TOURISM MARKETING IN AN ERA OF PARADIGM SHIFT

Introduction

Tourism\textsuperscript{1} is a multi-faceted phenomenon, which has elicited multidisciplinary interests (Jafari 1977). Although the disciplines of recreation, economics, anthropology, and geography have traditionally dominated the conceptual and methodological foundations of tourism studies (Jafari and Aaser 1988; Meyer-Arendt and Justice 2002), the field has recently witnessed an increased emphasis in business administration and management (O’Leary, Lehto, Cheng, and Oh 2004; Xiao, 2004). Among a host of business perspectives dealing with tourism related topics, marketing is probably the most active. In a review of recent tourism journal publications, O’Leary et al. (2004) reported that tourism marketing is by far the most popular topic, and accounted for more than one fifth of the 723 papers reviewed. Including other closely related topics (e.g., management, motivation, etc.), it is evident that tourism marketing has become an important field for tourism studies.

Despite the considerable progress in tourism marketing research, one might question whether this field has taken a too narrow perspective. For instance, O’Leary and his colleagues (2004) indexed and synthesized the topics of recent tourism journal articles, and suggested that a significant portion of the tourism marketing literature has focused on a specific set of topics, such as destination image, Internet marketing, and market segmentation. In his assessment of the “State-of-the Art” in tourism marketing research, Ritchie (1996, p. 62) suggested, “There are a number of areas which we prefer not to acknowledge, or which we manage to ignore on a fairly regular basis,” and part of these problems “reflect gaps in our theoretical understanding.” The theoretical gap could be a result of a lag between our research and real world practices. It may also be possible that some of our previous marketing beliefs need to be reevaluated.
Concurrent with the growth of tourism marketing is the flourishing development of general marketing theories. Beyond technical issues, marketing scholars have critically analyzed traditional marketing premises (Webster 1992), the justification of marketing’s existence as a field (Day and Montgomery 1999), and the future of marketing in a new economic and technical environment (Lehmann and Jocz 1997). Some scholars even criticized that “marketing as it is taught and researched today is a relic of the 1960s, patched up with decorations such as services, relationships and e-business” (Gummersson 2002, p. 585), and it is therefore imperative to “reinvent marketing theory to fit the present and the future” (Gummesson 2004, p. 21). A similar plea (though less radical) for reevaluating the marketing conceptualization has also been voiced by other researchers (Berthon and Hulbert 2003; Gronroos 1994; Vargo and Lusch 2004a). It has been suggested that “a paradigm shift for marketing may not be far over the horizon” (Achrol and Kotler 1999, p. 162).

The theoretical exploration by marketing scholars suggests that tourism marketing literature may lack in current relevance. Moreover, it would seem relevant to examine how the evolving theoretical development related to marketing could affect tourism operations, research and education. Thus, the purpose of this paper is threefold:

1. To synthesize the ongoing paradigm discussion among marketing scholars and highlight its relevance to the field of tourism marketing,

2. To overview the extant tourism marketing literature and identify similar points of view related to new marketing perspectives, and

3. To discuss the implications of a potential paradigm shift for the field of tourism marketing.
To conduct an exhaustive review is not the intent of the current study. Rather, consistent with Ritchie (1996), the current study adopts an “analytical approach.” Specifically, we target a selected, but representative body of literature in both the marketing and tourism fields, and focus on the direction of theoretical development, and challenges that the field of tourism marketing is facing. In most cases, “overview” rather than “review”, and “envisioning” rather than “forecasting” better describes the present task. The discussion is hence more or less exploratory and subjective in nature. It is believed that the potential contribution of this paper is to synthesize different views on the future direction of (tourism) marketing and invite more attention to these conceptual issues. If the process of identifying the future (tourism) marketing paradigm is analogous to solving a huge jigsaw puzzle, then the value of this paper is in picking and presenting several important pieces together, which might provide better direction for our future.

The Marketing Paradigm Discussion

While the term “paradigm” has been around for a long time, the wide acceptance and usage of the concept in the marketing literature is mainly fueled by Kuhn’s (1962) seminal work *The Structure of Scientific Revolutions* (Deshpande 1983). The Kuhnian definitions of “paradigm” generally refer to three postulates: “paradigms as a complete view of reality or way of seeing, as relating to the social organization of science in terms of different schools of thought, and as relating to the specific use of instruments in the process of scientific puzzle solving” (Arndt 1985, p. 15). Most scholars, including authors of this paper, use the term in the first sense. In the following discussion, the words “paradigm” and “worldview” are used interchangeably.

According to Kuhn, science progresses through revolutions, during which paradigm shifts can take place. The Kuhnian view holds that one paradigm prevails in a scientific discipline during a certain period, and provides philosophical foundations and ontological
frameworks to scientists pursuing this paradigm. As time passes, anomalies arise for which the established paradigm fails to provide adequate answers. A new paradigm may hence emerge, which challenges the old paradigm and results in a paradigm shift (Anderson 1983; Arndt 1985). Simply put, a “paradigm shift” is about the change of our fundamental assumptions about the world.

The claim of the advent of a new paradigm is not new to the marketing field. Normally, assertions of the emergence of a new paradigm are made whenever a new marketing perspective appears. Thus, the past two decades have seen several paradigm debates parallel to the emergence of relationship marketing (Gronroos 1994; Sheth and Parvatiyar 1995), network marketing (Achrol 1991; Achrol and Kotler 1999), real-time marketing (Oliver, Rust, and Varki 1998), customer-centric marketing (Sheth, Sisodia, and Sharma 2000), the service-centered logic (Vargo and Lusch 2004a), and so on.

The latest paradigm debate in marketing was ignited by dissatisfaction with the dominant goods-centered, transaction-based marketing model, and the concern that academic thinking lags behind real-world development (Lusch and Vargo 2006). Although scholars involved in this debate may take the risk of being academically imprudent and theoretically superficial, or even fragmentizing or oversimplifying marketing studies (Vargo and Lush 2004a), such efforts are considered healthy to the growth of a discipline (Brown, 2004). Granted, sometimes the term “paradigm” has been misinterpreted and misused in these debates. However, to be true to what has been used, this paper employs the term “paradigm” when necessary, rather than nitpicking the semantic nuance.

Three proposed paradigms will be reviewed in this paper. They were chosen based on three criteria: the operationalized understanding of the term “paradigm”, the impact the
perspectives have made, and their potential relevance to tourism. It seems that in the context of marketing research, “paradigm” may be operationalized as the inherent logic and philosophy behind marketers’ behavior, the role they assume and the relationship with which marketers associate themselves with other entities. Based on these criteria, the three perspectives reviewed in this study are: the relationship orientation, the network approach, and the service-dominant (S-D) logic.

The Relationship Paradigm – A New Orientation

The core of marketing is “an exchange process where value is given and received” (Day 2000, p. 24), between two or more parties. Along the continuum of such relationships, there are “transactional exchanges” at one end, and “collaborative exchanges” at the other (Day 2000). The former refers to “one-shot” types of exchanges, featuring a “distinct beginning, short duration, and sharp ending by performance” (Dwyer, Schurr, and Oh 1987, p. 13). Both buyers and sellers consider the process as a “zero-sum game” or “negative-sum game”, in which “the positive outcomes to one party are directly and equally matched by negative outcomes to the other as a result of their joint choice from interaction” (Rahim 1992, p. 18).

The latter (collaborative exchanges) is characterized by “very close information, social, and process linkages, and mutual commitments made in expectation of long-run benefits” (Day 2000, p. 24). In these exchanges, buyers and sellers tend to consider the process as a “positive-sum game,” where “win-win situation” is likely to be achieved by trust and cooperation. Solidifying relationships becomes an equally, if not more important objective than profit generation. To some researchers, this relationship continuum can be extended further to its logic extreme, where both buyers and sellers become internalized within one fully integrated hierarchical firm (Webster 1992).
Traditional marketing thoughts have primarily focused on discrete transactional exchanges with anonymous customers (Ganesan 1994; Morgan and Hunt 1994). As a result, acquiring new customers rather than retaining existing customers, and increasing sales rather than enhancing relationships were the leading priorities of marketers (Berry 1995). Later, marketers realized that securing existing customers’ loyalty (Reichheld 1996) and their lifetime value (Bolton 1998) could be strategically favorable and financially rewarding. To nurture successful relational exchanges thus became their priority (Day 2000; Morgan and Hunt 1994). From a customer’s perspective, relational engagement can effectively reduce choices and facilitate decision-making (Sheth and Parvatiyar 1995). The development of information technology and the rebirth of direct marketing also enable and necessitate a more interactive dialogue and direct interface between producers and customers (Palmer 1996; Sheth and Parvatiyar 1995). These issues have catalyzed the acceptance of “relationship marketing” (RM), or “customer relationship management” (CRM).

Berry (1983) first coined the term “relationship marketing,” and defined it as “attracting, maintaining and — in multi-service organizations— enhancing customer relationships” (p. 25). The concept soon expanded from its original service marketer-customer relationship boundary, to incorporate “a plethora of marketing relationships” (Bendapudi and Berry 1997, p. 15). In a broad sense, Morgan and Hunt (1994) identified ten forms of relational exchanges, which “involve suppliers, lateral organizations, customers, or one’s own employees or business units” (p. 34). To endorse its importance, the American Marketing Association (AMA) has incorporated the concept of RM in its recently revised definition of marketing.³

Two “axioms” of the transaction marketing paradigm are challenged by RM proponents. One is “the belief that competition and self-interest are the drivers of value creation” (Sheth and
Parvatiyar 1995, p. 399). That is, self-interests of different parties can be optimized and constrained by competition, conflicts, and mutual compromise in transactions. Alternatively, relationship marketers believe that value creation is facilitated by mutual trust and commitment, suggesting that cooperation leads to better performance and competitive advantage (Morgan and Hunt, 1994).

The other axiom is “the belief that independence of choice among marketing actors creates a more efficient system for creating and distributing marketing value” (Sheth and Parvatiyar 1995, p. 399). That is, marketing actors should avoid obligation from each other to retain freedom and flexibility in transactional decisions. However, transaction cost theorists argue that such freedom and independence are achieved at a higher transaction cost (Williamson 1975). Relationship marketers hence claim that interdependencies, as opposed to independence, will engender reduced costs and improved quality. A result of this “interdependency” is the blurring role of different marketing actors (buyers and sellers become partners), and the blurring of the temporal and spatial boundary between producers and consumers (customers and producers become co-marketers) (Sheth and Parvatiyar 1995).

Simply put, the traditional transaction-based marketing view is grounded on the principles of “value distribution” and “outcomes of exchange,” while the RM paradigm highlights “value creation” and the “process of relationship engagement” (Sheth and Parvatiyar 1995). The latter is argued to be superior to the former because in a postindustrial economy, committed, long-term relationships can bring financial and competitive advantage (Day 2000). Critics of RM argue that solely building relationships is not the panacea (Palmer 1996; Reinartz and Kumar 2000). Under certain circumstances, being transaction-oriented or even outsourcing customers (Sheth et al. 2000) may serve the best interests of both consumers and suppliers. This
seems to support Day’s (2000) view that marketers may consider the relationships underlying exchanges as a continuum, rather than a transaction-relationship dichotomy. Thus, the traditional transactional exchanges are not necessarily “wrong,” as it is more likely to be a special case of various relationship orientations. In other words, the relationship paradigm incorporates, rather than invalidates the traditional view.

The Network Paradigm – New Roles of Marketing

It has been argued that RM is only a portion of the “network paradigm,” where the ubiquitous competition among business units is estimated to be replaced by competition between networks of firms (Morgan and Hunt 1994). Marketing has been suggested to serve as the integrator and coordinator of networked organizations (Achrol and Kotler 1999).

According to the traditional microeconomic paradigm, transactions are the bond connecting one firm with its consumers and other firms. In the industrial economy, the giant, hierarchical, integrated corporations relied on their marketing department to fulfill the “analysis”, “planning”, “organizing”, and “control” functions (Kotler 1972) to minimize transaction cost and maximize economic efficiency. In essence, marketing’s job is to find buyers for sellers, to enable a set of independent transactions.

In a postindustrial environment characterized by high diversity, knowledge richness, and turbulence (Achrol 1991), “maximizing organizational learning and adaptive flexibility rather than economizing transaction costs becomes the critical organizing imperative” (Achrol and Kotler 1999, p. 147). The large, bureaucratic, hierarchical organization structure is thus found to be inefficient in market sensing, knowledge creating, change responding, and environment adapting. Globally integrated business networks appear to be a better alternative (Pethokoukis, 2006).
Networks refer to “the complex, multifaceted organization structures that result from multiple strategic alliances, usually combined with other forms of organization including divisions, subsidiaries, and value-added resellers” (Webster 1992, p. 8). The network paradigm, contrary to the microeconomic view, assumes that simple is best. Thus, companies should commit most of their resources to their core competence, while outsourcing the rest of their functions to specialized entities. Within network and quasi-network organizations (such as partnerships and alliances), the role of marketing is changed at the corporate, business (or strategic business units), and functional (or operating) levels. At the corporate level, marketing needs to undertake a new role of designing and negotiating the firm’s relationship with vendors and technology partners (Webster 1992). At the business level, the additional responsibility of marketing is to decide whether to outsource, partner, or internally perform certain marketing functions (Webster 1992). At the functional level, a new task for marketing is to become a pro-customer champion and maintaining long-term relationships with customers and organizations (Webster 1992).

More fundamentally, network marketing theorists have overturned the traditional role assigned to marketing and marketers. Although early marketers typically played a neutral role between manufacturers and customers (as middlemen), they have been stereotypically considered to ally with producers from the consumer’s perspective. As a result, it was acknowledged that “‘selling’ activity rather than ‘buying’ activity is closer to the core meaning of marketing” (Kotler 1972, p. 49). Later, businesses started to have in-house marketing staff, and marketing hence transitioned “from seller of a firm’s outputs to key player in shaping a firm’s products, technologies, marketing policies, and strategic direction” (Achrol and Kotler 1999, p. 146).
Recent technological developments and the network economy give marketers an opportunity to reposition in order to get closer to their customers. As Achrol and Kotler (1999) suggested, now is the time for marketing to shift “from being an agent of the seller to being an agent of the buyer, from being a marketer of goods and services to being a customer consultant and manager of his or her saleable consumption assets” (p. 146).

This is exemplified by the changing role of intermediaries in electronic marketplaces (Giaglis, Klein, and O’Keefe 2002). As customers are gradually more empowered owing to lowered information search costs, diminishing information asymmetry, increasing cost transparency, and the change from a “one-to-many” to “many-to-many” communication model (Varadarajan and Yadav 2002), traditional intermediaries are facing the options of either being replaced (disintermediation), self-repositioning (reintermediation), or becoming electronicalized (cybermediation) (Giaglis et al. 2002). In the later two scenarios, many intermediaries are switching their role from solely serving companies (selling products to consumers on behalf of the producers), to serving customers (seeking the best option for customers from a number of offerings).

*The Service-Dominant Paradigm – A New Logic*

Having observed a variety of disparate research streams, Vargo and Lusch (2004a) contended that the convergence of multiple new ideas is possible, which may symbolize the advent of a new era of marketing. At the center of their argument is a change of the dominant logic of marketing from exchanges of goods to service provision. Specifically, this new logic focuses on intangible rather than tangible resources, co-creation of value rather than embedded value, and relationships rather than transactions.
According to Vargo and Lusch (2004a), a shift of the dominant logic is the result of a changed understanding of resources and value. In their taxonomy, resources can be divided into two categories: operand and operant resources. The former refer to “resources on which an operation or action is performed to produce an effect,” while the latter are “resources that produce effects” (Vargo and Lusch, 2004a, p. 2). Loosely speaking, operand resources are physical, while operant resources are typically “human”, “organizational”, “informational”, and “relational” (Hunt 2004, p. 22).

In a “matter economy” where physical materials (tangibles) are the source of competitive advantage (Berthon and Hulbert 2003), goods are the primary unit of exchange and the ultimate gauge of value. Operand resources (e.g., land, minerals, even customers) are the synonym of wealth and owning them represents economic success. Value is embedded in tangible goods and is determined by their producer. The exchange between different parties focuses on the transaction of operand resources, and goods are valuable only in terms of the “value-in-exchange” (Vargo and Lusch 2004a). As Shostack (1977, p. 73) pointed out, “the classical marketing ‘mix,’ the seminal literature, and the language of marketing all derived from the manufacture of physical goods.” The goods-centered view set the standard, terminology, and performance evaluation system for marketing. Services, from a manufacturing perspective, hence suffer from inferior characteristics such as intangibility, inseparability, heterogeneity, and perishability (Lovelock and Gummesson, 2004; Vargo and Lusch 2004b). As a result, marketers have had to industrialize (Palmer 1996), or tangibilize (Berry and Clark 1986) their offerings, as well as the physical environment around them (Bitner 1992).

Steadily, “the transition from the matter economy to the information economy entails a change in the location of economic value” (Berthon and Hulbert 2003, p. 31). Knowledge and
information (operant resources) have replaced physical goods and capital (operand resources) as the major focus of value. This topples the validity of the original goods-centered logic, and suggests the need for a new logic. In this view, although marketing is still about facilitating exchanges, the ultimate object of exchanges has switched from valuable goods to services.

The dynamic service-centered view considers marketing as continuous “social and economic processes”, which generally begin “with an interactive definition of the customers’ problem” (Deighton and Narayandas 2004, p. 20). Tangible goods are merely a vehicle to satisfy customers’ needs/wants, while services bundled with goods are what differentiate a product offering from others. An organization thus relies on its operant resources to make competitive value propositions, and assess marketing outcomes. The organization’s interaction with the environment increases its operant resources, and enhances its ability to provide solutions. Vargo and Lusch (Lusch and Vargo 2006, p. 284; Vargo and Lusch 2004a, p. 6-11) proposed a number of foundational premises of this logic, which include:

- The application of specialized skills and knowledge is the fundamental unit of exchange;
- Indirect exchange masks the fundamental unit of exchange;
- Goods are distribution mechanisms for service provision;
- Knowledge is the fundamental source of competitive advantage;
- All economies are service economies;
- The customer is always a co-creator of value;
- The enterprise can only make value propositions;
- A service-centered view is customer oriented and relational; and
• Organizations exist to integrate and transform micro-specialized competences into complex services that are demanded in the marketplace.

The S-D logic encourages an organization to be customer-centric (Sheth et al. 2000), market driven (Day 1994) and learning-oriented (Slater and Narver 1995). It stresses that the value of a product is “value in use” defined by customers, as opposed to embedded “exchange value” decided by sellers. Thus, it is marketing’s responsibility to enable the maximization of product customization, and customers’ involvement in the production process. The new logic emphasizes the importance of operant resources, and highlights the integration and coordination of multiple functions in an organization to operate in a service-centered model (Day 2004). Also worth mentioning is that the proposal of an operant-resource-based, service-centered view does not imply totally abandoning the goods-centered logic. The two logics are likely to coexist for a long time (Day 2004). In most cases, it means to reorient, readjust, or subordinate the goods-centered logic.

Summary

In this section, we synthesized three alternative perspectives, central to marketing’s paradigm debate. Although none of these alternative perspectives have been fully accepted by the marketing field, it seems that these separate marketing beliefs have somewhat converged. Recent conceptualizations seem to have successfully incorporated earlier thoughts (e.g., we can easily find some “relationship” elements in the network theory, and the two perspectives are both embraced by the S-D logic). Another trend is a change from the traditional emphasis on manufacturer-based, goods-centered adversarial competition, to a focus on customers’ involvement, interorganizational coordination, and knowledge management. These trends seem to herald the advent of an integrated new paradigm, although the specific direction of the shift is
still in debate. In the next section, we will explore how tourism researchers have responded to the debate.

Response in Tourism Marketing

Tourism researchers have long noted that several industry-specific and product-related characteristics contribute to the uniqueness of tourism marketing processes. For instance, Morrison (2002) listed eight characteristics that make tourism and hospitality marketing special. These include customers’ shorter exposure to services, more emotional buying appeals, greater importance on managing evidence, greater emphasis on stature and imagery, more variety and types of distribution channels, more dependence on complementary organizations, easier copying of services, and more emphasis on off-peak promotion. One may argue that since much emotion is involved in the tourism customers’ consumption experiences, and since customers perceive travel services to be risky, building customer relations is of vital importance in this industry (Kotler, Brown, and Makens, 2006). Moreover, since providing good travel experiences involve many mutually dependent organizations, it makes network building an appealing option. Simply put, the nature of tourism operations seems to have put the tourism industry in a favorable position for adopting RM strategies, the network approach, and S-D logic.

The Relationship Orientation

From the supply side, the tourism industry comprises a variety of operating sectors such as the attraction, accommodation, and entertainment sectors (Goeldner and Ritchie 2003). Service provision in these sectors requires frequent encounters between employees and customers or business partners. This has put the tourism industry at the forefront of adopting RM strategies (Palmer and Mayer 1996). Airline frequent flyer programs, hotel frequent guest programs, and car rental company customer preference schemes may exemplify the use of RM
practice in the tourism industry (Fyall, Callod and Edwards 2003; Morais, Dorsch, and Backman 2004). As a result, a number of studies have addressed relationship issues (e.g., Chen and Tseng 2005; Crotts, Aziz, and Rasehid 1998; Medina-Munoz and Garcia-Falcon 2000), although it appears few have focused on RM strategies.

Palmer and Mayer (1996) are among the earliest authors introducing the concept of RM into the tourism literature. They summarized RM approaches as a tactical tool, a long-term strategy, and a fundamental business philosophy. According to Palmer and Mayer (1996), at a tactical level, RM is implemented as no more than a promotional activity, which exchanges customers’ “relationship” or “loyalty” with incentives. At a strategic level, marketers use various strategic tools to “tie-in” customers and create emotional attachment. At a philosophical level, targeting customers’ lifetime needs, instead of products, becomes the focus of the organization.

Tourism scholars have recently studied RM in different travel and tourism contexts, such as airlines (Gilbert 1996), hotels (Gilbert, Perry-Powell, and Widijoso 1999), nature-based tourism providers (Morais et al. 2004), and destinations (Saxena 2005; Fyall et al. 2003). Tourism researchers and practitioners have found that RM can be an effective marketing technique, although its success is not easily achievable. Gilbert et al. (1999) concluded that RM practices may be best suitable in situations where the customer controls the selection of supplier, where there exist alternative suppliers, where brand switching is common, and where word-of-mouth is a powerful form of communication. Fyall et al. (2003) reported that the adoption of RM as a philosophy can be beneficial to destinations, although “the peculiarities of the destination product complicate the building of relationships with the tourist and diminish the suitability and value of such efforts” (p. 644). Morais et al. (2004) pointed out that building long-term
relationships with selected customers might bring competitive advantage to a business in certain tourism sectors.

To date, most discussion on RM in tourism has focused on the tactical or strategic levels. Some researchers have simply interpreted RM as a synonym for “customer loyalty building,” or retaining existing tourists. More research is thus needed to better understand RM theory, strategies, and its implications to the tourism industry.

*The Network Approach*

The notion of networks seems to be particularly relevant to the tourism context, where various tourism suppliers cluster together to provide an experience of value to tourists (Crotts et al. 1998; Smith 1988). Tourism scholars have studied destination networks from different perspectives, such as economics (Smeral 1998; Tremblay 1998), knowledge management (Beesley 2005), and strategic management (Pavlovich 2003).

From an industrial economics perspective, Tremblay (1998) proposed that the network approach could provide a new outlook for the organizational structure of the tourism system. It is believed that the network linkage will benefit the “tourism learning system” by enhancing scale and scope economies, coordinating complementary assets, “cooperative learning and the shaping of technological trajectories”, and particularly joint participation “in shaping the changing configuration of the tourism commodity” (p. 850). According to Tremblay, tourism firms should thus “coordinate their activities through a web of cooperative and competitive linkages fashioned by the nature of the capabilities they possess and the available complementary inputs available in the market” (p. 854).

Saxena (2005) adopted the networks approach from a marketing perspective. By recognizing destinations as learning and knowledge creating organizations (termed “learning
regions‖), the author empirically examined the knowledge exchange structure, and actors’
different attitudes towards partnership building as well as cross-sector networks. Interestingly,
Saxena integrated the RM and network approaches with the collective learning and innovation
processes of a destination, and suggested that RM and network approaches may converge in a
“learning by interacting” process, which results in knowledge creation. Such observation
dovetails what general marketing researchers have advocated for years.

Buhalis and Licata’s (2002) exploratory study on the future of travel eMediaries also
echoed predictions by network marketing theorists. Their results suggested that global
distribution systems will move one step closer to consumers by directly selling value-added
products to them. According to their findings, traditional eMediaries should outsource several
functions and services to external companies and establish partnerships with other suppliers in
order to personalize their offerings. These are precisely what the network approach suggests.

Overall, the nature of tourism industry has made the network concept particularly
acceptable in tourism literature. Yet, it appears that more attention needs to be given to the
changing role of marketers in a network, and the strategic position of tourism marketing
organizations in the network.

The Service-dominant Logic

Due to the recency of the proposal of the S-D logic, the authors0. have not noted any
explicit discussion on this issue in tourism literature. One related line of research is the
application and impact of information technology on tourism business operations (e.g., Frew
2000; Gretzel, Yuan, and Fesenmaier 2000). Of particular importance is the growing emphasis
on knowledge building and exchange in the tourism industry, where it has been recognized that
knowledge is the source of competitive advantage and economic growth.
For instance, You, O’Leary, and Fesenmaier (2000) discussed the importance of knowledge and knowledge management for tourism organizations (particularly NTOs). According to them, today’s business environment has made the creation, sharing and utilization of customer knowledge a critical issue for NTOs. They suggested that efficient knowledge management would help NTOs to streamline marketing communication, improve product innovation, and enhance destination-traveler relationships. It is thus foreseen that “on-line customer knowledge management may become a new marketing paradigm for NTOs” (p. 186). By the same token, Yang and Wan (2004) suggested that practicing knowledge management to acquire, store, and share knowledge among both internal and external customers, is effectively beneficial to hotels.

Summary

Tourism marketing scholars have embraced the concept of relationship marketing in conceptualization and research practices, although most such discussion has focused on the tactical or strategic levels. Tourism scholars have also initiated research related to the network approach and the S-D logic. However, it is the authors’ belief that the utility of these views in future tourism marketing deserves further examination. More in-depth conceptualization seems to be necessary to better answer such questions as “what can we gain from adopting the alternative perspectives,” and how to apply these thoughts into practices. It may be argued that there has not been adequate research on the changing role of tourism marketers, changing tourism supplier/marketer/customer relationships, and the changing definition of the tourism product and resources in the new economic- and technology-driven environment.
Discussion and Implication

The recently emerged marketing thoughts may not change the landscape of tourism competition over night. Nor are the authors assured at this moment which one (if any) of the three views will eventually become a dominant paradigm of marketing, or if a new paradigm will emerge at all. Yet it is likely that some of these seminal thoughts may influence the future research directions and foci of tourism marketing.

As indicated, the traditional views of marketing and competition are rooted in a provider-based, goods-centered, and transaction-oriented perspective. It appears much of the research in the field of tourism marketing is still incorporating these views. Traditionally, the relationship between tourists and the tourism supply system is viewed as simply one of buyers versus sellers. Tourism marketers assemble different service components into products, and make them readily available for tourists. Essentially, they tangiblize and distribute the embedded value of travel products on behalf of providers. A focus of marketers is how to help tourism providers increase visitation and consumption (Buhalis 2000). Thus, the whole tourism industry works like a huge assembly line, which can be divided into three operational components: “the channelers of tourists (i.e., travel agencies, travel clubs), the transporters of tourists (i.e., airlines, buslines), and the receivers of tourists (i.e., hotels, resorts, restaurants, and attractions)” (Booms and Bitner 1980, p. 377). Tourists on roads are thus like goods moving on an assembly line, who passively consume the offerings.

The new marketing thoughts provide a different conceptualization of the whole tourism consumption experience. In these paradigms, tourists and tourism providers are considered as co-creators of value and co-producers of experience products. Tourists, pushed by various motivations, seek and process information about potential experience options. They have a
reasonable understanding of their own demands and needs. Tourism providers work in a network
to stage various experiences, in which they are responsible for constructing the context (Prahalad
2004). They are not providing final products, but offering solutions (value propositions) to
satisfy customer needs and wants through their knowledge and skills. The propositions might or
might not meet tourists’ needs and wants. If there has to be something called a “product,” it is
finalized and consumed simultaneously by tourists. The value of a product is thus created and
determined during tourists’ usage. Throughout this process, tourists are actively engaged in the
relational exchanges with providers. The key role of tourism marketers in this process is to match
tourists with the right providers (rather than promoting products on certain providers’ behalf),
and to help the operand and operant resources flow smoothly. Their focus is thus three-fold: to
improve the quality of customized experiences, to improve the relationship between tourists and
providers, and to improve the connection and cooperation within the industry network.

Thus, the new thoughts reviewed in this paper seem to have raised a variety of questions
related to the foci of our current research inquiries, such as service quality measurement (Do we
need to measure quality of customer relationships?), customer loyalty (Shall service providers be
loyal to customers?), marketing productivity evaluation (In addition to financial return, how can
we evaluate our own success in terms of customer learning and knowledge/skill advancement?),
branding and positioning (How do we effectively build service brands when the distinction
between demand and supply, customers and providers, gets increasingly blurred?), and
competition analysis (What is the role of ecological environment as opposed to knowledge and
skills in creating competitive advantages for destinations?). Specifically, three groups of
potential implications of the questions raised by the paradigms debate will be highlighted below.
First, in regards to the relationship marketing perspective, one problem meriting special attention is the seemingly conflicting notion of novelty/sensation seeking (Palmer and Mayer 1996; Fyall et al. 2003) in a tourism context. Many believe that individuals’ desire to seek novelty, arousal, and intensity of experience is a key motive for travel (Lee and Crompton 1992; Galloway and Lopez 1999), which leads to a constant tendency of switching brands (e.g., destinations, restaurants, hotels). Nevertheless, some relationship marketers have argued that both relaxation-seeking and elderly tourists demonstrate a higher propensity of repeat visitation (Fyall et al. 2003). Moreover, the novelty seeking mentality may not hold true across different tourism sectors (e.g., one may change his/her destination choices, but stick with one particular travel agency or airline), or in business-to-business contexts (e.g., inter-organizational relationship between hotels, travel agents, airlines, etc.). Thus, it would be intriguing to compare the role of relationship building and novelty seeking in tourists’ purchase decisions.

Further, just as tourists’ propensity to seek novelty may vary substantially, tourists’ time orientation (short- versus long-term) (Ganesan 1994), affective momentum and lifetime characteristics (Reinartz and Kumar 2000) may also vary from each other. As a result, the costs and benefits of sustaining a relationship are different. Plus, the existence of undesired customers (Bendapudi and Berry 1997), and lack of willingness or needs in relationship building (Palmer 1996) may be considered when designing RM strategies. More research is hence warranted to assess the applicability and suitability of RM efforts in different contexts, and identify key drivers of customers’ relationship orientation. Of equal importance is to have better tools to measure the quality of customer relationships, and to link relationship quality with other metrics of marketing productivity.
Second, since it has been proposed that marketers should work more closely for and with customers (Achrol and Kotler 1999), it seems more attention should be given to the customer end of strategy research. That is, to become a better agent of the buyers, marketers need to better understand customers’ knowledge structure, interests, and competence. This may be particularly relevant to many travel agents, who are switching their role from industry representative to customer consultants (Buhalis and Licata 2002). In essence, the key research question here is: How to better market customers?

Further, from tourists’ perspective, technology development has allowed them to bypass traditional intermediaries such as travel agents for financial and efficiency purpose. However, this also means many functions previously undertaken by middlemen (e.g., information search, shipping, storage, etc.) now need to be assumed by customers. To the extreme, customers may choose a self-service option, and reduce service providers’ involvement to the minimum. What this means to customers and service providers remains to be better understood.

Third, as for the S-D logic, one may argue that tourism is a service-driven industry (Seaton and Bennett 1996), and this logic is hence a given. In other words, there is no need to discuss it. However, the service in discussion is much more knowledge embedded, customer oriented, and technology driven (Lohr 2006). Moreover, it has been argued that service marketing, to which tourism marketing belongs as a branch, is grounded in a goods and manufacturing-based model. For instance, services, in comparison to goods, have been considered as containing natural disadvantages, and the marketing of services requires efforts to make services more tangible and homogenous (Berry and Clark 1986; Vargo and Lusch 2004b). The new logic argues that standardized goods may be inferior to services, as they are “produced without consumer involvement and requiring physical distribution and inventory, not only add to
marketing costs but also are often extremely perishable and nonresponsive to changing consumer needs” (Vargo and Lusch 2004a, p. 12). This seems to call for a reevaluation of some of our basic beliefs. The authors hence suggest that more research is needed on the tenets proposed by Vargo and Lusch (2004a) in tourism settings, which may further break us free from told ways of thinking.

Figure 1 illustrates some preliminary thoughts on the difference between the old and new ways of thinking about marketing. It seems that tourism marketers in the past thought in a two-dimensional (time and space) world. In the “old” world, time was cut into small pieces, and the primary focus was the static and discrete “time being.” Tourism marketers typically stood on the supply side, which caused their observations to be one-directional: getting tourists to businesses. It is proposed that future tourism marketers will need to think in a more dynamic (as opposed to static) and holistic (as opposed to piecemeal) manner. For the demand side, this means considering customers from a relational, lifetime value-centered perspective. For the supply side, this means prioritizing the sustainable usage of resources. It is also believed that future tourism marketers should embrace a broader spatial horizon, by expanding from a local and regional scale, to a global one. This may be accomplished by working as a liaison between suppliers and tourists, and by interacting with both sides in a more balanced manner. Moreover, it is proposed that information/knowledge will be added as a third dimension of our thinking, with past knowledge helping to create future knowledge (See Figure 1).

INSERT FIGURE 1 ABOUT HERE

It is further believed that in the future tourism marketing environment: tourists should be considered as value co-creators, competitors may well be potential partners, and marketers themselves may become learning facilitators. Viewing tourists as co-producers is not another
buzzword for customer satisfaction and loyalty. It is about customizing offerings, investing in tourists (Shugan, 2005), and maximizing tourists’ involvement in attribute bundling. Additionally, competitors are not solely rivals. In a networked operation, each organization should focus on their own core competence and concentrate on building relationships with certain groups of tourists. They will outsource their own knowledge, skills and even customers to the network whenever necessary. Interestingly, customers may also become a competitor in the future, as they may choose a self-service option (Vargo and Lusch 2004a). Simply put, being competitive and cooperative simultaneously will be a normative requirement for each organization (Morgan and Hunt 1994).

Such networks have already emerged in many destination communities, where hotels, attractions, travel agents, and other entities work in partnerships. However, cooperation in larger scales, with more sophisticated function dividing, and more intensive knowledge sharing is expected in the future. Tourism marketers, as general marketers, should become the integrator and coordinator of this network (Achrol and Kotler 1999). It is anticipated that they will facilitate the development, acquisition, and distribution of knowledge and information within the network, and ensure the optimal utilization of the knowledge and information.

Finally, the authors postulate that these new thoughts may become stepping stones toward making marketing more scientific. The field of marketing has long been criticized as "advocating industry positions rather than pursuing knowledge from other perspectives" (Zinkhan and Hirschheim 1992, p. 86). That is, marketing researchers tend to think from the sellers’ perspective, rather than from the perspective of customers or society as a whole (Anderson 1983; Hunt 2002). The American Marketing Association’s Task Force report (1988) suggested that customers are being researched like white rats in a lab, to whom marketing
scholars diligently observe, interview, and count for the interest of the industry. The new marketing thoughts acknowledge the empowerment of customers, and stress the importance of marketing for and with customers (Lusch and Vargo, 2006). This may align marketers back to their original role as middlemen between buyers and sellers.

Additionally, the new marketing thoughts also suggest that profound changes are necessary in tourism education. We should prepare the next generation of tourism marketers by teaching them the evolution of marketing thoughts and by giving them new tools. Our syllabi for tourism marketing, management and planning classes need to be updated to inform our students of the current environmental and industrial changes. New courses such as customer relationship management in tourism, experience engineering, and knowledge management may be added to the curriculum. As academic researchers we will be called to examine the changing conceptual frameworks underlying marketing theory. This new thread of research will be necessary in order to gain empirical evidence related to the most effective uses of these proposed paradigm shifts.

Beyond the Paradigm Discussion

A basic belief we hold in this paper is that major theoretical developments in general marketing should be discussed more in the field of tourism. We don’t pretend that we know the answers to many questions raised in this article, nor do we attempt to build our own theories. Rather, our point of departure is to synthesize existing works with the aim of identifying new clues and ideas that might be beneficial to our field. Admittedly, to go the other way around, i.e., to start from what makes tourism marketing research unique from general marketing studies, and the types of research perspectives (paradigm) we need, would also make an interesting contribution. We therefore end this paper with some rudimentary thoughts from this perspective.
Observation in this paper implies that tourism marketing research has two imbalances: an overemphasisation on tourist research, in comparison to a lack of attention to marketing strategy and organizational behavior research; and an overemphasisation on empirical investigation, in comparison to a lack of attention to theory building and conceptual thinking. The following are some potential reasons for these imbalances.

Tourist behaviors have long received much attention in tourism marketing research, while tourism marketing strategies have, to a considerable extent been, under-researched (Athiyaman 1995; March 1994; Rovelstad and Blazer 1983). This imbalance might be attributable to the seemingly better transferability of consumer behavior knowledge to tourist studies, in comparison to that of marketing strategies. Similar to what has happened in the study of tourism economics (Tremblay 1998), tourism marketing scholars have “concentrated their efforts in areas where mainstream theory seemed to apply readily” (p. 837). Mainstream marketing beliefs, including the three new marketing perspectives discussed in this paper, have typically been developed based on for-profit marketing practices. Marketing strategies stemming from these theories may not be readily applicable to the public sector domain, i.e., DMOs, where the assumptions and principles of general marketing may need to be reconceptualized (Novatorov and Crompton 2001a, b). Comparatively, findings on consumer behavior seem to be more generalizable across contexts.

Another reason for this imbalance may be a lack of research resources. It seems the tourism industry supports more tourist than strategy research. Practitioners might believe that tourism academics can help them better understand what customers or potential patrons think/feel/do, while they themselves (or marketing consultancies) are more capable of coming up
with marketing strategies using their industrial experiences. It is possibly because of these reasons that tourism marketing research has only scantily examined marketing strategy.

To us, tourism marketing is a hybrid of tourism and marketing studies. In its earlier growth, tourism marketing researchers actively absorbed knowledge from both fields. However, the past decade witnessed an increasing tendency of “internal growth” (Xiao 2004), as much of the current tourism research is replications of previous findings. In a broader sense, the field of tourism study has been criticized for “lacking in substantial theory of its own” and failing “to capitalize on progress made in other disciplines” (Farrell and Twining-Ward 2004, p. 276). Some researchers argued that much effort in our field has been wasted by continually “rediscovering ourselves” (Fesenmaier 2004). One example is the small number of conceptual papers, in comparison to a striking number of case studies and statistical analyses. Nevertheless, it is the authors’ belief that the sustainable and healthy growth of our field relies mainly on its ability and courage to take intellectual challenges, and that examination and potential adoption of the three alternative views of marketing presented, might assist our field in moving forward.
Endnote

1 We realize that the term “tourism” could have different connotations to different audience. In this paper, we use the term in its broad sense. Thus, the readers are reminded that our discussion may include studies traditionally specified as “travel research,” “hospitality research,” and so on.

2 In this paper, we use the word “new” in a relative sense. That is, the “new” phenomenon or thoughts discussed in the paper is not necessarily “new” temporally (although most of them appear lately), but “new” as opposed to the traditional, dominant situation or views. We used the term “alternative” and “new” interchangeably.

3 AMA released its latest definition of marketing in September, 2004, which states that “Marketing is an organizational function and a set of processes for creating, communicating and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders” (http://www.marketingpower.com/content21257.php).
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Reference


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Figure 1
Change Our Way of Thinking

Marketer/Supplier’s current position

Customer

Future

Time

Place

Customer

Past

Marketer/Supplier’s current position

Old Way of Thinking

New Way of Thinking

Time

Static-Dynamic
Piecemeal-holistic
Demand: Lifetime value
Supply: Sustainability

Place

Local-Regional-Global
Marketer/Supplier to Customer –
Marketer from/to Customer and
Supplier

Information
Knowledge

Customer as coproducer
Marketer as learning facilitator
Product as value proposition