

ABSTRACT

Destination marketing in the United Kingdom and organizational ambidexterity: exploitative dilemmas and explorative prospects?

Significant change is currently taking place in the governance of place and destination marketing organizations in England. A destination marketing organization (DMO) is defined by Pike (2008, p. 31) as ‘The organization responsible for the marketing of an identifiable destination’. The term ‘destination marketing’ generally refers to marketing related to tourism development whilst the term ‘place marketing’ has a similar meaning save that it tends to refer to marketing activity designed to attract inward investment and skilled and talented residents as well as tourists (Quinn, 2013). As such, the practice of place marketing tends to have a wider brief than that of destination marketing.

The changes underway in place marketing organizations in the United Kingdom reflect international trends but they are primarily the result of continuing austerity measures and government policy. The central proposition underpinning the government policy is the desire to reduce public sector funding of destination marketing dramatically (Government Tourism Policy, 2011). The expectation is that the private sector will fill the resulting funding gap. However, the extent to which the private sector is willing or is able to fill this gap is open to conjecture. If the destination marketing organizations are unable to adapt sufficiently to these changed circumstances they may face an existential threat if, and when, their core funding disappears. A 2011 survey of a network of European DMOs known as *European Cities Marketing* found that the majority were public private partnerships with an average reliance on public sector funding of 48% (Heeley, 2015). If they are to continue as ‘going concerns’ such organizations have to adapt their working practices and attract new funding streams or they may cease to exist.

Organizational ambidexterity is a term that can readily be used to characterise and analyse the situation confronting DMOs. Organizational ambidexterity is the ability of an organization to be both exploitative and explorative in the way that it operates. The exploitative element involves a focus on, *inter alia*: existing customers and markets whereas the explorative element requires a focus on new markets and new methods (O’Reilly and Tushman, 2013, Smith, 2016). Exploitative resources are largely extant whilst exploratory resources are generally evolving and are representative of new opportunities (Stokes et al, 2015). Junni et al (2013) observe that

the management of innovation may have particular resonance in organizations that largely draw upon intangible assets and knowledge to make themselves marketable and this is particularly the case with DMOs. The need to be organizationally ambidextrous and strategically agile in order to ensure survival exemplifies the challenge currently confronting DMOs in England. Chief executives with organizational ambidexterous skills of a high order are required to lead DMOs through the current financial maelstrom. This will necessitate the well-developed leadership skills that are required to effect transformative change as well as a willingness to embrace change throughout the organization. As exploitative and exploratory operations compete for the same resources (Junni et al, 2013), DMO leadership that is wedded to previous operating regimes may lack the flexibility to adapt to the new order. On the other hand, too much of a focus on exploratory operations may alienate existing partnership organizations such as local authorities. Achieving optimum organizational performance will require a balanced approach that involves the capacity to look both backwards and forwards or, in other words, to have a something of Janus perspective (O'Reilly and Tushman, 2004). The theoretical concept of organizational ambidexterity has been applied to a number of different industries and contexts but it has yet to be applied to DMOs. It is therefore hoped that the current research will make a valuable contribution to this growing field of academic enquiry.

Methodologically, the study employs an overall interpretive framework (Denzin & Lincoln, 2011). Fifteen semi-structured interviews have been conducted to date with senior figures in England's destination context including nine DMO senior executives and two DMO board members. The sample has involved a combination of purposive and snowball approaches. The reliability, validity and generalizability of the findings will be assured through thematic analysis (King, 2004). A range of issues and themes have so far been identified in relation to the challenges and manners in which DMOs and the senior figures leading them have variously engaged (or not) in organizational ambidexterous behaviours and postures. The research has already identified a number of managerial implications that need to be taken forward if DMOs are to evolve and be sustained.

It is hoped that this research will contribute a deeper knowledge and understanding of the challenges currently faced by DMOs in England and elsewhere and will provide a theoretical basis for improving the effectiveness and efficiency of the change management processes that are required to confidently face the future.

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