Experiential marketing of tourism destinations

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ABSTRACT
Destinations are combination of tourism products, offering an integrated experience to consumers (Buhalis, 1999). Research shows that demand for experiences is a major trend in the tourism industry. Schneider (2004) briefly defined experiential travel as a “travel that enriches the soul while broadening the mind”. Tourists are no longer satisfied with traditional services only – they want to go beyond that and have therefore created demand for diversified experiences (Banff Lake Louise Tourism, 2005). This increasing demand for experiences shows that it is no longer enough for destinations to compete with their facilities and amenities, but instead they need to create differentiating experiences if they want to attract today’s travelers (Banff Lake Louise Tourism, 2005).

The purpose of this paper is to examine the issue of experiential marketing in tourism destinations in particular concerning how it can be used as a form of differentiation. Specifically, the study describes the application of the experience concept to a destination suffering from the challenges of commoditization. This discussion identifies the primary benefit of experiential diversification is as a guide to move away from promoting physical destination attributes towards a goal of promoting emotional attributes that generate lasting and unique memories for visitors. Challenges primary relate to the institutional capacity needed to lead a destination towards understanding, identifying, creating and delivering a unique experience across the complete tourism system.

Keywords: Experience, Destination, Tourism, Differentiation, Marketing

INTRODUCTION
Research shows that demand for experiences is a major trend in the tourism industry and that destinations now compete more and more by emphasizing their experiences (Banff Lake Louise Tourism, 2005; Ritchie & Crouch, 2003). Justification for that lies in need for destinations to fight the problem of what Pine
and Gilmore (1999) term commoditization of services. For example, how do potential visitors to Caribbean differentiate one island from another if they all offer sun, sand and sea with golf courses and first class accommodations? In other words, when destinations offer traditional goods and services only, it becomes difficult for travelers to distinguish the benefits of one destination from another, since most of them have more or less the same offer. The assumption can be made that this offer can consequently result in lack of appeal and interest for the destination, as that destination is undifferentiated from its competition in the minds of potential visitors. Therefore if destinations have the same amenities and these do not distinguish themselves from the competition then the only option is to compete on price. In addition, not only are experiences important for competition between destinations, but travelers nowadays are seeking something different, something that they can’t get just anywhere and are increasing using this factor in their decision on which destinations to visit (Banff Lake Louise Tourism, 2005).

To further explore this issue and its application research was conducted on a tourist destination called Long Lake. Long Lake is a small town (852 inhabitants) located in the center of the Adirondack Park in the state of New York on a 14 mile long lake called Long Lake. Tourism is a major industry there, but also in the entire Adirondack Park. That has been the case since the 1950’s when destinations in the Adirondack Park became easily accessible for many family vacations due to the development of automobile, the booming economy, increased leisure time and income. This small town in the Adirondack Park was appealing to the visitors since it offered them something different than the life in the city: private cottages, untouched nature and numerous opportunities to enjoy outdoors. Even though there were other towns nearby that offered similar services, demand for towns such as Long Lake was increasing, since they were offering something that other (non-lake) destinations did not and in that way were able to differentiate themselves from non-lake destinations. However, what happened in the Adirondack Park was that the number of destinations that offered the same services kept increasing and hence resulted in saturated supply. In other words, activities and accommodations were no longer differentiating factors for the destinations in the Adirondack Park since today greater number of destinations offered literally the same type of accommodation options and similar outdoor activities.

Visitors come to Long Lake to enjoy outdoor activities (bird watching, biking, camping, canoeing, boating, cross country skiing, fishing, hiking, hunting, snowmobiling, star gazing) as well as concerts, craft fairs, and similar events. The town’s current marketing efforts are focused essentially on activities that visitors can engage in while in Long Lake. However, as mentioned earlier, the
case is that all these activities and events found in Long Lake are found in many of the Adirondacks townships. And not only these activities and events, but also the same type of accommodation and dining options and for that matter the tourism infrastructure in general. For example, if one was to read a brochure about what one can do while in Long Lake that same text could be applicable to Indian Lake, Blue Mountain Lake, and so forth—most likely to any of the towns in the Adirondack Park. This would hold true if one were to look at the images used to market these destinations. And there are close to 100 towns and villages in the Adirondack Park that encompasses 6 million acres about the size of the state of Vermont.

The situation is as follows: small towns (like Long Lake) in the Adirondack Park that have similar (if not the same) offer of activities, events, accommodation and dining options (tourism product) to other lake destinations in the Adirondack Park, face the problem of commoditization of their services. Hence, there is a need to find a way to diversify Long Lake from its competitors. There are several ways Long Lake could differentiate itself: based on price, based on offering services and/or activities that other towns in the Adirondack Park do not offer or based on experiences. If Long Lake is to differentiate itself based on price it means it must constantly lower price to look more attractive to destinations offering the same tourism product, not a very attractive business model. This relation between a competitive position and pricing is shown in Figure 1.

![Figure 1. The Progression of Economic Value](image)

If Long Lake was to attempt to differentiate itself by offering services and/or activities that other towns in the Adirondack Park do not offer it would require a large amount of capital investment not currently available, and ultimately would be something that the competition could copy. For example Long Lake decides to build a golf course another lake town copies them and builds a golf course. Competing based on experiences is a more recent approach to destination marketing. Destinations that promote experiences that one can engage in only while visiting that particular destination create a distinctive appeal and interest for that destination. In addition, research suggests that experiences can help destinations in reaching goals that differentiating on price and adding new services/activities fail to do. These goals are as follows: increasing customer loyalty, creating an emotional bond and providing reasons for them to want to return (Banff Lake Louise Tourism, 2005). Therefore, the focus of this study is on experiences and hence diversifying Long Lake though experiences. Despite the fact Long Lake has a similar tourist offer to other towns in the Adirondack Park, if it can differentiate itself by promoting experiences along with activities and events that current and potential visitors will be able to associate with Long Lake only, it will begin to develop a distinctive competitive position.

While many authors have introduced the importance of differentiating services and products through emphasis on experiences, very little has been applied to a tourist destination (Gobé 2001, LaSalle and Britton 2003). Furthermore, no one has shown the process of how destinations can use or are using experiences to diversifying themselves. This study goes one step further and begins to describe the “how” part: it describes the application of a “Destination Experience Differentiation Model” to a destination suffering from commoditization and suggests the ways to differentiate through experiences by using Long Lake as the case destination. Primarily it applies the theory to a destination and then identifies the real world challenges of applying it to a specific destination through destination stakeholder feedback.

The Concept of Diversification through Experiences
Pine and Gilmore (1999) introduced the idea that goods and services are no longer enough for differentiating and therefore advocated experiences as a form of differentiation. They explain the shift from commodities to experiences and noted that successful companies nowadays need to create experiences for their customers if they are to be differentiated from their competition. This in their minds would also allow one at the same time charge premium prices which they state as the main advantage of competing based on experiences. However while many business and services examples were given, how this might be applied to a destination was far less explored.
Pine and Gilmore (1999) defined experiences "...as events that engage individuals in a personal way" (p.12). Each individual who is engaged into experience remains with the memory of it, and this is where the value of experiences is derived (Pine & Gilmore, 1999). LaSalle and Britton (2003) define a consumer experience as an interaction or series of interactions between a customer and a product, a company, or its representative that leads to a reaction. Walt Disney World is given as an example of the "experience stager" where many families go to be engaged into experience about which they are most likely to talk about years after visiting it (Pine & Gilmore, 1999, pp.12-13). The value of the visit to Walt Disney World and the experiences they engaged in while being there remain with them as memories. Moreover, since individuals are engaged entirely in a personal way, it cannot be the case that two people have the same experience thus a differentiation point hard to duplicate (Pine & Gilmore, 1999). In addition, Pine and Gilmore (1999) state that experiences are intrinsically sensory. Or, in other words, it does matter what one sees, hears, touches, smells, and tastes on shaping of the impressions and consequently experiences. As they say: "The more effectively an experience engages the senses, the more memorable it will be" (Pine & Gilmore, 1999, p.59). While Disney could be viewed as a destination it is a business entity controlled by a single organization making experiential diversification more viable. Engagement of senses may be difficult to apply to a destination as a whole due to its complexity and is surely more applicable to individual businesses or service at a destination. Going further with the engagement of the customers/guests, Pine and Gilmore (1999) suggested "The Experience Realms" model, where horizontal axis corresponds to the level of guest participation (anywhere from passive to active) and vertical axis to "...the kind of connection, or environmental relationship, that unites customers with the event or performance" and goes anywhere from immersion to absorption (p.31). This is shown in Figure 2.

![Figure 2. The Experience Realms](source: Pine and Gilmore, 1999, p. 30.)
The message that Pine and Gilmore (1999) conveyed through experience realms is that although some experiences engage mostly one of the realms, the boundaries between realms may be blurry; also to keep in mind that “...the richest experiences encompass aspects of all four realms” (p.39). The key lies in assessing the “sweet spot” in the center of the Experience Realms figure (Pine & Gilmore, 1999, p.39). Pine and Gilmore (1999) believe one of the main components of competing based on experiences is envisioning a well-defined theme” (p.47). Well-defined theme gives cues to the people to know what to expect (for example, Hard Rock Café) and will result in a memorable experience, whereas ill defined theme does exactly the opposite (Pine & Gilmore, 1999). The concept of using a theme for a single business or service is common, being able to achieve this at entire destination is less so. Moreover, Pine and Gilmore’s (1999) progression of economic value is also reflected in Ritchie and Crouch’s (2003) statement,

“...what makes a tourism destination truly competitive is its ability to increase tourism expenditure, to increasingly attract visitors while providing them with satisfying, memorable experiences...” (p. 2).

Ritchie & Crouch (2003) suggest that the service experience in tourism contains four dimensions that detail what tourists seek and thus for that reason they should be taken into consideration when creating experiences The first dimension is hedonics – for example; doing something memorable, doing something thrilling or being challenged in someway. Again here the experience is focused on what the tourist would view as pleasurable. The second dimension is peace of mind. This would include physical comfort and safety along with privacy and relaxation. Dimension three is labeled as involvement. This contains issues related to having choices and being educated and informed. The forth and last dimension is recognition. Schneider (2004) suggested some of the following in a checklist for creating a tour experience that should take into consideration: select a theme and carry it through the tour, select the types of experiences to include, identify the range of activities, attractions and places to offer, determine the ideal group size, identify the appropriate suppliers or partners for the delivery, assess all aspects of the experience, evaluate the balance of planned activities in the experience, and determine the ‘souvenirs’ that will be a part of the experience. Many of these points overlap with what others state as components of competing based on an experience but again here the experience is going on a tour a single economic offering, much less complex than a destination made up of many economic offerings.
METHODS

Data for this case study was collected through several sources. First, site visits and meetings were conducted with town leaders and the head of tourism for Long Lake between March 2005 and June 2006. Additionally, data was collected through in-person interviews, as well as interviews conducted through email and phone correspondence with the owners of the lodging and business properties in Long Lake. Written surveys were also used to gather impressions of the “Destination Experience Differentiation Model” as applied to Long Lake. Secondary research from previously conducted tourist feedback surveys was used. In order to show how destinations suffering from commoditization can use experiences and consequently diversify themselves, Ritchie and Crouch’s “Elements of Destination Marketing” diagram has been modified to include additional experiential research and thus, “Destination Experience Differentiation Model” was developed. This proposed model, shown in Figure 3, details the steps that destinations can take in order to move from the point where they are (that is, commoditized, undifferentiated tourism product) towards experiential differentiation.
Deliver diversified experience

Decide on the most effective ways to stage destination experience

Implement experiential marketing campaign

Develop marketing tools to support the promotion of destination experience

Establish destination experiential positioning

Decide on experiential areas by focusing on what is authentic and memorable about this specific destination and what can bring possible competitive advantage

Evaluate messages that are sent out to visitors by focusing on five senses: sight, sound, smell, taste, and touch

Identify impressions and areas for possible improvement

Assess all aspects of experience that a destination can offer to current and potential visitors: opportunities for enjoyment, learning, escaping

Ascertain the existing themes of the experience

Identify visitor markets based on experience types and needs, wants, and behaviors of the current and potential visitors

Determine if the theme needs to be modified to make the experience more engaging for the visitor markets

Figure 3. Destination Experience Differentiation Model. Modified from Elements of Destination Marketing
Source: (Ritchie and Crouch, 2003, p.189).
FINDINGS AND DISCUSSION

Two general steps were taken to differentiate Long Lake through experiences. The first was to work through the model step by step with the help of feedback from stakeholders in the community. The second step was to apply the concept to tourism resources within the destination. This hypothetical application of experiential diversification was then presented to destination leaders for feedback. The first and likely most important step was to identify what the experiences make up a vacation to Long Lake. Based on feedback from both local tourism businesses, residents and visitors a Long Lake experience was described as; friendly, pleasant atmosphere, leisurely pace, nature, close-nit community, quietness, beauty, outdoor, place to come to get away, place to relax, but also to enjoy numerous outdoor activities. Moreover, Long Lake is described as a place where one finds a slow-paced environment, relaxing peace and calm, as well as enjoyment in the beautiful outdoors. It is a place for a family to retreat in a small, friendly, and quaint community, a place to call home. There was agreement among all stakeholders that this represented the experience of Long Lake. The next was to evaluate the senses communicated to the visitors of Long Lake. The research summarized this into the tag line: The art of relaxing what an Adirondack vacation used to be. This reflected the fact the infrastructure was circa the 1950’s and 1960’s and that the main reason to visit was to enjoy recreational activities in a relaxing laid back environment.

Since a tourism destination is made up of a system of services and businesses a sample of diverse tourist resources was used to explore the application of Destination Experience Differentiation Model. Therefore an activity, event and supplier were chosen to demonstrate the experiential differentiation. The following were selected: snowmobiling and fishing (activities); canoe race, and a birding festival (events); Adirondack Hotel on Long Lake and Hoss’s Country Corner store (suppliers). In the following discussion of the model they are used interchangeably in order to show how each of these can represent a diversified experience for Long Lake and thus be marketed in that way. The following is a summary of the steps addressed in the differentiation model.

Step 1: Conduct a destination inventory: infrastructure, suppliers, activities, events, and experiences. Once tourism planners are aware of this Long Lake offer, the challenge that lies ahead is what to do with what they have to make this event a memorable and diversified destination experience for the visitors.

Step 2: Evaluate messages that are sent out to visitors by focusing on five senses: sight, sound, smell, taste, and touch. The key here is to understand that colors, sounds, and so forth that visitors (both current and potential) see or in any way relate to are sources in Long Lake. If one is to take Long Lake snow-
mobiling as the example, do they visualize snowmobiling in Long Lake to be an adrenalin-charged activity or quite the opposite, a slow-paced activity where the value is placed more on socializing and enjoying outdoors? Thus, this individual will form the impression of Long Lake’s snowmobiling. So, this is where tourism planners need to be cautious. In other words, if they want to promote Long Lake’s snowmobiling more as a competition-oriented activity, they should use promotional material that conveys exactly that message to the visitors. Relatively, if they want to attract people to come to Long Lake in winter and promote Long Lake’s snowmobiling more as a leisure activity for all ages, they should use promotional material that conveys that - such as pictures of friends and families having fun in a cold while snowmobiling. Step 3: Identify impressions and areas for possible improvement. Step 4: Assess all aspects of experience that a destination can offer to current and potential visitors: opportunities for enjoyment, learning, escaping. Tourism planners are here to assess all aspects of the experiences that their resources can offer to Long Lake visitors. If taking canoeing racing event as an example, tourism planners can make reference to Pine and Gilmore’s “The Experience Realms” model and analyze canoeing experience that is promoted through the event itself. In other words, make clear on what is this experience made of (participation in race only? Spending time with families? Enjoying outdoors?) and what is the role of visitor (that is, whether this event appeals only to people who participate in the event or also to observers?). Hence, one comes to the conclusion that this particular event is or can be promoting much more than just one experience, as shown in Figure 4.

**Figure 4. Long Lake’s Canoeing Race Event Example**

**Source:** The Experience Realms (Pine and Gilmore, 1999, p. 30).
The key note at this point being to identify as many experiences as possible since tourism planners have yet to answer the following two questions: Out of all these experiences, what kind of canoeing experience is currently promoted through this event and what canoeing experience would Long Lake want to promote through the event.

Step 5: Ascertain the existing themes of the experience. Once experiences have been identified, the challenge that tourism planners face is to determine whether any of the experiences are themed or is there an overall theme emerging in the area. For example, the experience of staying at the Adirondack Hotel on Long Lake – does it have a theme; is there something prevailing about it that makes the stay at this hotel recognizable? In order to answer whether hotel already has a theme, they can seek to find it in the name of hotel, colors that are used, design elements and interior environment in general.

Step 6: Identify visitor markets based on experience types and needs, wants, and behaviors of the current and potential visitors. For example, when it comes to fishing in Long Lake the destination must address the following: Who is most likely to come and participate in this activity? Why? What do you know about that specific visitor market? Is that the market that Long Lake should attract? What do you know about trends in fishing in the Adirondack Park in general? By answering these questions they could decide what types of fishing experiences (for example, spending time away with your family, teaching the child how to fish, and so forth) they want to promote in Long Lake’s marketing efforts.

Step 7: Determine if the theme needs to be modified to make the experience more engaging for the visitor markets. Therefore, according to Pine and Gilmore (1999) and their five principles, some of the questions that one may ask are: Is the theme compelling, captivating and memorable? What makes it such? After ascertaining the existing themes of the experience, tourism planners are to analyze them in order to make sure that all design elements support the theme. If taking Hoss’s Country Corner store in Long Lake as the example – learning about the theme of this property’s experience helps in determining whether there is an area for improvement in order to make it more captivating and appealing to the visitors. Step 8: Decide on experiential areas by focusing on target markets and four dimensions of the service experience in tourism. For example, if analyzing snowmobiling, certainly not all aspects of Long Lake’s snowmobiling experience will be equally competitive or have the same potential of turning Long Lake into a diversified snowmobiling experience for its visitors. In addition, if they opt to focus more on the social aspect of snowmobiling experience (rather than on races), they should emphasize this in the promotional material on Long Lake’s snowmobiling. In other words, they need to choose messages (that
Step 9: Decide on experiential areas by focusing on what is authentic and memorable about this specific destination and what can bring possible competitive advantage. Authenticity is a great opportunity for Long Lake since it is viewed as an original Adirondack vacation spot. Taking Adirondack Hotel as the example and trying to decide on what is authentic about this specific property, tourism planners may ask some of the following questions: Is there any part (aspect) of the stay at this hotel that you can describe as authentic? If so, what makes it such? If not, what could make the stay at this hotel authentic? How could this hotel and stay at it (any aspect of it) diversify Long Lake among other destinations where visitors for example come for leisure? Step 10: Establish destination experiential positioning. Overall challenge here is to take all the information collected and analyzed earlier and decide on how destination exactly wants to be perceived in the visitors’ minds and thus what does it take to establish such a position, and impression of the destination. Step 11: Develop marketing tools to support the promotion of destination experience. This is where tourism planners need to decide on advertising materials and/or PR activities they would use to reach desired visitor markets to inform them about Long Lake and its offer. Hence, images that closely reflect Long Lake fishing experience should be used in this activity’s promotional material in order to create the emotional bond with the current and potential visitors. In other words, by using pictures over words to convey experiences and by doing so help in making Long Lake a specific fishing experience. So, instead of listing all kinds of fish that can be found in Long Lake, one may opt for the images that will aim at emotions of the visitors and consequently connect with them the type of fishing experience Long lakes hopes to deliver. For example, if tourism planners want to portray fishing experience in Long Lake as a family activity, it would be much more effective to include the picture of a small girl fishing with her dad instead of just listing fish species found in the lake. Step 12: Implement experiential marketing campaign. Desired outcome for tourism planners being that people who see a certain picture of Long Lake or read the story about someone’s travel and experiences in Long Lake find themselves understanding what they will feel if part of a Long Lake experience. Step 13: Decide on the most effective ways to stage destination experience. For example, when it comes to canoe racing event, tourism planners need to make sure that there is a clear idea on what canoeing experience is to be promoted with this event (such as competing and winning the race? Learning how to canoe?). Equally important, there has to a clear direction for delivering that experience for everyone who is involved in it in Long Lake. For example, if tourism planners promote “learn how to canoe” as a part of the event, in that case experienced canoeists who are willing to teach
interested people how to canoe have to be on site for the event. Otherwise, de-
livery of that particular experience has failed. Step 14: Deliver diversified ex-
perience. At this point local stakeholders must all know what type of experience
they are attempting to deliver and understand how to do so.

CONCLUSION
In collecting feedback about the proposed idea of differentiating Long Lake
through experiences, the researchers discovered confusion about the concept and
paradigms that persisted towards traditional marketing. First of all it was per-
ceived that using experiences to differentiate Long Lake might discourage visi-
tation if it was too narrowly defined. Often the concept of experiences was
viewed as synonymous with a recreational activity. So when thinking about
opportunities to differentiate Long Lake based on experiences respondents often
replied that Long Lake should focus on its float plane flying services since few
lakes had one. Again the issue was not seen as focusing on senses and emotions
or feeling gained from an experience, but rather on some active participation in
an outdoor activity. Also there was still a tendency to identify and define a dif-
ferent physical characteristic that differentiated Long Lake from other lakes.
For example that at 14 miles it was one of the Longest Lakes in the Adirondack
Park, but what made this 14 mile lake a unique experience over say 8 mile lake.
Additionally it was viewed to only be possible to establish an experiential dif-
ference if the area was built around such a concept first. One of the values of
the Model was it forced the stakeholders in the community to look at traditional
marketing materials in a new light. Instead of trying to focus on images that
represented Long Lake they now realized that needed to focus on senses, feel-
ings and memories that would represent a vacation on the Lake.

Based on the feedback received in regards to proposed “Destination Experience
Differentiation Model” on using experiences as a differentiation tool in market-
ing destinations such as Long Lake, the conclusion can be drawn that there is a
limited applicability of the model to a destination as a whole without strong
internal leadership. On the other hand, the proposed model was affirmed to be
more applicable to individual businesses at the destination. The main concern
about this model is the understanding that success of the model depends on co-
operation of all local businesses. In other words, everyone in the community
needs to “buy into” the model. This has been acknowledged as the obstacle to
applying the proposed model to Long Lake as a whole, as it is difficult to get
business owners to agree. The overriding challenges stems form a need to de-
termine how a destination wants to position itself and then guide and define this
in terms of emotions, feelings and senses in a differentiated theme through the
entire destination. If Long Lake wants to be positioned as: what an Adirondack
vacation used to be then it needs to agree on what this means in terms of emo-
tions, feelings and senses and adjust its tourism resources to meet this goal. Additionally the implementation of such efforts required intensive education of stakeholders that it is not about emphasizing canoeing over fishing but for example promoting itself as the place of learning; where visitors learn and teach family member how to fish, how to snowmobile, how to walk in the woods. Or that it's about emphasizing relaxation and the emotions that go with it. Or that friendliness and warmth of the locals will be captured and delivered through all marketing and experiences visitors encounter.

REFERENCES