Evolution of Demarketing in the Tourism Industry and Implications for Sustainability

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Abstract:- Sustainability of the tourism industry depends very significantly on the quality and proper management of assets such as cultural heritage, man-made structures, events and natural resources (e.g. wildlife, beaches, and mountains). Due to uninhibited rapid increase in the economic indicators of tourism globally, several destinations have experienced excessive number of visitors while some have witnessed visitor rowdiness and delinquency. Therefore, demarketing a strategy utilised to regulate the level and character of actual and future demand by organisations including enterprises has been applied in the tourism industry. This paper examines the evolution of the literature on demarketing in the tourism industry between 1989 and 2017, its theoretical and conceptual development as well as the practical contexts of its application for demand regulation. All the publications scrutinised were obtained online and each was content analysed. Results of the study indicate that the major rationale for demarketing in tourism are to: maintain ecological integrity by regulating excessive demand that is, discourage too many people from visiting ecologically sensitive tourism assets like national parks, game reserves and other excessively patronised natural resources; curtail socially unacceptable consumption in form of rowdiness and misconduct at destinations. The overarching implication of the study is that demarketing constitutes a robust strategy for realising and maintaining sustainable tourism development. However, for success it must be well targeted, monitored and evaluated.

Keywords:- Marketing, Ecological Integrity, Sustainability, Over-tourism, Behaviour.

I. INTRODUCTION

Tourism is a socio-cultural and economic phenomenon that involves the movement of people to places or countries outside their usual environment for personal, business, spiritual or professional purposes. Tourism comprises multiple services such as accommodation, transportation, entertainment; leisure etc. and products are supplied by several agents. The expectation and satisfaction of the touristic experience is unique to each tourist. Tourism is an important economic industry in the world which in 2017 accounted for US$7.6 trillion or 10.2% of total global gross domestic product (GDP), and 292 million jobs representing one out of every ten jobs. Tourism exports during the same period was estimated to be more than US$1.5 trillion while international tourist arrivals is over 1.2 billion (World Economic Forum, 2017).

Marketing is central to the success of tourist attractions in particular and tourism in general. Tourism enterprises rely on marketing for promoting their businesses and to remain successful and competitive. Kotler et al. (2004:6) define marketing as a social and managerial process by which individuals and groups obtain what they need and want through creating and exchanging products and value with others. Also, Kotler and Armstrong (2010) define marketing as managing profitable customer relationship. The authors went on to say that the aim of marketing is to create value for customers and to capture value from customers in return. This implies that historically, marketing has been associated with rising demand for a product or service. However, lack of demand for a product or service and excessive demand for a particular product or service are twin problems. McCarthy (1964) enunciated the 4Ps’ of marketing namely: Product, Price, Place and Promotion as constituting the marketing mix. The way the 4 Ps are managed influences the success of marketing.

In the tourism industry, marketing is not merely concerned with promotion and advertising both of which are important for attracting visitors, but also with pricing, products and channels of distribution majority of tourism attractions and agencies produce promotional flyers or leaflets which can be displayed in tourism information centres. Again, most have websites, showing crucial information for visitors’ consumption. Additional means of promotion include advertising in tourist brochures, newspapers, magazines as well as television and the social media. In tourism, word of mouth is also a very potent means of advertisement. In recent times technology has added a new dimension to the interpretation and communication of attraction. The role of personal interaction and services elements remain important (Page and Connell, 2006).

With a view to meeting the challenge of excessive demand, the concept of demarketing has emerged. According to its first proponents, Kotler and Levy (1971) demarketing is the marketing process that seeks to discourage customers, or a class of customers to reduce the consumption of a particular
product or service permanently or temporarily, without losing
the relationship with the customer. While demarketing has
been applied to consumer products for several decades, its
adoption to deal with the problem of over-tourism in the
tourism industry is just about three decades.

Therefore, the aim of this paper is to examine the
evolution of demarketing in the tourism industry focusing on
the theoretical and conceptual development as well as its
practical application for demand regulation. Whereas, there is
no literature on application of demarketing in Nigeria’s
tourism industry, it is considered important to examine and
understand the rationale and how demarketing has been
applied in other countries. This will guide policy making on
demarketing in the country’s tourism industry in the future.
Following this introduction is the section on study scope and
methodology. Section 3 elaborates on the key conceptual
issues guiding the study followed by results and discussion in
Section 4. The last section contains the conclusion and
recommendations.

II. STUDY SCOPE AND METHODOLOGY

With respect to methodology, the paper is based on
secondary data as all the publications scrutinised were
obtained online. The reviewed publications on demarketing in
the tourism industry covered 1989 to 2019. Each publication
was content analysed and inferences drawn as appropriate.

III. SOME CONCEPTUAL ISSUES

This section provides an overview of the conceptual
issues that provided guidance for the study. The key concepts
are: Demarketing, Overtourism, Tragedy of the Commons,
Responsible Tourism, Tourism Life Cycle, and Tangible and
Intangible Tourism Goods and Services. Kotler and Levy
(1971) identified three broad types of demarketing: General
demarketing: where enterprises want to reduce demand; Selective
demarketing: where demand for specific market segments is discouraged; and Ostensible
demarketing: this is a situation in which the customers get the impression that sellers
want to discourage demand when actually, the reverse is the
case. Generally, products or services desired by customers
would continue to enjoy high patronage when it is scarce.

Demarketing in the realm of tourism has been ascribed to
“Over-tourism” (Goodwin 2017). The author conceives
“Over-tourism” as a veritable tool with huge propensity
towards demarketing in tourism industry. He however states
that “over-tourism” describes destinations where hosts or
guests, locals or visitors, feel that there are too many visitors
and that the quality of life in the area or the quality of the
experience has deteriorated unacceptably. Over-tourism
“describes where hosts or guests, local or visitors, feel that
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unacceptably” (Goodwin, 2017: 1). Over-tourism is the
opposite of Responsible Tourism which is about using tourism
to make better places to live in and better places to visit. Often
both visitors and guests experience the deterioration concurrently and rebel against it. Some of the causes of over-
tourism are the global growth in tourism, mass marketing,
change in tourist behaviour, change in access, existing and
new attractions. According to the Institute of Tourism at
Lucerne University of Applied Sciences and Arts, over-
tourism varies within and between tourism places. The
Institute therefore recommends active demarketing to improve
the situation and also make a product more valuable and create
new chances to attract new more interesting visitor segments

Tourism makes extensive use of Common pool resources
in the public realm taking advantage of cultural resources like
museums and galleries. In addition, beaches and parks are
common pool resources. As Common pool resources, it means
someone else enjoying the good does not prevent me from
also using it. Another attribute of Common pool resources is
non-excludable unless a government agency decides to
enforce user charges. Due to the free nature of Common pool
resources and their non-excludable, they are quite vulnerable
to over-utilisation and exploitation.

Marshall (2006) also observed that the travel and tourism
industry is one that rent out for short-term lets of other
people’s environments, whether this is a coastline, a city, a
mountain range, or a rainforest. The crux of the matter is that
tourism agencies collect the rent externalizing the costs to the
public purse (Marshall, cited in Goodwin, 2017). This is what
Hardin (1968) in his seminal contribution refers to as ‘Tragedy
of the Commons’.

Another relevant concept in this study is Butler’s
concept of the Tourism Area Life Cycle (TALC) (2006). The
concept recognizes that destinations are discovered and
developed for consumption. Then as tourism peaks,
consolidation and stagnation set in. This could be followed by
the destination’s decline or rejuvenation. TALC draws on the
concepts of the product lifecycle and carrying capacity in
rangeland ecology. Few examples of real life over-tourism in
some destinations are highlighted in Box 1 before examining
documented cases of demarketing to mitigate it.
Box 1. Examples of Over-tourism and Necessitating Demarketing

The disorderly behaviour of British tourists abroad led to a steep rise in complaints to police in the Spanish city of Malia in 2016. Offences of British tourists reported included drinking in the streets, all-night parties and appearing nude in public. Some 113, 707 reports were made to the city’s police between July and September, 2016 alone. In the summer of 2016, graffiti reading “Tourists go home” and “Tourist, you are the Terrorist” sprang up in Palma the historical capital of Majorca. The graffiti were targeted at British visitors whose numbers have been increasing yearly.


For several years, national parks in the United States of America have been abused by visitors. Law enforcement records obtained by The Associated Press for instance indicate that, rising number of visitors at the Tennessee Great Smoky Mountains, Yellowstone National Park and Grand Canyon of Arizona among others, face illegal camping, vandalism, theft of resources, wildlife harassment and other misconduct by visitors. In Yellowstone Park over 52,000 warnings were issued to visitors in 2015, an increase of 20% from the preceding year. In July, 2016 alone, law enforcement rangers dealt with over 11,000 incidents at the 10 most visited national parks. Specifically in Yellowstone Park, rangers are recording rising cases of wildlife violations, more people trending on sensitive thermal areas and camping in restricted areas. It should be noted that the awful behaviours put visitors in harm’s way apart from damage to resources and wildlife displacement (Source: Brown, 2016).

In the tourism industry, there is a conceptual continuum between goods and services where either tangible or intangible elements are dominant. An intangible good is one that does not have a physical nature but has value. Tangible goods on the hand are physical products that can be seen and touched. Figure 1 illustrates the fact that majorly, tourism is an intangible offering. Hence, in the context of a business, tourism enterprises need to have the following:

- A customer orientation;
- A focus on the enterprise’s external environment;
- Accurate marketing research information, especially as it concerns customers and competitors;
- Products that meet the needs of tourists;
- A strategy of differentiation, that is, that the products or services offered are different in some way from the competition; and
- The ability to manipulate various marketing opportunities in such a way to create customer satisfaction (Lumsdon, 1997; Page and Connell, 2006). Demarketing due to over-tourism, could be targeted at one or more of the preceding three bullet points.

Fig 1: Good-Services Continuum in Tourism.
Source: Lumsdon (1997:27)

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1 Some goods have both tangible and intangible values. An example is a restaurant that includes a physical product in the form of food and drinks as well as intangible value such as décor, service and environment.
IV. RESULTS AND DISCUSSION

Results of the study reveal that tourism research with a focus on demarketing has been rather limited. Beeton and Benfield (2002:501) indicated that “studies into demarketing in relation to environmental management and tourism are extremely few in number and limited in their range”. Place marketing has been of interest to some geographers and other social scientists for quite some time. Examples of such researchers are Medway et al. (2011); Ward (1998), Short and Kim (1999) and Ashworth and Voogd (1990). The available literature on tourism demarketing that was content analysed are presented on temporal basis in the remaining part of this section.

First Decade: 1989-1999

The first reported study on demarketing and tourism is that of Clements (1989) which examined the use and potential of demarketing in Cyprus. He sought to discourage young, bothersome tourists from visiting Cyprus. He proposed among others enhanced control of physical attributes of the holiday, particularly discouraging low-priced self-catering apartments and nightclubs (product), raising prices for tourism services and discouraging discounting (price) among tourist agencies and reducing promotion of Cyprus in specific marketing (promotion). He concluded by recommending a selective combination of marketing and demarketing strategies. Also, he proposed keeping a policy of maintaining a constant market image and regular monitoring. In another publication Clements (1998) pointed out that selective demarketing was initially successful in Cyprus, but the country, later experienced significant decline in visitor numbers due to a delay in actively developing the “desired” tourism markets (see Kern, 2006).

In Australia, Jenkins and McArthur (1996) examined the potentials of destination marketing to impact positively on tourist demand for protected areas. Visitor awareness, perceptions and choice of sites were considered key to tourist decision making during marketing. They carried out a case study on promotion of the wet Tropic World Heritage. One major finding of the study is a strong relationship between level of a site promotion and level of market awareness. That is, marketing was found to very significantly influence how visitors perceive a site and eventually their choice of site.

Demarketings were recommended by Groff (1998) for managing the Rainbow Bridge in Utah, United States of America. This bridge is one of the largest natural bridges in the world and is considered sacred by most Native American tribes. More than 85,000 tourists visit the attraction each year, as a consequence some environmental problems like graffiti, noise and indiscriminate refuse disposal emerged. To deal with the problems, the researcher proposed a reduction in the number of visitors by instituting user charges and hiring large boats instead of small ones.

Second Decade: 2000-2009

Beeton (2002) examined the demarketing initiatives taken at popular film-induced tourism sites in the United States and United Kingdom. Such initiatives were aimed at reducing the number of tourists and neutralise adverse tourist impacts at the sites. The unfavourable impacts were in essence pressures on physical infrastructure, crowding and loss of privacy by actors and film producers. The researcher analysed promotional materials for the sites especially advert brochures and websites. She interviewed few tourist associations and management agencies on potential demarketing tools. A key result of the study is scanty evidence of demarketing strategies. Nonetheless, the researcher proposed integration of demarketing into the overall destination marketing plan so as to better manage demand. Furthermore, an integrated marketing–demarketing strategy for the film-induced tourism sites was suggested.


Beeton and Pinge (2003) conducted a theoretical study examining the role of demarketing as a potential tool for reducing gambling expenditure and increasing local tourism in Australia. Actually, the premise of the study is not to demarket tourism rather, it is to demarket gambling in order to increase local tourism. The researchers assert that Australians engaged in gambling and while neglecting domestic tourism. They further argued that by foregoing tourism and favouring gambling, Australians could experience some health challenges such as obesity and contribute to non-viability of the domestic tourism industry. They proposed that “if gambling expenditure can be limited, with that money being shifted to local tourism, local communities stand to benefit” (Beeton & Pinge, 2003:310). Once gambling is demarketed, then simultaneously tourism would be remarkeed and number of local tourists would increase at several destinations.

Carlsen and Ali-Knight (2004) conducted a study of demarketing in the wine tourism sector. The duo focused on the Napa Valley, a popular wine region in the State of California, United States of America. The valley was said to be experiencing an increase in pressure from wine tourism particularly from day-trippers (excursionists) who usually visit on weekends. Consequently, the roads in the valley were
choked by automobiles and depreciation in scenic beauty. To reverse the situation, some demarketing strategies were put in place by the Napa Valley Convention and Visitor Bureau in cooperation with local wine producers (See Kern, 2006). Promotion information management was the main strategy used. They also targeted wedding and meetings markets thought as desirable high yield niche markets. Additionally, to reduce demand the Bureau promoted other wine regions and attractions. Overall, Carlsen and Ali-knight (2004) commended the demarketing strategies for their effectiveness.

Mason (2008) contends that visitor management in protected areas has traditionally focused on visitor impacts and means of managing adverse impacts. Strategies adopted include control of visitor numbers, visitor behavioural modification and resource modification. He went on to classify these strategies into “hard” and “soft”. Under “hard” strategies are physical management, regulatory management and economic management. On the other hand, “soft” strategies are public education, and interpretation. He recommends a more holistic strategy combining both “hard” and “soft” options. The focus of a study conducted by Beeton and Benfield (2010) is how to utilise demarketing as a tool to properly manage mass tourism, and the environment and culture on which it relies in Australia and North America. They embrace demarketing as a conscious management policy strategy for tourism in both regions of the world.

Third Decade: Post 2009

Medway et al. (2011) adopted a theory building approach to explore the justification for applying place demarketing and the adopted strategies for implementation in the United Kingdom. The places selected for the study included World Heritage Sites, and National Parks. They found four major rationales for place demarketing as follows: product (destination) sustainability, market segmentation and targeting, reducing the effect of seasonal variations; and crisis prevention/management. Four key demarketing strategies found are: no marketing; redirection/marketing alternative places; informational place demarketing; restricting access; and pricing mechanisms. Medway et al. (2011) did not find any evidence of ostensible place demarketing rather they, found evidence of general and selective demarketing. The destinations sampled applied more than one demarketing strategy concurrently. It was also found that time is of crucial importance with demarketing. Based on results of the study, Medway op. cit. developed a normative framework for the place-demarketing process. The framework includes the place demarketing agencies, stakeholders, the context and rationale and demarketing strategies as well as monitoring and evaluation.

One of the key findings from a study executed by Armstrong and Kern (2011) is that the Blue Mountains National Park is a very popular nature-based tourist destination in Australia. Another finding is that some demarketing strategies used are not in accordance with the 4Ps of marketing, and a few have not been previously identified as demarketing measures in the literature. In addition, they found that park managers did not consciously employ the demarketing measures. The major measures employed are: limiting the duration of activities, closure of areas or features, limiting signage and non-promotion of areas or experience. Finally, the authors proposed a more informed holistic application of demarketing measures straddling the 4 Ps of the marketing mix in order to proactively manage visitor demand.

Tkeshelashvili (2012) also refers to several demarketing measures associated with Marketing Mix that can be used in nature-based tourism. Again, demarketing was not referred to directly, but some of the measures associated with the 4Ps are demarketing. Associated with the Product are the removals of the promotion of unsustainable products. In relation to Price, the author suggests that prices should be high enough to prevent the excess of visitors, but not high enough to give the tourists the feeling that they are exploited. Finally, Magalhaes et al. (2017) reviewed some literature on the application of demarketing in nature-based tourism and thereafter developed a tool for raising environmental awareness as objective acceptance criteria of the final product.

V. CONCLUSION AND RECOMMENDATIONS

Results of this study indicate that demarketing has been adopted in the tourism industry to address problems of overtourism in several attractions across many countries around the world. The major rationale for demarketing are to: maintain ecological integrity by regulating excessive demand that is, discourage too many people from visiting ecologically sensitive tourism assets like national parks, game reserves and other excessively patronised natural resources; curtail socially unacceptable consumption in form of rowdiness and misconduct at destinations. The overarching implication of the study is that demarketing constitutes a robust strategy for realising and maintaining sustainable tourism development. Nigeria should adapt this good policy instrument in order to improve the management of popular tourist attractions for the purposes of sustainability. However, for it to be successfully applied in the country it must be adapted to the country’s socio-cultural milieu, well targeted, and continuously monitored and evaluated. Finally, the Nigerian Government would have to ensure proper institutional capacity building and awareness as they are prerequisites for the policy’s introduction.
REFERENCES


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