

## **SELECTED THEORETICAL ASPECTS OF THE DESTINATION MARKETING BASED ON PARTICIPATION OF MARGINALIZED COMMUNITIES**

Kvetoslava Matlovičová, Jana Kolesárová, René Matlovič

### ***Abstract***

*The aim of this paper is to point out the possibility of targeting the destination marketing strategy based on so called pro-poor tourism (PPT). In this regard, three groups of potential strategies involving the poor in developing the PPT are mentioned. These are strategies focused on economic benefits for the poor, strategies improving the living standards and the strategies focused on the reform of policies and processes. The key actors and their roles in the process of tourist services provision as well as the possible risks, which could lead to unintended effects of the exclusion of the poor from the PPT benefits, were also identified.*

### ***Key words***

*Pro-poor tourism, local development, destination marketing*

***JEL Classification:*** L83, Z32, I3

## Introduction

Academic interest in the issue of the potential benefits of tourism for poverty alleviation in marginalised communities can be dated back to around the 1970s (De Kadt, 1979). The origins of the debate were part of broader political-economic debates on territorial development. The first attempts to define the issue in an exact way and to form theoretical-methodological frameworks for a pro-poor approach within tourism did not occur until the late 1990s.

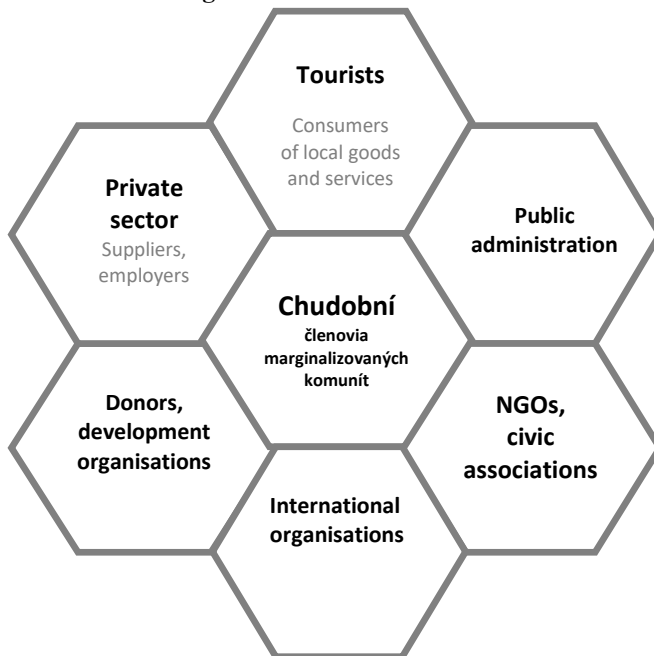
Pro-poor tourism (PPT) is not understood as a specific form of tourism. It is an approach to its development strategy. It is understood as any form of tourism that primarily pursues the goal of involving poor, mostly marginalised communities in its development and thus directing the benefits of its development to the poor to the maximum extent possible (see Matlovcova et al. 2016 for more details).

## Key stakeholders in pro-poor tourism (PPT)

The main stakeholders in the case of PPT include the poor, the private sector, local governments, NGOs, CSOs, civil society associations, donors, various development organisations and of course tourists. The poor themselves are a central link in PPT (Figure 1) as they are one of the main target beneficiaries of the benefits. Their interests are primarily pursued in planning and decision-making processes. A very common problem in optimizing PPT strategies is the internal heterogeneity and social stratification of local marginalized communities (different levels of poverty, education, different positions within the accepted hierarchical structure in

the community, etc.). In this respect, attention should therefore be paid primarily to the segment most at risk of poverty.

**Figure 1: PPT stakeholders**



Source: own elaboration according to Jamieson, Goodwin, Edmunds (2004,7)

The private sector is the main driving force behind the revival of PPT. It performs a wide range of tasks, including providing investment, product development, marketing, etc. (Ashley, Roe 2003, p.17). Its business activities thus create a living organism of cooperative relationships that are

based on using local suppliers and labour, providing information advice, building and sharing access to infrastructure or developing partnerships with local people (Jamieson et al. 2004, p.8; Id21 Insights 2006).

One of the important actors in the network of PPT actors is the public administration, which can often play a key role in the process of guiding activities so as not to disturb a certain sustainable balance in the redistribution of benefits from tourism development in the territory (especially between the private sector and local poor communities). By adopting purposeful measures, it can act as an important catalyst and facilitator for the implementation of PPT. Its decisions can, for example, support the diffusion of tourism into poor areas through investment in infrastructure and marketing, by removing barriers to market entry (through micro-credit it can support business development and facilitate access to technology), through training and the dissemination of innovations through private-public partnerships as well as investment in research or by strengthening local links. For example, through fiscal support packages, it can encourage the private sector to buy more from local suppliers and use local labour.

Tourists, as customers, are consumers of local goods and services, thus becoming an important source of revenue for the destination. Alongside the intensification of consumerism, the number of tourists who are willing to make their own contribution to improving the conditions of the tourist destination they visit is also increasing. They are becoming an important source of non-economic assistance to the poor in the form of temporary volunteer work, knowledge transfer (e.g. foreign language teaching), cultural exchange and so on (UNWTO 2004, p. 44). This kind of motivation, as part of community-based tourism (CBT) or volunteer tourism, is often underestimated and not given due attention in the development strategies of poor regions.

Another potential actor entering into the network of relationships within the PPT are NGOs (e.g. rural development organisations, associations dealing with the protection of cultural and natural heritage, and organisations focusing on business development or marginalised communities). Their involvement is possible through funding, training activities, providing advice, brokering business opportunities between the private sector and the poor, or in developing processes that strengthen the voice of the poor in the design and implementation of PPT strategies (Ashley et al. 2001, p. 9; Jamieson et al. 2004, p. 8).

Development organisations and other donors are entities that provide grants, loans or other types of assistance for development projects. Although donors are usually not directly involved in development, they are entitled to monitor the effectiveness of the use of the resources/funds provided for the purposes intended. In general, development assistance should be primarily aimed at supporting development processes taking place in marginalised areas by supporting the development of employment opportunities, infrastructure development or the establishment of small and medium enterprises (Chock et al. 2007, p.20).

Many of the case studies described above demonstrate that sustainable project success requires close collaboration between all stakeholders. Government, the private sector, NGOs, CSOs and the poor themselves all play important yet very different roles in PPT, and a multi-level approach is seen as essential. At the same time, it can be said that its sustainability will be greater the more stakeholders benefit from such development (Ashley, Boyd, and Goodwin 2000, p. 6).

## **Opportunities for participation of marginalised communities in tourism development**

One of the very common myths associated with the development of tourism in the territory is that it will automatically kick-start the process of poverty alleviation. However, it is often forgotten that most forms of tourism, at least in its infancy, are based on skilled labour, which is being created as a new group of non-residents in the area. Marginalised communities which are largely made up of people with low skills and no work experience cannot compete with them in such cases. The solution in such cases is a well thought out and sensitively chosen form of tourism so that the local poor can be part of the product. For example, by presenting traditional ways of life, culture, crafts, folklore, etc.

In terms of the different roles in PPT development, their participation can be implemented in two ways. They can act as:

- (a) participants in decision-making processes
- (b) or as implementers of economic activity (Ashley et al. 2001).

Economic activity can be performed by either:

- (a) in the form of paid work
- (b) or self-employment (Ashley et al. 2001).

Involving marginalized poor communities in decision-making processes and sound PPT development can have a positive impact on the empowerment and emancipation of the community concerned. In addition to enabling the channelling of at least some of the gains to the poor, such participation also acts motivationally in relation to the adjustment of life strategies of its members who previously did not see the prospect of personal development and integration into mainstream society.

## **Main sources of PPT development**

In general, the implementation of PPT projects basically requires three basic types of resources. These are time, finance and manpower. Ashley and Haysom (2006, p. 275) derived a more comprehensive set of implementation factors based on implemented PPT projects, which in addition to the three above, included the selection of appropriate inputs, the need for local leaders to drive development, a hands-on approach to development - learning by doing, and partnership building (changing attitudes of the private sector and public authorities - from paternalism to partnership).

Compared to rich destinations, where significant financial resources are available to build their position in all directions, poor destinations may have mostly only comparative advantages linked to a very limited number of destination attributes (e.g. main attractions). For this reason, a strategy of focusing on finding competitive advantages alongside judicious use of scarce resources, while taking advantage of the 'second mover' position, appears to be more appropriate for poorer destinations (Ritchie 2004 in. Zhao, Ritchie 2007, p.15).

Well-established competitive strategies for poor areas also include the promotion of forms of CR that are largely based on accessible and specific local resources. These include, for example, cultural tourism, agro-tourism or rural tourism. Based on local characteristics, these forms of CR are usually a major attraction for foreign tourists and can be implemented without large investments and extensive building.

Following this strategy, it is appropriate to focus on those markets and tourists who are non-institutional (Cohen 1972) or allocentric (Plog 1973). That is, those who are interested in the authenticity of the local environment and have little interest in the physical built environment.

Destination development as a cluster of attractions and targeted tourist route design are two other approaches supporting PPT that follow similar principles, i.e. they focus on enhancing the competitiveness of a destination through building and developing partnerships. Other related research has shown that for building competitiveness of destinations with limited resources, it is both more practical and more promising to focus on implementing strategies at a smaller geographic scale i.e. within reachable (local/regional) markets rather than at a national, continental or global level (Zhao, Ritchie 2007, P.16; Derco, Pavlisinova 2016).

## **Possible PPT development strategies**

The case studies described so far show that to achieve and then increase the benefits of the poor through pro-poor tourism, a wide range of activities need to be planned. In addition to the key activities related to destination development and creating employment opportunities for members of poor communities, efforts need to be devoted to marketing activities, building linkages with the private sector, respecting laws and regulations, ensuring participation in decision-making, and so on. PPT strategies thus integrate a range of activities across different levels (from the micro to the macro level) and develop cooperation between different stakeholders. According to Ashley et al. (2001, p. viii), we can divide PPT strategies into three groups (Table 1):

- (a) strategies aimed at economic benefits for the poor
- (b) strategies aimed at non-economic benefits (raising living standards)
- (c) and strategies oriented towards reform of policies and processes.



**Table 1: Strategies applied in the development of pro-poor tourism**

<i>a) Economic benefits</i>	<i>b) Non-economic benefits</i>	<i>c) Stimulating participation and promoting partnerships</i>
Increase local employment	Providing training	Building a more supportive environment, setting support policies
Increase local business opportunities	Improving local infrastructure and access to services	Stimulating participation of the poor in decision-making
Creating collective income sources (fees, share income, etc.)	Empowering the poor	Involving the private sector in PPT projects
	Addressing the social, cultural and environmental impacts of tourism	Increasing information flow, improving communication

Source: Ashley et al. 2001, p. viii

a) The main objective of PPT strategies focused on economic benefits is to ensure that tourism brings economic benefits to the poor. To achieve this, three key objectives have been identified:

- Expansion of business opportunities;
- development of new employment opportunities for the poor
- and the enhancement of collective benefits through collective community income (Roe, Ugruhart 2001, p.5).

As stated by Ashley et al. (2000, p.4), tourism can generate four different types of income in terms of economic impacts:

- Wages from employers;
- Income from the sale of goods, services or casual labour (e.g. sale of food, handicrafts, building materials, provision of guiding services);
- Income from

the sale of goods, services or casual labour (e.g. sale of food, handicrafts, building materials, provision of guiding services);

- dividends and profits arising from the ownership of local enterprises;
- collective income, i.e. e.g. profits from collectively managed enterprises, dividends from private sector partnerships or land leases, etc.

Under the above strategies, several approaches can be implemented to improve the socio-economic conditions of the selected community and meet their basic needs. WTO (2006, pp.2-5), based on the case studies collected, identifies seven main approaches that help to maximize the gains from pro-poor tourism:

1. Employment of the poor in local tourism activities - positions that do not require high skills (menial jobs, cleaning, service, etc.)
2. Involvement of the poor or enterprises employing the poor in local tourism supply chains - use of local resources, preference for local supply chains
3. Direct sales of goods and services by the poor to tourists - the first stage in the development of fair trade practices
4. Establishment and management of tourism enterprises by the poor (e.g. micro, small and medium enterprises) or community-based/run enterprises (formal economy) - in many cases these are also family or community-based (owned by associations, cooperatives or shareholding companies) enterprises. The success of this approach is influenced by a number of factors. Many cases point to the importance of creating an enabling business environment and an appropriate policy environment that will support and incentivise the poor to take the initiative to set up such enterprises. For example, various training programmes, fiscal assistance, public and private subsidies, micro-credits, infrastructure building, purchase of materials, marketing assistance, support for activities, etc. can all be supportive.
5. Taxes and excises on tourism revenues/profits as another way of transferring benefits to the poor - supportive fiscal mechanisms (tax reduction or exemption for those businesses that are run by marginalised communities, use of public infrastructure and public services free of charge,

or agreement with local governments to implement community projects. The funds raised are then invested in improving and developing the environment of the poor, building roads, sanitation measures, measures to improve the health of the poor, building schools and so on.

6. Voluntary contributions/donations flowing in from tourists and businesses in the tourism industry - support to poor families or communities to improve their lives, renovate schools, provide housing for teachers, build or renovate infrastructure, provide free training to community members, etc.

7. investment in the infrastructure needed for the development of tourism activities that also benefit the local poor - improvements may include agricultural irrigation systems, libraries, soft environmental technology innovations (solar energy), recreational and sports facilities, etc.

(b) The second group of PPT strategies, i.e. strategies addressing non-economic impacts on the development of the living standards of the poor, focus on environmental and ethical issues. Emphasis is placed on providing training, improving local infrastructure, access to services as well as empowering the poor in general. Issues of the social, cultural and environmental impacts of CR are also a focus, and a range of donor or volunteer activities are used to achieve these goals (Roe and Urguhart 2001, p. 5; Ashley et al, 2000, p. 11).

(c) The third and final group of PPT strategies focusing on policy and planning reform includes building a more enabling environment, setting supportive policies, encouraging participation, involving the private sector in PPT projects, or increasing the flow of information and streamlining communication.

Pro-poor cooperation and interventions should be implemented at the destination level as well as at the level of regional and national policies (Roe, Urguhart 2001, p. 5; Ashley et al 2000, p. 11). In general, generating potential gains for local communities from CR, requires reorienting CR

development to benefit the interests and needs of local stakeholders, especially the poor (Foster 2004 in. Mensah, Amuquandoh 2010, p.79). To respond to the challenges posed by PPT and to talk about a successful PPT project, local authorities are expected to adopt planning practices and processes in CR that will promote sustainable and pro-poor (pro-poor) tourism. Strategies must be tailored to local conditions, the target market and the interests of the poor, stakeholder engagement must be based on the recognition of the poor as equal units, and the development of the PPT destination must be linked to traditional CR products. Consequently, the impact of tourism needs to be monitored and evaluated in order to guide the process of further policy making and planning (PPT Partnership 2005 in. UN 2005, p.18).

## Conclusion

The pro-poor tourism development strategy is perceived very positively, especially by public and private sector institutions. However, the potential of the pro-poor approach for poverty alleviation is perceived ambivalently in academic circles. On the one hand, its benefits are described, but on the other hand it also faces criticism. In particular, opponents of liberal development theories, influenced by dependency theory and political economy, question the ability to transfer benefits (Telfer and Sharply 2002, p. 41) from the development of a tourist destination down to the lowest hierarchical level in the social ladder of the area of interest. Britton (1982, p. 332) even argues that tourism development, on the contrary, exacerbates disparities. This view corresponds with the warnings of Jafari's so-called "cautionary platform" (2001, p. 30) against is uncontrolled massive development, which in turn leads to environmental problems, environmental degradation, but also disruption or undesirable social changes, modification or even decline of traditional cultures, and so on.

On the other hand, proponents of PPT point to the positives of PPT development, which in turn can stimulate declining communities to revive or maintain traditions, local or regional specificities that ultimately serve as a differentiating basis for a tourist destination's brand. There is also the potential for strengthening the environmental awareness of place-poor communities and stimulating conservation activities of unique natural resources, which will become a source of benefits as tourism activities develop.

## **Acknowledgement:**

The article was made possible thanks to the support of the projects KEGA No.046PU-4/2015: "Diversification and strengthening of the interdisciplinary and applied character of geographic education - publication of the textbook Destination marketing for geographers" and VEGA No. 1/0165/15: "Pro-poor tourism as a tool for sustainable development of marginalised communities and settlements in Eastern Slovakia".

## **References**

- [1] ASHLEY, C. - BOYD, CH - GOODWIN, H., (2000): Pro-poor tourism: putting poverty at the heart of the Tourism agenda. In. Natural resource perspective.. Number 51, March 2000 Overseas Development Institute. London. ISSN: 1356-9228. [online] [cit. 2012-20-2]. Dostupné z: [www.odi.org.uk/resources/download/2096.pdf](http://www.odi.org.uk/resources/download/2096.pdf)
- [2] ASHLEY, C., ROE, D., GOODWIN, H. (2001): Pro-poor tourism strategies: making tourism work for the poor a review of experience. Overseas Development Institute. Pro-poor tourism report. No 1. April. 2001.. The Russell Press, Nottingham. ISBN 0

- 85003 522 [online] [cit. 2012- 20- 2]. Dostupné na: [www.odi.org.uk/sites/odi.org.uk/files/odi-assets/publications-opinion-files/3246.pdf](http://www.odi.org.uk/sites/odi.org.uk/files/odi-assets/publications-opinion-files/3246.pdf)
- [3] ASHLEY, C., ROE, D. 2003. Working with the private sector on pro-poor tourism: Opinions and experience from two development practitioners. Pro-Poor Tourism Working Paper. London: Overseas Development Institute. Pp.18. [online] [cit. 2013- 15- 5]. Dostupné z: [www.propoortourism.info/documents/WorkingwithPrivatesector2002.pdf](http://www.propoortourism.info/documents/WorkingwithPrivatesector2002.pdf)
- [4] ASHLEY, C., HAYSOM, G. 2006. From philanthropy to a different way of doing business: strategies and challenges in integrating pro-poor approaches into tourism business. In. Development Southern Africa Vol. 23, No. 2, June
- [5] COHEN, E. 1972. Towards a sociology of international tourism. Social Research, 39(1), 164-182.
- [6] DE KADT, E., (Eds.) 1979. Tourism - passport to development? : perspectives on the social and cultural effects of tourism in developing countries World Bank. Unesco.Oxford University Press.1979. ISBN: 9780195201505. s. 360.
- [7] DERCO, J., PAVLISINOVA, D. (2016), Research note: Financial position of medical spas – the case of Slovakia, Tourism Economics, in press. DOI: <http://dx.doi.org/10.5367/te.2016.0553>
- [8] MENSAH, E., AMUQUANDO, F. 2010. Poverty Reduction Through Tourism: Residents' Perspectives. Journal of Travel and Tourism Research, Spring/ Fall 2010. pp.77-96. [online] [cit. 2012- 20- 5]. Dostupné z: [www.site.adu.edu.tr/jttr/webfolders/topics/JTTR-2010\\_5\\_.pdf](http://www.site.adu.edu.tr/jttr/webfolders/topics/JTTR-2010_5_.pdf)

- [9] CHOCK, T. M., FOX, J. R., ANGELINI, J. R., LEE, S., AND LANG, A. (2007). Telling me quickly: How arousing fast-paced PSAs decrease self-other differences. *Communication Research*, 34(6), 618-636.
- [10] ID21 INSIGHTS (2006). Communicating international development research: How pro-poor is tourism? id21 insights č.62, jun 2006. [online] [cit. 2012- 20- 2]. Dostupné na: <http://www.dfid.gov.uk/r4d/PDF/Outputs/IDS/insights62.pdf>
- [11] JAMIESON, W., GOODWIN, H., EDMUNDS, CH. 2004. Contribution of tourism to poverty alleviation. Pro-poor tourism and the challenge of measuring Impacts. Transport and Tourism Division. UN ESCAP. 2004. [online] [citované: 2012- 20- 2]. Dostupné z: [haroldgoodwin.info/resources/povertyalleviation.pdf](http://haroldgoodwin.info/resources/povertyalleviation.pdf).
- [12] JAFARI, J. 2001. The scientification of Tourism, in. Smith, V., Brent, M., (eds) Host and Guest revisited: Tourism issues of 21. Century, Cognizant Communication, New York. 2001. ISBN 1-882345-29-0. Pp.28 – 41.
- [13] MATLOVIČOVÁ K., KOLESÁROVÁ J., MATLOVIČ R. (2016): PRO-POOR turizmus ako nástroj rozvoja marginalizovaných komún (príklad obce Spišský Hrhov). pp.: 199-228 in Michálek A., Podolák P. (2016): Regióny chudoby na Slovensku, Geografický ústav SAV, ISBN: 978-80-89580-12-5, 241 s.
- [14] PLOG, S. 1973. Why Destinations Rise and Fall in Popularity. *Cornell Hotel and Restaurant Administration Quarterly* 14(4):13-16.
- [15] PPT PARTNERSHIP 2005. Key Principles and Strategies of Pro-poor Tourism. London: Pro-poor Tourism Partnersjip 2005.

- [16]ROE, D., URGUHART,P. 2001: Pro-Poor Tourism: Harnessing the World's Largest Industry for the World's poor, IIED, World Summit on Sustainable Development (Johannesburg 2002). [online] [cit. 2012-20-2]. Dostupné z: [www.eldis.org/vfile/upload/1/document/0708/DOC10076.pdf](http://www.eldis.org/vfile/upload/1/document/0708/DOC10076.pdf)
- [17]TELFER, D., SHARPLEY, R., 2002. Tourism and Development: Concepts and issues, Aspects of Tourism 5, Channel view publications, Clevedon. 2004, ISBN 1-873150-34-2. s. 395.
- [18]UNWTO. 2004. Tourism and Poverty Alleviation: Recommendations for Action. UNWTO. Madrid. 2004. ISBN 92-844-0701X. s. 49.
- [19]WTO. 2006. Poverty alleviation through tourism – A compilation of good practices. World tourism organisation. Madrid. 2006. ISBN-13: 978-92-844-0920-4. s. 142.
- [20]ZHAO W, RITCHIE J.R.B (2007). Tourism and Poverty Alleviation: An Integrative Research Framework. *Curr. Iss. Tourism*, 10(2): 119-143