The future of national tourism organisations marketing functions – there is no future?

Brian Hay

Abstract

Purpose – *The purpose of this paper is to investigate the impact of two micro trends on the future marketing functions of national tourism organisations (NTOs): the increasing power of individuals and the irreverence of NTO's current marketing functions.*

Design/methodology/approach – *Through a discussion of the literature driving the two identified micro-trends, a number of supportive sub-micro trends were also identified and explored.*

Findings – *The paper concludes that NTO's have failed to recognise the growing distrust of monolithic organisations. NTO's seem to be more concerned about their own survival, rather than providing a service to both their citizens and tourists. Also NTO's have failed to acknowledge that tourists are much more confident in making their own decisions, based on marketing information from their own trusted ''closed friendship groups'', rather than relying on NTO's.*

Research limitations/implications – *The paper is based on a discussion of issues from only two micro-trends, but tourist decision-making processes may be more complex than suggested.*

Practical implications – *The paper concludes that in the near future there will be an increasing rejection of NTO's marketing information, and in the longer term this may result in the demise of NTO's. However, if NTO's are to survive, it suggests two actions they could take to ensure their future relevance to both its citizens and tourists.*

Social implications – *Questioning whether national/state organisations always act in the best interests of its citizens, challenges the trust in NTO's. The paper suggests that NTO's recognise that their power relationships are more strongly linked to ideals of nationhood and endorsement by their international peers, rather than providing services to tourists.*

Originality/value – *This paper questions the implicate assumption that NTO's should be a trusted source of marketing information. It suggests that NTO's have failed to recognise the changing methods tourist use to help in their decision making.*

Keywords *Demography, Tourism, Globalization, Tourism marketing, National tourism organizations, Micro trends*

Paper type *Trends paper*

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Introduction

Since the formulation of the first national and publicly funded tourism organisation (NTO) in New Zealand in 1901 (Tourism New Zealand, 2001) and the first regional tourism organisation in Hawaii in 1903 (Chong, 1963), there has always been an assumption that national, state, regional and local governments have a role in tourism marketing, through either direct or indirect funding of such tourism organisations. The rational for public funding of tourism organisations centres around issues, such as: market failure; small scale of tourism businesses; difficulty in reaching dispersed markets (Gilbert, 1990; Smeral, 2006). In more recent research into the policy and governance roles of NTO's, both Baggio *et al.* (2010) and Airey (2015) did not question neither the need for, or the marketing functions of

NTO's. This is typical of much academic research into the marketing functions of NTO's, there is a fundamental assumption that they perform an essential service for both the nation and the individual tourist. Given both the increasing urbanisation of the world population (United Nations, 2018) and the growth in city tourism (Postman *et al.*, 2017), the same rationale for public funding has also be applied to a more recent trend, the emergence of city marketing bureaus (Heeley, 2015).

Yeoman (2018) has outlined several mega drivers, which will impact the future development of tourism, such as: globalisation, shifts in global power, demography and technology singularity. Although such mega trends are central to our understanding of tourism futures, underpinning such trends has been a growing recognition that micro trends can be used to better understand their practical implications. Penn and Fineman (2018, p. xiii) suggested that micro trends are "small, under-the-radar forces that [...] are powerfully shaping our society".

The aim of this paper is to explore the impact of two micro trends: the increasing power of individuals and a growing irreverence of NTO's, particularly in tourism marketing.

Discussion

Microtrend: the increasing power of individuals

Penn (2007, p. 3) suggested that while global trends are creating "a sense of individualism that is powerfully transforming our society", micro trends are capable of creating "a movement that can change the world". Penn and Zalesne (2008, p. 33) also stressed that "individual needs and wants – has never been more critical in marketing [...] campaigns" and concluded this "has come [with] a rise in the power of [individual] choice". This raises a question as to whether such a growing demand for individuality can be satisfied through generic destination marketing campaigns, one of the core activities of NTO's. In searching for tourism information that satisfies this recognition for individuality, tourists have returned to a modern version of traditional and trusted sources, namely, word-of-mouth recommendations from their friends on social media sites. Such information is provided through their membership of peer-to-peer organisations, such as: Facebook, Twitter and Trip Advisor. It was assumed that these sources of information would help to counter the impacts of overtourism and "spread [tourism] much more widely, away from standard [tourism] sites" (Bleach, 2019, p. 35). However, this increasing use of social media and trust in our online friends, has instead led to a homogenisation of tourism experiences, where popular destinations become even more popular, driven in particularly by first time visitors (Dichter, 2017).

One of the unforeseen consequences in the growth of social media, has been the rise in fake reviews, and this has resulted in individual tourists now seeking alternative trusted sources of information (Mariani *et al.*, 2019). However, it is questionable if NTO's can be a such a trusted source, providing focussed messages designed to meet an individual's needs, for their marketing tends to utilise generic messages, supplemented with images of well-known destinations/attractions. Also, NTO's are not immune from creating fake news, for example, the Lithuanian NTO used photos from Finland and Slovakia to promote their country (BBC News, 2017).

Given this shift away from traditional sources of tourism information, there are a number of sub-micro trends that drive this growing power of individuals:

■ an increasing distrust in large public sector organisations to protect the data of individuals from misuse (Oomsels *et al.*, 2019);

■ a recognition of the increasing power of big data, that enables individuals to benefit from insights provided by measurable quantitative data, as opposed to subjective qualitative information (Li *et al.*, 2018);

- an increasing awareness of the power of small "closed groups" of trusted friends and like-minded individuals that reflect the agreed collective values of such small groups, over the values of large organisations (Roth-Cohen and Lahav, 2019);

- the insincerity of so called "personalised messages" from organisations that pretend to be your friend (Sigala, 2018); and

- as web 2.0 continues to develop, power will shift from organisations to individuals, therefore NTO's will no longer be masters of their destination image (Hays *et al.*, 2013).

Microtrend: irreverence of national tourism organisations

NTO's are almost totally defined by their destination marketing functions and are one of the trappings of nationhood that help to define a nation state. The establishment of an NTO is one of the key requirements for a nation state to gain membership of international tourism organisations, and this is reinforced by the requirement that only nation states can be full members of the UNWTO (Hay, 2020). This inter-government organisation functions as a *de facto* gatekeeper that protects nation states, and their NTO's. That is, NTO's recognise that their power relationships are more strongly linked and dependent on the ideals of nationhood and international recognition, than on the services they provide to individual tourists.

This international outlook is reflected in the traditional focus of NTO's marketing, on global/international campaigns rather than individual tourist focussed marketing messages. However, this model does not fit into the current fast-changing methods, which tourists use to gain information.

This growing irreverence of NTO's, is driven by several sub-micro trends that undermine the traditional tourism marketing functions of NTO's:

- As political power continues to be devolved from the nation state to increasingly self-governing cities, the emergence and growth of powerful city marketing bureaus, focussed on one defined product (their city) will develop at the expense of NTO's (Heeley, 2015).

- Given the increasing urbanisation of the world population, tourists are much more likely to be receptive to focussed city marketing campaigns, rather than vague national/country marketing campaigns (Postman *et al.*, 2017).

- Not only are the number of tourists increasing, they are also growing in confidence to make their own decisions about tourism services. This is reflected in their willingness to deal directly with the new disruptors/providers of tourism services (AirBnB, Uber, Low Cost Airlines) rather than rely on intermediators, such as NTO's (Hughes, 2018).

- The widespread use of not just personal communication devices, but also their increasing ability to provide personalised functions/services, which are controlled by the user, not the provider of such services (Dorcic *et al.*, 2019).

- The perception that NTO's seem more concerned with increasing tourist visits/spend, rather than focussing on the quality of life of its individual citizens and the experiences of individual tourists. For example, NTO's have encouraged tourism developments, such as: new deep channels for cruise ships in Venice and a new airport at Machu Picchu and are surprised that the subsequent increase in tourists is resented by their citizens (Bleach, 2019).

Conclusions

This paper set out to outline two of the micro trends that illustrate why both the increasing power of individuals and the growing irrelevance of NTO's to individual tourists, suggests

that the *raison d' être* for NTO's is now open to question. Increasingly, NTO's are trying to re-connect with tourists, through the provision of personalised services, but there is a growing mistrust in their motives, which seem more about their own survival, than providing a service to both tourists and local residents. We have recently seen a number of cities decreasing or ceasing tourism marketing (Edinburgh, Amsterdam), but it would be a brave move for an NTO to cease its international marketing campaigns, and even braver, for a nation state to close its NTO.

The conclusion drawn from these two micro trends identified in this paper, suggests that in the near future there will an increasing rejection by tourists of NTO's marketing information, and that sometime in the future this may result in the demise of NTO's. The future of NTO's, is that they have no future?

If NTO's are to survive, they need to change their functions. For as Choy (1993, p. 365) recognised, their functions are not fixed and suggested that NTO's "should implement a process of adopting alternative roles" as circumstances change. Therefore, if NTO's are to survive in the future they need to reinvent themselves, to paraphrase Scotty in *Star Trek* "it's an NTO, but not as we know it?" Two options they could adopt include:

1. Instead of each country managing their own NTO that only serves their tourists, in recognition of the importance of the individual tourists, why not an individualised and personalised NTO for each tourist – My Tourist Board/NTO app?

2. Through the UNWTO, the development of a world-wide standardised package of personal data, which remains the property of individual tourists, until they chose to share it with selected NTO's. This will enable NTO's to provide much more relevant information direct to individual tourists.

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