

Author's accepted manuscript (postprint)

Demarketing strategy as a tool to mitigate over-tourism – an illusion?

Lindberg, F. & Seeler, S.

ISBN: 978-1-83909-706-5

DOI: 10.1108/9781839097065

Available online: 13 May 2021

Citation:

Lindberg, F. & Seeler, S. (2021). Demarketing strategy as a tool to mitigate over-tourism – an illusion? In A. Sharma & A. Hassan (Eds.), *Overtourism as destination risk* (p. 129-149). Emerald. doi: 10.1108/9781839097065

This author accepted manuscript is deposited under a Creative Commons Attribution Non-commercial 4.0 International ([CC-BY-NC](https://creativecommons.org/licenses/by-nc/4.0/)) licence. This means that anyone may distribute, adapt, and build upon the work for non-commercial purposes, subject to full attribution. If you wish to use this manuscript for commercial purposes, please contact permissions@emerald.com.

This is an Accepted Manuscript of a book chapter published by Emerald in "Overtourism as destination risk" on 13/05/2021, available online: <https://www.emerald.com/insight/content/doi/10.1108/978-1-83909-706-520211010/full/html>

Demarketing Strategy as a Tool to Mitigate Over-tourism – an Illusion?

Frank Lindberg & Sabrina Seeler

Frank Lindberg, Nord University Business School

frank.lindberg@nord.no

Sabrina Seeler, Nord University Business School

Sabrina.seeler@nord.no

To be published in Overtourism as Destination Risk, edited by ANUKRATI SHARMA and AZIZUL HASSAN, Emerald Publishing

ABSTRACT

The growing tensions related to over-tourism and its influences, such as environmental harm to nature and residents' well-being, loss of authenticity and visitors' satisfaction, have triggered a rethinking of destination marketing strategies. Many destinations consider stricter measures to cope with this situation. Among others, demarketing initiatives, which aim at discouraging demand, are discussed as an alternative strategic orientation. Demarketing is not a new concept, but in complex tourism destinations with many attractions, stakeholders and tourists, its potential remains mostly unexplored. This chapter presents findings from two tourism destinations: one on a national scale, New Zealand, and one on a regional scale, the Lofoten Islands, Norway. Our results show that destination demarketing mix strategies are emphasised by both destinations. In an over-tourism situation, it is surprising that general demarketing has limited relevance. Instead, we find evidence for a mix of mainly selective demarketing, but also synchro-marketing initiatives (redistributing demand spatially and temporally) and counter-marketing efforts (tourists' code of conduct). Decisions related to the implementation of a demarketing mix depend not only on destination management in general, but on long-term, sustainability-oriented and dynamic processes where stakeholders negotiate how they can adjust visitor demands. We refer to such strategic work as 'Stakeholder Integrated Demarketing Approach' (SIDA). The chapter provides an original contribution to tourism academia and practices while opening avenues for future research, particularly with reference to a demarketing mix strategy and the feasibility of SIDA in times when demarketing could develop as a tool to mitigate over-tourism.

KEYWORDS

1. Demarketing
2. Strategic Destination Management
3. Visitor Management
4. Sustainability
5. Stakeholder Involvement
6. Strategic Destination Marketing

Introduction

Marketing is often accused of following pure growth aims without considering the consequences for the environment and social life in the destinations (Beeton & Benfield, 2002). New forms of media, particularly consumer-generated media, have contributed to heated debates and the emergence of over-tourism which refers to a lack of balance in ecosystems and society (Koens, Postma, & Papp, 2018). Becken and Simmons (2019) note that the debates have raised attention to the historical over-emphasis on tourism marketing, and the negligence of good governance and sound destination strategies and resource integration. Against the background of increasing tensions in many popular tourist destinations and the awareness that more marketing is not necessarily beneficial, this chapter sets out to examine how destinations could rethink marketing and thus contribute to mitigating over-tourism towards a more sustainable tourism development.

The concept of demarketing has been suggested as suitable for changing stakeholder mindsets towards a more resource-based view of destination development (Medway, Warnaby, & Dharni, 2010) and was proposed as a 'softer, less direct approach to tackling overtourism' (Dodds & Butler, 2019, p. 265). Demarketing is about discouraging demand (Bradley & Blythe, 2014; Gerstner, Hess, & Chu, 1993). The management of a destination or tourist attraction would mean either reducing the level of total demand or discouraging certain tourist segments from visiting a place. However, there has been little research on demarketing in a tourism context, probably because marketers are trained to increase demand through place marketing and destination branding rather than to reduce it (Beeton & Benfield, 2002). Examples from travel and tourism are, however, found in hotels and airlines because they often face capacity restraints and need to create demarketing strategies to balance the supply–demand equilibrium (e.g. increase prices). Another example is over-tourism which can be viewed as a symptom of imbalance manifesting in crowded paths, parking congestion, rubbish, frequent injuries and rescues, and environmental damage. A complex imbalance arises as unsustainable visitor levels not only influence a company's equilibrium, but also that of places and local stakeholders.

Empirical investigations on demarketing within tourism are mostly centred around demarketing as an environmental policy instrument in the context of natural protected areas and iconic landmarks (Armstrong & Kern, 2011; Beeton, 2003). For example, demarketing strategies have proven to be a promising visitor management (VM) tool to safeguard vulnerable areas (Weiler, Moyle, Scherrer, & Hill, 2019). Strategies to implement demarketing strategies in public and open access destinations are more difficult. Also, destination marketing organisations (DMOs) fear implementing strategies that deliberately aim at reducing demand, since they might be pressured to focus on the needs of the tourism industry. However, the global tendency towards more sustainability might have changed the situation, with a shift from destination marketing towards destination management and stewardship.

The aim of this chapter is to investigate implemented strategies that focus on discouraging demand to learn more about future avenues for demarketing destinations. We ask the following question: How do DMOs invoke demarketing initiatives in an over-tourism situation? To answer this question, we rely on prior research on general demarketing theory and tourism demarketing specifically, and set out to investigate two destinations that have experienced over-tourism recently: New Zealand and the Lofoten Islands, Norway. We demonstrate how destination demarketing mix strategies are implemented, that combine a variety of demarketing initiatives through a strategic approach which we refer to as the 'Stakeholder Integrated Demarketing Approach' (SIDA). We discuss the implications of destination demarketing mix strategies and the feasibility of SIDA in times when we need tools to mitigate over-tourism.

The concept of demarketing

Irrespective of a company's sustainability focus and endeavours, marketing traditionally aims for demand creation and growth. Armstrong Soule and Reich (2015, p. 1404) note that "any deliberate attempts at demand reduction by marketers may seem surprising, confusing or even non-sensical" for consumers. However, when acceptable limits are reached or exceeded, other persuasion techniques that discourage visiting need to be utilised, to shift demand and ameliorate the conditions towards sustainability.

Kotler and Levy (1971, p. 75) introduced the concept of demarketing and defined it "as that aspect of marketing that deals with discouraging customers in general or a certain class of customers in particular on either a temporary or permanent basis". The original concept of demarketing aims at deflecting consumer interest in products and services and employing strategies that contribute to decreasing consumption and, in the context of tourism, deter visiting in general or a special form of visiting. It is mostly seen as a response to a saturated demand and marketers' concerns about not being able or not wanting to deliver the service for reasons of sustainability, and is thus more a reactive strategy for demand reduction than a preventive tool.

Aside from demarketing in a tourism context, Kotler and Levy (1971) proposed three main forms of demarketing: general demarketing, selective demarketing and ostensible demarketing. While the first two approaches cover demand decrease either in general or for a selected group of customers, ostensible demarketing involves creating the appearance of trying to discourage demand as a device for actually increasing it. Kotler and Levy's original types were expanded by two forms of demarketing: synchronomarketing, which involves trying to manipulate demand so that sales occur at times "which synchronize with the firm's production scheduling", and counter-marketing, which is a "deliberate attempt to counteract a pressure to buy" (e.g. to reduce consumption of tobacco or alcohol) (Bradley & Blythe, 2014, pp. 2–3). Marketers and suppliers would then deliberately disregard, manipulate or suppress demand to signal exclusivity, scarcity or simply harmful consumption.

Lefebvre and Kotler (2011, p. 91) propose that "[d]emarketing can be viewed as blending all 4Ps of the marketing mix and also aiming for policy changes to nudge and sustain healthier and more socially responsible behavioral choice". This could include modifying message content in advertising, developing segmentation, designing and positioning products and services, reducing sales promotion expenditures and increasing prices. However, such application of the four Ps can be viewed as a short-term, tactical and reactive solution that relies on a micro-environmental perspective (Chaudhry, Cesareo, & Pastore, 2019). Recent contributions argue for more strategic orientation, contextualising and linking demarketing with social marketing issues (e.g. smoking, exercising) and sustainability (Sodhi, 2011). For example, Varadarajan (2014) argues for a more proactive version of demarketing for environmental protection and suggests a focus on inadequate or ineffective investments in infrastructure (e.g. water, electricity). Shiu, Hassan, and Walsh (2009) report that applying a comprehensive demarketing mix over time involving multiple stakeholders (e.g. policymakers, residents) is necessary to be able to decrease demand. Consequently, demarketing has changed to include not only short-term reactive demand reduction, but also strategic and more proactive efforts in contexts that need to plan for maintaining control of consumer behaviour. According to Lefebvre and Kotler (2011), a demarketing strategy might imply influencing the level, composition and timing of demand, and to involve policymakers and other stakeholders to influence a desired environmental, public or social benefit in the marketplace.

Demarketing in tourism

Demarketing in tourism was first addressed in the late 1980s and was mostly discussed in the context of mass tourism (Beeton, 2006; Beeton & Benfield, 2002). Since then, studies have investigated demarketing when market segments proved unprofitable, when tourism capacity was

reached or exceeded, or when consumption caused overuse or undesirable behaviour (Weiler et al., 2019). In tourism contexts, demarketing has been thought of as a form of mirroring activity to place/destination marketing, or marketing in reverse, and in its purest form has been realised through decreased distribution, minimised promotion or abandoning paid advertisement altogether (Medway et al., 2010; Weiler et al., 2019).

Demarketing in practice is often used as a persuasive communication tool to condition consumer behaviour and enforce behavioural changes towards healthier and more sustainable forms of consumption (Armstrong & Kern, 2011), such as the encouragement to use public transport when travelling. Furthermore, persuasive communication has been directed at visitor self-regulation practices for stimulating long-term behavioural changes. It has not been the primary aim to discourage visiting, but to change perceptions and behaviour without creating the impression of enforcing punitive measures (Weiler et al., 2019). Informational place demarketing initiatives have advised visitors about no-go areas and recommended specific days or daytimes for touristic activities in order to create spatial redistribution and influence seasonality (Medway et al., 2010). These softer and more indirect forms of demarketing remain often ineffective, and more active forms of control, formal regulation and legislation are needed (Beeton, 2006; Beeton & Benfield, 2002).

Active forms of demarketing are often defined for a limited time period to deflate the demand, either because of product shortage, excessive demand or a crisis (Medway et al., 2010). More extreme measures have been employed in times of natural disasters and uncontrollable events, such as earthquakes, terrorism and in general political instable circumstances or the recent global pandemic. Other active forms are commonly associated with temporal or spatial access restrictions or site closure that particularly influence experiential products. The development and promotion of alternative experiences can be beneficial since these support visitor dispersal, but they can be unfavourable later when clear communication and stakeholder involvement are needed for resuming the product offering. An alternative demarketing initiative could be, for example, to introduce differential ticketing and pricing for discouraging and discriminating tourist consumption so that profitability can be achieved alongside sustainability or place conservation (Beeton & Benfield, 2002).

Demarketing of tourist destination

Demarketing of a tourist destination is rather unintentionally and passively integrated and can be seen as a positive side effect of other VM strategies. However, it is argued then that the potential of demarketing would not be recognised and deployed sufficiently (Armstrong & Kern, 2011). More active destination demarketing has been employed through targeted initiatives where certain attributes and value propositions are emphasised that discourage certain market segments, for example, through price or exclusivity (Beeton & Benfield, 2002; Medway et al., 2010). Other demarketing initiatives to reduce consumption include, but are not limited to, zoning, daily visitor limits, guiding and supervision, eliminating trade discounts, introduction of booking systems, permits, limitation of car parks, provision and promotion of alternative sites and virtual tours, and educational communication (Beeton, 2006; Weiler et al., 2019).

Destination demarketing strategies are believed to have the potential to successfully enhance ecological and cultural integrity as well as the quality of the visitor experience, while minimising risks and tensions related to over-tourism (Beeton, 2016; Weiler et al., 2019). However, scholars note that more conscious and proactive applications are required to achieve sustainability goals (Armstrong & Kern, 2011; Beeton & Benfield, 2002; Weiler et al., 2019). In this vein, Dodds and Butler (2019) argue that a potential adverse effect needs to be avoided because demarketing is not an alternative to marketing itself. For example, Beeton (2016) suggests a balance between positive and negative images and messages, unless a destination pursues eliminating tourism or aims at re-imagining and rebranding. However, the effectiveness and usefulness of destination demarketing

strategies are underexplored, and investigations should not only involve the management of places but also include pre-visitor information search and inspiration phases (Weiler et al., 2019).

Although demarketing can be used to regain sustainability in situations of excess demand, the challenge can be to retain the balance between manipulating undesirable tourists while keeping favourable segments satisfied. However, decreasing the satisfaction or reducing the number of undesirable segments might have positive impact on more desirable segments and residents (Medway et al., 2010). At the same time, demarketing can positively contribute to social sustainability while negatively impacting profitability. Such arguments raise the question of the consequences of destination demarketing, since many stakeholders may hold disparate views as to the rationale behind, and effects of, demarketing initiatives.

Case-based approach

This chapter adopts a case-based approach to explore how demarketing strategies can contribute to the sustainability efforts of a destination facing over-tourism; the approach has proven beneficial for research areas where little is known and an exploratory foundation is sought (Denscombe, 2017; Yin, 2014). New Zealand and the Lofoten Islands (Norway) were selected for this research. Despite differences in scope, both destinations share a unique geographical location and relatively low population density, while at the same time welcoming increasing numbers of international holiday-makers. Tourism plays a vital role in the economic and social well-being in both destinations, but over-tourism has more recently evoked tensions related to imbalances between residents and visitors.

Most studies concentrate on impacts on highly populated destinations, particularly cities, yet fail to acknowledge that impacts on other destinations, such as nature-based destinations, might involve imbalances with regard to nature's carrying capacity (Saarinen, 2006). We think that high tourism intensity in remote areas requires nuanced approaches for how demarketing can be applied as a tool to mitigate over-tourism. The situations in Lofoten and New Zealand call attention to how destination management argues for a demarketing strategy. Our findings are based on interviews with DMO representatives (Norway and New Zealand) and secondary data comprising the master plans and strategy documents of the two case studies, as well as other reports and media pieces. The question we have been concerned with in our analysis is: What can we learn about demarketing strategies in destination contexts that face conflict due to over-tourism?

Demarketing in practice – the case of New Zealand

New Zealand has experienced continuous growth in tourism arrivals within the past decades and has realised that too much growth puts pressure on the country's fragile environment and community well-being. Despite its isolated geographical location in the South Pacific, the island nation has not remained unaffected by the global over-tourism debate, and solutions are sought to combat increasing tensions. Stricter regulatory measures, such as the closure of the Matapouri Mermaid Pools in April 2019 or the implantation of an international visitor levy (IVL) in June 2019 were introduced (Thorner, 2019). Tourism authorities have also accepted that marketing and promotion play a central role in this debate. The discussion is not new, as a 'value over volume' strategy was launched as early as 2014. Applying selective demarketing, the number one strategic priority became the attraction of high-yield and longer-stay visitors throughout the year.

Despite the acknowledgement that tourism is an important economic driver, the proportion of New Zealanders who strongly agree with the statement that tourism is good for the country has dropped, while the share of residents who believe that tourism puts too much pressure on the environment and society has increased over the past years (Tourism Industry Aotearoa (TIA), 2019a). In 2019, the third edition of the Tourism 2025 series was released, putting sustainability at the heart of tourism development and proposing a 'sustainable growth framework' that keeps a close watch on

community well-being and aims at a tourism industry that benefits all New Zealanders (TIA, 2019b). These strategic directions have a direct impact on marketing and promotion. High seasonality and spatial crowding have already been addressed in the first update of the Tourism 2025 strategy, as the continuous increase in international tourist arrivals conglomerated in the summer months and resulted in excess demand in some places. Spatial and temporal dispersals were among the core rationales for demarketing investments and were reinforced through the updated strategy. As the national tourism board, Tourism New Zealand (TNZ) has refrained ever since then from any form of summer promotion. Instead, all investments are directed towards encouraging visitors to travel in the low season and visit places off the traditional tourist paths. This aim is also stated as one of 68 priorities defined in the most recent strategy update:

“Government and industry marketing is configured to shaping demand growth that contributes to industry-wide objectives, such as dispersal, seasonality and growing the value of tourism at a faster rate than the volume of visitors.” (TIA, 2019b)

An increase of 0.6% off-peak holiday arrivals was achieved for the year ending June 2019, and while a slight slowdown in international tourist arrivals was reported, average visitor spends rose (Tourism New Zealand (TNZ), 2019a; TIA, 2019a). Whether these changes were attributable to TNZ’s strategic endeavours and demarketing activities or general broader economic shocks, such as BREXIT, remains unresolved. While demarketing initiatives yielding high-value visitors and temporal and spatial dispersal are further pursued, TNZ is more actively engaging in safeguarding the industry’s positive economic impact and softening arrival slowdown. This also entails remarketing and increased investment in core markets, such as Australia and USA, as well as reemphasising targeted marketing and rejuvenating domestic demand to support spatial and temporal dispersal (TNZ, 2019b).

Even before demarketing strategies were more actively sought as reactions to the partly unsustainable and unsatisfactory distributed development of tourism, TNZ had invested in more indirect and passive forms of demarketing through market segmentation. Since 2010, TNZ has directed all international marketing promotion towards the so-called ‘Active Considerer’. This market segment is more likely to visit New Zealand as they have the destination already on their list of preferred destinations for their next holiday. Based on extensive market research, TNZ has developed more detailed Active Considerers for their core incoming markets, such as Germany or China, with the aim of creating aligned promotional material. The return on marketing investment and conversion rate through this segmented approach proves higher, as revealed in New Zealand’s visitor profile (TNZ, 2020).

Demarketing can also be applied more product-specifically, either if an undesirable image is promoted or it is too successful leading to excess demand, such as popular film-induced tourism (Beeton, 2016). The success of the Lord of the Rings and Hobbit trilogies for New Zealand’s tourism development is undeniable. New Zealand’s Māori culture and particularly dramatic and unspoilt landscapes have also reached iconic status and fame through television (Beeton, 2016). Both potentials have been recognised and marketing investment dismantled. Since 1999, the country has used the brand slogan ‘100% pure New Zealand’ with marketing long being centred around New Zealand’s unique natural environment as well as putting New Zealand as the ‘home of Middle Earth’ on the mental maps of potential tourists. While both strategies were highly praised internationally and proved efficient, criticism emerged as the country’s ecological credentials were seen as exploited, with an overemphasis on being purely green. A shift away from a landscape lens and Middle Earth perspective to people and culture was launched, and a brand evolution evoked in 2018. A ‘100% Pure Welcome’ campaign was implemented. This also meant that marketing funds were reallocated from promotion highlighting environmental beauty to campaigns that underline the multifacetedness and cultural richness of the young country (Bradley, 2018). Alongside daily ‘Good Morning World’ messages from New Zealand residents on social media, the ‘Tiaki Promise’ – a New Zealand care code (Figure 1) – was initiated, aiming at encouraging visitors to help protect and

preserve the cultural and natural environment (TNZ, 2019c). Therewith, TNZ capitalises on community perspectives and uplifts social sustainability aside from the environmental focus. Although these repositioning strategies are rather indirect, passive form of demarketing, these new initiatives are directed at educating visitors prior to their visit and encouraging only those that share the same values.

FIG 1 HERE

The case of New Zealand illustrates many different forms of intentional and unintentional demarketing, including limitation of demand through restricted and targeted advertising, price discrimination and educational initiatives that guide decision-making. It further demonstrates that a strong promotional focus on particular selling propositions appealing to broad segments of the market, such as a diverse and dramatic landscape, may be in line with a growth focus under a neoliberal maximisation strategy, yet also lead to strong dependencies, raised expectations and sustainability concerns triggered by the tendencies of over-tourism. Although in a different development stage, and of smaller geographical scope, the Lofoten Islands are facing similar marketing challenges.

Demarketing in practice – the case of the Lofoten Islands

Lofoten is one of the top destinations of Norway which Lonely Planet has referred to as 'simply staggering', partly due to its mountainous peaks, deep fjords and fishing villages. Lofoten has a long tradition of Barents cod fishing (February to April), but today instead of fishermen, tourists inhabit the fishing cabins. In recent years, there have been media reports on the challenges of over-tourism related to both social and environmental impacts (www.nrk.no/nordland). The Lofoten DMO fears that the tourism industry will end up becoming an industry of conflict: "In the course of one year 24,000 locals shall take care of about one million people. In the current situation, that is not possible." (www.lofotposten.no/turisme/reiseliv).

In this situation and in cooperation with policymakers and other stakeholders, the DMO has suggested several initiatives for the purpose of selectively reducing visitor numbers and redistributing demand for selected areas, and shouldering the winter seasons to protect local society and nature. In the Strategy Plan (2017–22), a premise for the work with the tourism development is stated:

With streams of visitors, there tend to be increasing conflicts between the locals and the visitors. It is therefore important to secure a development in-line with the uniqueness of the place. Lofoten's distinctiveness must be cared for and developed in the future, and not try to copy other destinations. Such an ambitious goal poses great demand for stakeholder participation and interaction to secure diversity as experiential value [...] Lofoten is in a position of choosing market, segments and the type of activities we shall offer. (Steen, 2017a, pp. 3, 5)

The destination has focussed on nature and cultural experiences, such as the world championship in cod fishing, Viking events, sea eagle safaris, fishing trips, winter safaris and midnight sun kayaking. Such initiatives have turned the focus onto experiences that are 'authentic' for Lofoten and that involve the visitors. The destination is renowned for its fishing and its stockfish export, and it is believed that supporting tourist products aligning with such traditions would attract a certain type of visitor. The traditional fishing cabins have now been made available as guest houses. Several museums have been established, such as the Norwegian Fish Village Museum, Lofoten Stockfish Museum and Lofotr Viking Museum, aimed at presenting the cultural significance of the destination. In addition, the DMO emphasises various natural experiences, such as mountain climbing, diving and surfing, all of which are turned into magical experiences by Lofoten's natural world. The purpose of

these initiatives is to persuade tourists to enjoy 'authentic' nature and cultural experiences that are significant in this particular destination.

The challenge of Lofoten as a destination is the vast number of individual tourists arriving in campervans or cars. In Urryan terms, these could be considered 'gazing tourists' that the DMO does not like very much because they are not very profitable. In a Norwegian context, however, all people have the right to access nature on their own, as long as they do not trespass on farmland (the Norwegian concept of *Allemannsretten*, Outdoor Recreation Act 1957). This means that it is difficult to control where people go, and a rethink is needed on how to protect nature when the industry cannot 'control' the tourists. Consequently, toilets and rubbish bins are established along the main road, there are an increasing number of signs directing tourists, for example to selected walking routes, and residents have created a 'Lofoten Code of Conduct' (Figure 2). These initiatives can be thought of as a 'nudging strategy' in which they nudge visitors to follow a specific route or how to behave while visiting the destination. As a consequence of working with the master plan, the DMO started a project aimed at Norway qualifying for branding as a 'Sustainable destination' (Innovation Norway). Such certification demands that the DMO and other stakeholders implement initiatives for nature and culture conservation, strengthen social values and create long-term profitability for the industry.

FIG 2 HERE

There has been a change in focus from gazing tourism to activity-based tourism. This has been achieved through government-funded programmes where businesses have applied for projects aimed at offering unique cultural/nature-based tourist products (through Innovation Norway). The DMO manager argues thus:

Some years ago, visitors drove off the ferry, and they reached the beautiful island and would just go around looking at this magnificent nature. Of course, staying in a fishing village, the fisherman cottages, and just being there - was enough. They found a solitude beach and they would 'take it all in'. Now we have changed ...because there's been a big change from gazing to activity-based tourism. Tourists today want to do some kind of activities, and many people and companies deliver high quality experiences.

Today, companies offer more tourist experiences where they make more money with fewer tourists by selling experiences at a higher price. This value-added strategy focuses on choosing the proper tourist segment instead of attracting masses of tourists. The challenge has been to make businesses understand this logic and to agree on how to change the destination so that tourists can experience 'Arctic living', i.e. becoming involved as tourist-participants instead of tourist-consumers. It has been important for locals to initiate the development, although external knowhow is involved in the development.

Stakeholders in the tourism industry have been engaged in a participatory model with regard to developing the destination. More than 50 people locally have been involved in developing the master plan for Lofoten. This means that various voices have been heard in the process, including politicians, agriculture organisations and artists (Steen, 2017b). The project involved an executive committee with private and public representation, and seven task groups that focussed on specified topics: strengthen shoulder seasons, strengthen event tourism, develop nature and culture tourism, develop transportation, develop growth, brand, customer promise, new segments and develop commercial network (Steen, 2017a). In this work, all stakeholders agreed that the protection of nature was imperative for the future of the Lofoten Islands.

Summary of destination demarketing strategies

Although different in scale and size, the two case studies demonstrate similar demarketing strategies implemented and enforced at a destination level by the DMOs in cooperation with other stakeholders. A summary of the key findings related to the marketing mix is provided in Table 1 which outlines destination-specific demarketing strategies with empirical illustrations.

TAB 1 HERE

Table 1 demonstrates that the destinations invoke a variety of demarketing initiatives in the over-tourism situation. It is surprising that the results show a limited relevance of general demarketing because it is assumed that the primary goal of overcrowded tourist destinations is to limit the number of tourists (Chaudhry et al., 2019). The main destination demarketing strategies concern selectively reducing visitor numbers and efforts to redistribute demand spatially or temporally to render tourism more sustainable. Selective demarketing is the most common initiative across cases which involves product strategy (e.g. redistribute demand towards experience-based tourism), prize strategies (e.g. redistribute demand towards value over volume) and promotion strategy (e.g. redistribute demand promoting immersive experiences over nature). Synchromarketing is relevant because it allows the DMO to initiate strategies that redistribute demand temporally and spatially (e.g. promoting the low season, 'nudging' tourists to use specific walking routes). In an over-tourism situation, with consequences such as tourist misbehaviour, it is not surprising that counter-marketing efforts are introduced, such as the Tiaki Promise in New Zealand.

Our findings show that the traditional 4Ps approach to demarketing is insufficient for understanding demarketing initiatives for the chosen contexts. Whereas many destinations face (neo-liberal) contexts characterised by strong individual rights, free markets and limited governmental influence, New Zealand and Norway are characterised by a 'mixed economy' or political economy (Dwyer, 2018) with relatively open markets where social and political processes are integrated with economic processes. We introduce the concepts 'inclusive demarketing' which refers to situations where stakeholders from policymakers, local community and the industry are included in discussing and deciding demarketing initiatives, and 'long-term demarketing' when the process is ongoing, to substantiate our findings on how demarketing strategy processes happen in destinations that are driven by a political economy.

Discussion

Our findings contribute new knowledge on destination demarketing strategy, and how initiatives in regional contexts are complex and multifaceted. This answers the call for more demarketing research for reducing excess demand in many sectors of society (Chaudhry et al., 2019), and for investigating how over-tourism and the environment and culture on which it relies can be demarketed (Beeton & Benfield, 2002; Weiler et al., 2019). Although we set out to investigate how DMOs invoke demarketing initiatives, demarketing turns out to be a complex issue for the cases investigated, because many stakeholders are involved over time in discussing and planning the future of the destinations. We thus need to discuss the demarketing process in addition to the strategic initiatives invoked in over-tourism situations.

Destination demarketing mix strategy

Our results extend prior research that focused on the 4P marketing mix as the foundation of demarketing strategies (e.g. Kotler & Levy, 1971; Lefebvre & Kotler, 2011). It has been argued that traditional demarketing literature is limited because it is not suitable for tourism products, protected areas (Armstrong & Kern, 2011) or destinations (Medway et al., 2010). The findings show that in a over-tourism situation, the rationale for demarketing initiatives is multifaceted, and as such does not comply with Kotler's original conception of general demarketing as the main strategic initiative.

Based on a case-based approach, this chapter illuminates several rationales for demarketing in an over-tourism situation and hence goes beyond existing studies on demarketing in a tourism context. Findings demonstrate that it is more the consequences of over-tourism that matter, rather than too many tourists in general. Industry stakeholders need to become active as nature lacks carrying capacity, locals experience social problems, and the industry needs to attract new segments and improve the negative impacts of seasonality. Consequently, a variety of initiatives constitute the demarketing strategies of Norway and New Zealand.

Our findings do not show evidence of ostensible demarketing in either case, probably because it is not possible to discourage tourists from visiting particular places or attractions to enhance exclusivity. However, there is evidence of multiple selective demarketing initiatives related to price discrimination, and redistribution of segments and products. Whereas prior research has argued for a more realistic selective demarketing alternative (Beeton & Benfield, 2002; Medway et al., 2010), our findings show how this can be done within a destination demarketing frame. In the Norwegian case, for example, such demarketing initiatives can be interpreted as a form of demarketing mix, because it is regarded as necessary to professionalise the industry in order to develop high-quality, activity-based, value-over-volume tourism. Furthermore, the selective demarketing initiatives are supported by synchromarketing (e.g. redistributing demand temporally and spatially) and counter-marketing efforts (e.g. reducing misbehaviour) as initiatives to deal with carrying capacity and social challenges.

We think that the context and situation of destinations and the related complexities are the main reason behind this destination-specific demarketing mix. Consequently, the long-term horizon involved in destination demarketing has consequences for the nature and scope of decision-making, and the more emergent and multifaceted characteristics of demarketing initiatives as compared to the rational processes of companies. Furthermore, applying the 4Ps to demarketing in a destination context is particularly flawed with reference to 'place', as this traditionally refers to the distribution and place where a product is sold, which does not apply to a destination. When 'place' instead refers to the physical environment, for example nature, synchromarketing may become relevant as a method of trying to redistribute visiting to other 'places', so that a physical environment is able to cope. But as our results demonstrate, the decisions about demarketing mix depend not only on a destination's DMO, but on the strategic work of stakeholders. We therefore suggest demarketing in a destination context as a matter for a 'multiple stakeholder integrated approach'.

Stakeholder Integrated Demarketing Approach (SIDA)

Prior research on destination demarketing argues that DMOs are often limited in initiating demarketing strategies because they cannot "capping visitor numbers, limit group size, introduce visiting quotas or introducing entrance fees" (Fennell & Cooper, 2020, p. 268). Our results show that the viability of social arrangements in which demarketing strategies are decided depends not only on economic and market-based resources, but also on multiple institutions and actors in the destinations. Research on sustainable tourism has suggested 'integrated tourism governance' (Fennell & Cooper, 2020) and a 'community-based perspective' (Saarinen, 2006) for destination development, as a dynamic process that involves "forging partnerships between the public sector and other destination stakeholders to create a more holistic approach to governing the destination" (Fennell & Cooper, 2020, p. 269). Our findings show that, in the context of tourism and particularly destinations, debates around demarketing take place during the same meetings in which discussions about sustainability take place. The processes are intertwined. Whereas partnership between stakeholders is not new in destination development, prior research shows that stakeholders tend to hold a narrow vision of destination planning, including sustainability, strategy and economy (Hatipoglu, Alvarez, & Ertuna, 2016). This is not the case for New Zealand and the Lofoten Islands.

Our findings show that the destinations rely on what we have labelled SIDA. The strategic decisions then rely on stakeholder engagement in a dynamic process where host community, policymakers

and other economic sectors, in addition to tourism industry actors, receive empowerment and a negotiating position on how to adjust visitor demand. For example, in Lofoten, more than 50 actors from different stakeholder groups were involved in discussing the master plan which informed the strategy plan. Similarly, the Tourism 2025 & Beyond framework in New Zealand was developed with the support of a project reference group that comprised numerous tourism stakeholder representatives. Although previous research shows that varying mindsets influence negotiations of destination development among community stakeholders (Lindberg, Fitchett, & Martin, 2019), the over-tourism situation in both destinations has empowered the legitimization of demarketing strategies. DMOs are the initiators and project managers of these processes, while they receive input from the stakeholders within the project group about which demarketing initiative to pursue and implement. This not only indicates the uniqueness of a multiple stakeholder approach in destination demarketing strategies, but further calls for the necessity of (internal) inclusive demarketing strategies to ensure that the key stakeholders within a tourism destination understand and follow the same approach. If a DMO on a national level, for example, refrains from any type of summer promotion, yet regional tourism organisations continue to invest in summer advertising, not only would marketing budgets be unfavourably allocated, but demarketing strategies would remain untargeted and unsuccessful. Demarketing mix strategies aimed at adjusting demand also need to be communicated within the destination and across stakeholders who become ambassadors of demarketing initiatives, such as the care codes. The several intentional and unintentional demarketing strategies summarised in Table 1 also illuminate direct links to the destinations' sustainability commitments related to over-tourism. Price discrimination through value over volume strategies, for example, are set to embrace economic sustainability. The repositioning and rebranding beyond natural assets, as well as redistributive strategies aiming for spatial and temporal dispersal mostly target the improvement of environmental and socio-cultural sustainability.

Our research shows that work with demarketing strategies in a regional destination context is characterised by stakeholder integration, educative efforts, sustainability focus and long-term process orientation. Only if visitors and stakeholders alike understand the rationale behind and purpose of a demarketing strategy, can long-term results improve the challenges of over-tourism tensions. In an attempt to summarise the SIDA framework, Figure 3 illustrates the layers within which demarketing initiatives emerge in our cases, and which DMOs would rely on when initiating formal projects about demarketing mix strategies. The traditional demarketing strategies are extended by the SIDA approach which then is embedded in the overarching requirements, namely sustainability focus, educative efforts and long-term orientation.

FIG 3 HERE

Figure 3 shows how destination marketing organisations invoke demarketing initiatives in an over-tourism situation in which traditional demarketing strategies build the core, and the destination-specific requirements of integrating stakeholders into a formalised process, which focus on sustainability and educative efforts, build the outer layers.

Conclusion

The purpose of this chapter was to investigate how DMOs invoke demarketing initiatives in over-tourism situations and explore how demarketing strategies can positively assist in meeting sustainability aims. Destinations around the globe and of different scale increasingly face tensions related to excess demand and over-tourism, and seek destination-wide strategies to mitigate these tensions. Some governments and DMOs have introduced (self-)regulatory measures. However, most of these strategies have proved insufficient, as they are often inconsequentially introduced due to fears of adverse effects and the argument that they do not automatically deflate the demand. Given the increased pressure on destinations and evolving issues around social and environmental sustainability, maximisation strategies and the overcommitment to growth have recently been more

Demarketing Tourism Destinations

heavily critiqued and funding cuts for destination marketing have been announced. While investments now flow into infrastructure and facility improvements, DMOs are forced to rethink their marketing strategies. This has led to a more conscious and intentional turn towards demarketing strategies in a destination context that go beyond selective demarketing through segmented target market approaches. Demarketing is not a new concept in a destination context, yet was previously mainly used as a reactive measure and crisis management tool, instead of a preventive and more long-term oriented sustainability approach. This call for more integrative and proactive demarketing strategies was articulated by Beeton and Benfield (2002) almost 20 years ago, but found little application in practice to date. However, the current shift from destination marketing to destination management and eventually destination stewardship also means that DMOs are no longer solely responsible for promoting a destination but rather managing it holistically and becoming a collective voice for all stakeholders. As marketing moves more into the background, demarketing gains in importance to attain sustainability.

This chapter used two case studies of different scale and geographical location, New Zealand and the Lofoten Islands, Norway, that face similar challenges and have introduced similar measures to mitigate and eventually combat them. The findings of this study demonstrate that both destinations have moved from mostly unintentional to more intentional demarketing strategies and have started to integrate such measures into overall destination strategies and master plans. The cases further reveal that traditional demarketing, with a focus on general demarketing, is insufficient and inefficient in a destination context due to its complexity and the multiple stakeholders involved. Instead, more inclusive forms of demarketing are required, that not only allow the different stakeholders to be involved in the development of demarketing mix strategies, but also ensure that they follow the same aims. Against this background, we propose SIDA as a promising tool to mitigate tensions related to over-tourism. We further argue that redistributive and selective demarketing strategies need to be accompanied by inclusive demarketing, as only stakeholder involvement and engagement can positively contribute to long-term sustainability and the mitigation of over-tourism. In summary, demarketing in a destination context needs to go beyond traditional demarketing and allow for stakeholder integration, encompass educative tools (internal and external), adapt a sustainability focus and be long-term oriented. More empirical data is needed in the future to explore the different stakeholder perspectives on demarketing and to investigate the intentionality behind some initiatives. Furthermore, the effectiveness and feasibility of demarketing strategies in times of multi-voice marketing and the growth of user-generated content open future avenues of research.

References

- Armstrong, E. K., & Kern, C. L. (2011). Demarketing manages visitor demand in the Blue Mountains National Park. *Journal of Ecotourism*, 10(1), 21–37. <https://doi.org/10.1080/14724040903427393>
- Armstrong Soule, C. A., & Reich, B. J. (2015). Less is more: is a green demarketing strategy sustainable? *Journal of Marketing Management*, 31(13–14), 1403–1427. <https://doi.org/10.1080/0267257X.2015.1059874>
- Becken, S., & Simmons, D. G. (2019). Stakeholder management: Different interests and different actions. In R. Dodds & R. W. Butler (Eds.), *Overtourism: Issues, realities, solutions* (pp. 234–249). Berlin, Germany: De Gruyter.
- Beeton, S. (2003). Swimming against the tide - Integrating marketing with environmental management via demarketing. *Journal of Hospitality & Tourism Management*, 10(2), 95–107.
- Beeton, S. (2006). Sustainable tourism in practice: Trails and tourism. Critical management issues of multi-use trails. *Tourism and Hospitality Planning & Development*, 3(1), 47–64. <https://doi.org/10.1080/14790530600727227>
- Beeton, S. (2016). *Film-induced tourism* (2nd ed.). Clevedon, England: Channel View Publications.
- Beeton, S., & Benfield, R. W. (2002). Demand Control: The Case for Demarketing as a Visitor and Environmental Management Tool. *Journal of Sustainable Tourism*, 10(6), 497–513. <https://doi.org/10.1080/09669580208667184>
- Bradley, G. (2018). Tourism New Zealand's 100% Pure campaign shifts direction. Retrieved 30 January 2020, from https://www.nzherald.co.nz/business/news/article.cfm?c_id=3&objectid=12081775
- Bradley, N., & Blythe, J. (2014). Demarketing: An overview of the antecedents and current status of the discipline. In N. Bradley & J. Blythe (Eds.), *Demarketing* (pp. 1–7). Oxford, England: Routledge.
- Chaudhry, P. E., Cesareo, L., & Pastore, A. (2019). Resolving the jeopardies of consumer demand: Revisiting demarketing concepts. *Business Horizons*, 62(5), 663–677. <https://doi.org/10.1016/j.bushor.2019.05.002>
- Denscombe, M. (2017). *The good research guide: For small-scale social research projects* (6th ed.). London, England: Open University Press.
- Dodds, R., & Butler, R. W. (2019). Conclusion. In R. Dodds & R. W. Butler (Eds.), *Overtourism: Issues, realities and solutions* (pp. 262–276). Berlin, Germany: De Gruyter.
- Dwyer, L. (2018). Saluting while the ship sinks: The necessity for tourism paradigm change. *Journal of Sustainable Tourism*, 26(1), 29–48. <https://doi.org/10.1080/09669582.2017.1308372>
- Fennell, D., & Cooper, C. (2020). *Sustainable tourism: Principles, contexts and practices*. Bristol, England: Channel View Publications.
- Gerstner, E., Hess, J., & Chu, W. (1993). Demarketing as a differentiation strategy. *Marketing Letters*, 4(1), 49–57. <https://doi.org/10.1007/BF00994187>
- Hatipoglu, B., Alvarez, M. D., & Ertuna, B. (2016). Barriers to stakeholder involvement in the planning of sustainable tourism: the case of the Thrace region in Turkey. *Journal of Cleaner Production*, 111, Part B, 306–317. <http://dx.doi.org/10.1016/j.jclepro.2014.11.059>
- Koens, K., Postma, A., & Papp, B. (2018). Is Overtourism overused? Understanding the impact of tourism in a city context. *Sustainability*, 10(12). <https://doi-org.ezproxy.aut.ac.nz/10.3390/su10124384>
- Kotler, P., & Levy, S. J. (1971). *Harvard Business Review*, 79(6), 74–80.
- Lefebvre, C., & Kotler, P. (2011). Design thinking, demarketing and behavioral Economics: Fostering interdisciplinary growth in social marketing. In G. Hastings, K. Angus, & C. Bryant (Eds.), *The SAGE Handbook of Social Marketing* (pp. 80–94). Los Angeles, CA: SAGE.
- Lindberg, F., Fitchett, J., & Martin, D. M. (2019). Investigating sustainable tourism heterogeneity: Competing orders of worth among stakeholders of a Nordic destination. *Journal of Sustainable Tourism*, 27(8), 1277–1294. <https://doi.org/10.1080/09669582.2019.1614188>

- Medway, D., Warnaby, G., & Dharni, S. (2010). Demarketing places: Rationales and strategies. *Journal of Marketing Management*, 27(1–2), 124–142. doi:<https://doi.org/10.1080/02672571003719096>
- Saarinen, J. (2006). Traditions of sustainability in tourism studies. *Annals of Tourism Research*, 33(4), 1121–1140. <https://doi.org/10.1016/j.annals.2006.06.007>
- Shiu, E., Hassan, L. M., & Walsh, G. (2009). Demarketing tobacco through governmental policies – The 4Ps revisited. *Journal of Business Research*, 62, 269–278. <https://doi.org/10.1016/j.jbusres.2008.01.034>
- Sodhi, K. (2011). Has marketing come full circle? Demarketing for sustainability. *Business Strategy Series*, 12(4), 177–185. <https://doi.org/10.1108/17515631111155133>
- Steen, T. (2017a). *Strategiplan - Lofoten som reisemål 2017 - 2022 (Strategy - Lofoten as destination 2017-22)* Svolvær, Lofoten: Destinasjon Lofoten og Lofotrådet.
- Steen, T. (2017b). *Masterplan Lofoten: Fra ord til handling (Master Plan Lofoten: From word to action)* (Vol. 3). Lofoten: Destinasjon Lofoten og Lofotrådet.
- Thornber, L. (2019). New Zealand included on global map of places suffering overtourism. Retrieved 04 September 20219, from <https://www.stuff.co.nz/travel/news/112939359/new-zealand-included-on-global-map-of-places-suffering-overtourism>
- Tourism Industry Aotearoa. (2019a). Mood of the Nation New Zealanders' perceptions of international visitors - November 2019. Retrieved from <https://www.tourismnewzealand.com/media/4054/mood-of-the-nation-nov-19.pdf>
- Tourism Industry Aotearoa. (2019b). *Tourism 2025 and beyond: A sustainable growth framework*. Retrieved from <https://tia.org.nz/assets/d5156c4126/Tourism2025-and-Beyond-v2.pdf>
- Tourism Industry Aotearoa. (2019c). *New Zealand tourism state of the industry 2018*. Wellington, NZ: Wellington Institute of Technology.
- Tourism New Zealand. (2019a). Annual report 2018-2019. Retrieved from <https://www.tourismnewzealand.com/media/4013/annual-report-2018-2019.pdf>
- Tourism New Zealand. (2019b). Arrivals growth slowdown. Retrieved 03 October 2019, from <https://www.tourismnewzealand.com/news/arrivals-growth-slowdown/>
- Tourism New Zealand. (2019c). Tiaki - Care for New Zealand. Retrieved 29 January 2020, from <https://www.tourismnewzealand.com/tools-for-your-business/tiaki-care-for-new-zealand/>
- Tourism New Zealand. (2020). Markets & Stats. Retrieved 29 January 2020, from <https://www.tourismnewzealand.com/markets-stats/>
- Varadarajan, R. (2014). Toward Sustainability: Public policy, global social innovations for base-of-the-pyramid markets, and demarketing for a better world. *Journal of International Marketing*, 22(2), 1–20. <https://doi.org/10.1509%2Fjim.13.0158>
- Weiler, B., Moyle, B. D., Scherrer, P., & Hill, M. (2019). Demarketing an iconic national park experience: Receptiveness of past, current and potential visitors to selected strategies. *Journal of Outdoor Recreation and Tourism*, 25, 122–131. <https://doi.org/10.1016/j.jort.2018.06.001>
- Yin, R. K. (2014). *Case study research: Design and methods*. Los Angeles, CA: SAGE.

INSERT ANY TABLES / FIGURES / PICTURES / ILLUSTRATIONS / TABLES HERE

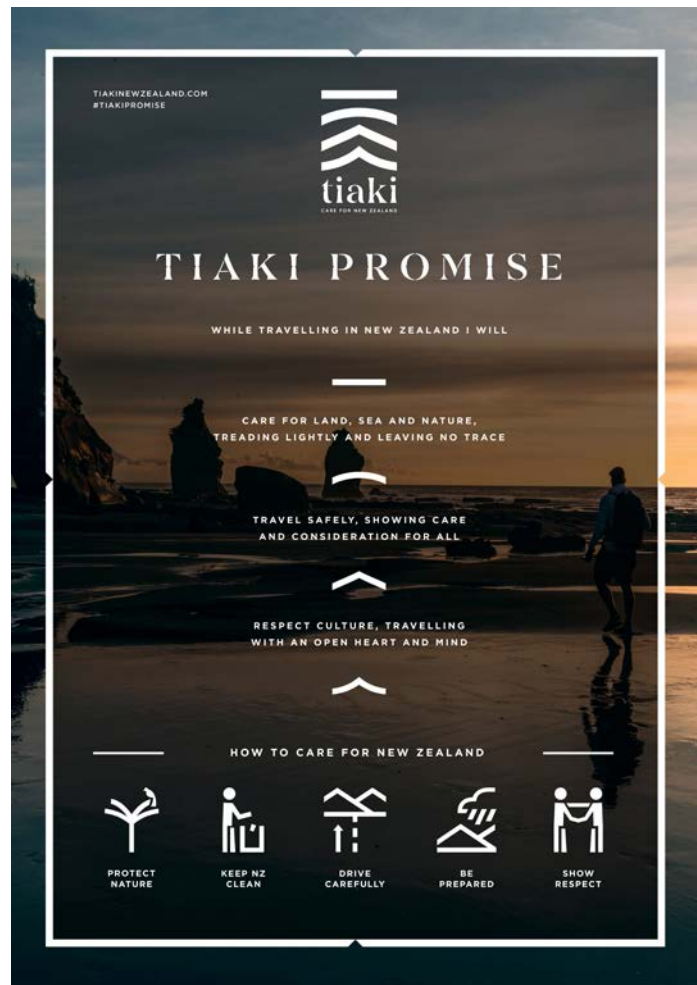


Figure 1: Tiaki Promise (Source: <https://tiakinewzealand.com/>)



Figure 2: Lofoten Code of Conduct (Source: <https://lofoten.info/lofotencodeofconduct>)

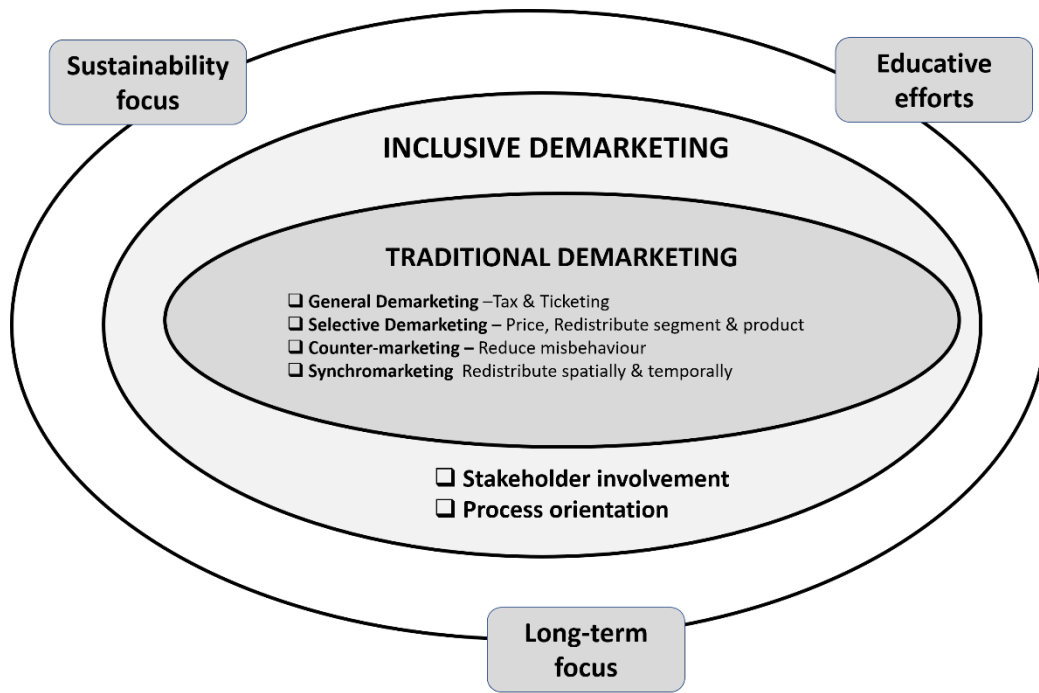


Figure 3: Stakeholder integrated demarketing approach (ADA) (Source: Own figure)

Table 1: Summary of destination demarketing strategies (Source: Own table)

Marketing mix elements	Destination demarketing strategies	Examples from New Zealand (NZ) and Lofoten, Norway (NO)
Price	<ul style="list-style-type: none"> • Selective demarketing: Price discrimination 	<ul style="list-style-type: none"> • Increase prizes focussing on value over volume (<i>Both</i>) • International Visitor Levy (<i>NZ</i>)
	<ul style="list-style-type: none"> • General demarketing: Tax & ticketing 	<ul style="list-style-type: none"> • Project to introduce tourist tax (<i>NO</i>) • Parking and entry fees (<i>both</i>)
Promotion	<ul style="list-style-type: none"> • Selective demarketing: Redistribute segment demand 	<ul style="list-style-type: none"> • Active Considerer (<i>NZ</i>) • Stressing immersive experiences over nature (<i>Both</i>) • Revitalising domestic tourists (<i>NZ</i>)
	<ul style="list-style-type: none"> • Synchromarketing: Redistribute demand temporally 	<ul style="list-style-type: none"> • Reduce summer campaigns, increase low-season promotions (<i>Both</i>)
	<ul style="list-style-type: none"> • Counter-marketing: Reduce misbehaviour 	<ul style="list-style-type: none"> • Tiaki Promise (<i>NZ</i>) • Lofoten Code of Conduct (<i>NO</i>)
Product	<ul style="list-style-type: none"> • Selective demarketing: Redistribute product demand 	<ul style="list-style-type: none"> • Rebranding, 100% Pure Welcome campaign (<i>NZ</i>) • New product development, from 'gazing' to experience-based tourism (<i>NO</i>)
Process	<ul style="list-style-type: none"> • Inclusive demarketing: Stakeholder involvement 	<ul style="list-style-type: none"> • Inclusive master plan and strategy development (<i>Both</i>) • Local ownership models (<i>Both</i>)
	<ul style="list-style-type: none"> • Long-term demarketing 	<ul style="list-style-type: none"> • DMO-initiated continuous work with Master/Strategy plans (<i>NO</i>)
Physical Environment	<ul style="list-style-type: none"> • Synchromarketing: Redistribute demand spatially 	<ul style="list-style-type: none"> • Construct walking routes and 'nudging' (<i>Both</i>) • Great Walk extensions (<i>NZ</i>)