Chapter 54
Digitalization as Part of Tourism Brand Development:
A Case Study on Two Christmas Destinations

Petra Merenheimo
University of Lapland, Finland

Rauno Rusko
University of Lapland, Finland

ABSTRACT

Gradually, digitalization and the Web have become an important part of tourism products. This development has been unnoticeable, but undeniable. Active customers are, via the Web, co-creating and participating in the product development of tourism destinations, especially in the form of brand development. In fact, it is possible to attribute the current development of new tourism destinations to peer production or "crowdsourcing." This study focuses on the role Web-based platforms play in destination brand development, using the examples of two seemingly nearly similar Christmas tourism destinations as case studies: Santa Claus, Indiana, and Santa Claus Village, Rovaniemi. The study highlights the contribution this kind of customer-oriented digitalization makes to creating a competitive advantage, even a sustainable one, for tourism products with theoretical connections to a resource-based view (RBV). In digitalization, the role of the consumer as a "prosumer," and potentially as a part of an organization's resources in a sense of RBV, is a fresh and challenging perspective that this study will introduce.

INTRODUCTION

In recent decades, the Internet and Web-based platforms have revolutionized everyday business transactions. Indeed, digitalization has affected every aspect of operating a business in the overall consumer sector, from production to procurement, to marketing, sales, and customer relations. In the tourism sector, digitalization has markedly changed sales and reservation systems, marketing, branding, and the

role of consumers themselves (Palmer, 2004). Tourists' attitudes and experiences have become more important than ever because of the new, open communications channels, such as blogs, chat and other social media platforms. Concerning the tourism sector itself, scholars have highlight not only the positive effects of digitalization, such as declining operating costs that enhance growth even in the periphery, but its negative effects, such as increasing competition due to the declining costs of entering the market (e.g., Andreu et al., 2010; Kamuzora, 2005; Law et al., 2010). On one hand, social media is said to improve relationships between businesses and their customers (*Tourism economics*, 2013, p. 51). Piller et al. (2012), however, emphasize that social media contains "bad mouth" traps that can lead to negative effects on a business's reputation. This all begs the interesting question of whether digitalization can indeed contribute to a sustainable, competitive business advantage, and if so, how?

This study emphasizes the role of digitalization plays in the creation of tourism-sector products, which are strongly built around experiences; within a tourism product, that is, experiences are the *output* of the total service, especially in the case of tourism destinations (Rusko, Kylänen & Saari, 2009, emphasis ours). The contemporary age of digitalization and a "Facebook society" (Dalsgaard, 2008; Büscher & Igoe, 2013) provides several channels over which customers can *share* their experiences of products and services with others. Digitally shared experiences have important effects on the known image and brand of the destination (Budeanu, 2013), as well as on product design and product development (Battarbee & Koskinen, 2005; Kozinets, Hemetsberger & Schau, 2008). The brand is an essential part of every marketing and business model (Moore & Birtwistle, 2004) having an effect on a business's turnover and profitability. In this sense, brand development and product development become associated with each other in literature on management (e.g., See: Ambler & Styles, 1997).

The present study's authors concur with scholars who emphasize brand development as a part of everyday activity, rather than merely as a facet of advertising or marketing efforts (e.g., Birkstedt, 2012; Bogoviyev, 2009; Närvänen, 2013). Indeed, in a sense, branding is integral to product development. This study will, therefore, not only discuss the Web-facing appearance and community discussions of the selected destinations and their related products but, also, highlight concrete improvement and re-creation suggestions for the products as part of continual (or, in fact, continuous) destination brand development. Moreover, the important role of customer experience in tourism products makes this an interesting context for studying digitalization as a resource; additionally, too, this area of study is interesting in that destination brand ownership is distributed among many interests and so differs from brands owned wholly by individual companies. Destinations, consequently, offer a fresh perspective on the study of digitalization as a resource within co-creative brand development; that is, active customers participate the digitalization of the destination and its brand, and simultaneously, they co-create value.

Furthermore, this article will examine how digitalization-based product development can contribute to sustainable competitive advantages in terms of a resource based view (RBV). It will follow the findings of Rusko, Merenheimo & Haanpää (2013), which identified features of sustainable competitive advantage related to Christmas and Santa Claus as tourism products. That study also noted how two tourism destinations, Santa Claus, Indiana, and Santa Claus Village in Rovaniemi, are exceptional among various destinations worldwide in their utilization of Christmas and Santa Claus as resources to gain competitive advantages (Rusko et al., 2013). Both destinations market themselves as the Santa Claus's hometown. The present paper therefore explores their use and development of Santa Claus, a fictive legend and shared brand for all competing firms in the destination.

The present article starts, then, by reviewing the presently available literature on digitalization, product development, and sustainable competitive advantage and by emphasizing the role consumers

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