Ennerfors, Managing Director of Visit Luleå. Luleå, 12th of May 2009.

Ingela Larsson, Owner of Park Hotell. Luleå, 13th of May, 2009.

Bo Eriksson, Sales Manager of Pite Havsbad. Piteå, 15th of May, 2009.

Bo Sandström, Managing Director of Piteå Presenterar. Piteå, 18th of May, 2009.

APPENDIX 1: INTERVIEW GUIDE- ENGLISH VERSION

VISIT LULEÅ AND PITEÅ PRESENTERAR

How do DMO:s work to market a town and its surrounding areas to attract tourists?

Tourism Area Life Cycle

How has the tourism in the town looked like the last years?

Has there been a noticeable change in tourism?

How do you consider the future to look like in terms of tourism?

Image

How do you want people to perceive the town's image?

Do you think it is perceived that way?

How do you work to maintain a positive image of the town?

Do you mediate different images of the town depending on what customers that are targeted?

If yes, in which way is the image different?

Slogans

Do you use a slogan in you marketing activities?

What is your slogan?

Why did you choose that slogan?

Do you actively use the slogan in your marketing activities?

Logos

Do you use logotypes?

What does it look like?

Why did you choose that logotype?

Do you use it actively in your marketing activities?

The Marketing Mix for Services

People

Do you have continuous personnel training?

Why?

Physical Evidence

How do you use the homepage in order to reach out to tourists?

Process

Do you have any arranged agreements on secrecy?

Why or why not?

How do actors within the tourism business use networks to attract tourists to a destination?

What levels of cooperation do you consider there is within the tourism business in your town?

What are the advantages and disadvantages of this?

How do you work in order to gather all members to work toward a mutual interest?

How is the balance between cooperation and competition established?

Do problems occur, if so, why?

PARK HOTELL AND PITE HAVSBAD

Do you feel solidarity to the town's slogan?

Do you use it in your marketing activities?

How do actors within the tourism business use networks to attract tourists to a destination?

2.2.1 Relationships within networks

What levels of cooperation do you consider there is within the tourism business in your town?

What are the advantages and disadvantages of this?

What has the network given you?

Do you have any cooperation with your competitors?

If yes, why and how?

Do you have any cooperation with other members within the network?

If yes, why and how?

2.2.2 Relationships between competition and cooperation

What decides if you want to start a cooperation with another company?

How does the balance between cooperation and competition work?

Do problems occur, if so, why?

How does it work to cooperate toward a mutual goal in spite of being competitors?

APPENDIX 2: INTERVIEW GUIDE - SWEDISH VERSION

VISIT LULEÅ AND PITEÅ PRESENTERAR

RQ 1: How do DMOs work to market a town and its surrounding areas to attract tourists?

Turismlivscykeln

Hur har turismen sett ut i staden de senaste åren?

Har det skett en märkbar förändring?

Hur ser ni på turismens framtid i staden?

Image

Vilken image vill ni att folk ska ha om er?

Tror ni att den uppfattas så?

Hur arbetar ni för att upprätthålla en positiv image av staden?

Försöker ni ha olika images beroende på vilken typ av folk ni vill attrahera?

Om ja, på vilket sätt är bilden annorlunda?

Slogans

Använder ni er av en slogan i er marknadsföring?

Hur lyder den?

Varför just den?

Använder ni den aktivt i er marknadsföring?

Logos

Använder ni er av logotyper?

Hur ser den ut?

Varför just den?

Använder ni den aktivt i er marknadsföring?

The Marketing mix for Services

People

Har ni kontinuerlig personalutbildning?

Varför?

Physical Evidence

Hur använder ni er av hemsidan för att nå ut till turisterna?

Process

Har ni sekretesspolicys gentemot era kunder?

Varför?

RQ2: How do actors within the tourism business use networks to attract tourists to a destination?

Vilka typer av samarbete tycker ni att det finns inom turismbranschen i er stad?

Vad är fördelarna och nackdelarna med det?

Hur arbetar ni för att samla alla aktörer i ett gemensamt intresse?

Hur funkar balansen mellan samarbete och konkurrens?

Kan det uppstå problem, och i så fall varför?

PARK HOTELL AND PITE HAVSBAD

Känner ni samhörighet med stadens slogan?

Använder ni er av den i er marknadsföring?

How do actors within the tourism business use networks to attract tourists to a destination?

2.2.1 Relationships within networks

Vilka typer av samarbete tycker ni att det finns inom turismbranschen i er stad?

Vad är fördelarna och nackdelarna med det?

Vad har nätverket gett er?

På vilket sätt?

Har ni något samarbete med era konkurrenter?

Varför? Hur ser det ut?

Har ni samarbete med några andra företag inom nätverket?

Varför? Hur ser det ut?

2.2.2 Relationships between competition and cooperation

Vad avgör ifall ni vill starta ett samarbete med ett annat företag?

Hur funkar balansen mellan samarbete och konkurrens?

Kan det uppstå problem, och i så fall varför?

Hur fungerar det att samarbeta för ett gemensamt mål samtidigt som man är konkurrenter?

Vilka typer av samarbete tycker ni att det finns inom turismbranschen i er stad?

Vad är fördelarna och nackdelarna med det?