

"PERU'S BRAND REPOSITIONING AS TOURIST DESTINATION: ELSEWHERE
THAN MACHU PICCHU"

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"PERU'S BRAND REPOSITIONING AS TOURIST DESTINATION: ELSEWHERE THAN MACHU PICCHU"

Abstract

Peru only has a recognizably single destination able to attract by itself tourists from all over the world: the Historical Sanctuary of Machu Picchu (SHMP). However, Peru has been benefited from having such a diversity of cultural and natural resources capable of attracting a great number of foreign visitors as well. The concern about this research –in execution process yet- is to verify whether all of Peru's tourist destinations can be represented by the slogan: "Peru, the Inca's Land". Verifying whether the only ready tourist products are Cusco, and Machu Picchu. And, otherwise a tourist brand could help to position other Peru's tourist destinations in order to diversify its tourist offer.

Partially concluding, in Peru, apart from the tourism sector, it has not been developed a Country-Brand strategy yet. It is held a "non-inclusive" slogan which partially recalls of Peru's historical legacy and doubts its whole national offer representation, for instance, the Amazon jungle, the northern beaches, or the White Mountain Range. However, "Peru" Tourist Brand is an "inclusive" brand that denotes its tourist resource multi-variety, and is designed to rank Peru as a "cultural landscape", elsewhere apart from Machu Picchu.

Introduction

Peru only has a recognizably single destination able to attract by itself tourists from all over the world: the Historical Sanctuary of Machu Picchu (SHMP). As to be the World's Cultural Heritage, the SHMP is the Inca Culture's most representative archaeological and cultural destination and from South America. It is reached by nearly 60% of tourists coming to Peru, using Lima, the capital city, just as a traffic area.

This massive tourist flow contradictorily causes a problem: the destination is yet saturated with 600,000 visitors a year, the Inca Trails are eroded, and therefore, the UNESCO was about to declare endangered the SHMP, the World's Cultural Heritage (Regalado-Pezúa & Arias-Valencia, 2006). The fact is that Peru's Promoting Committee' (PromPerú) single-minded campaign insists on its communication strategy based on the Inca's Land instead of diversifying the country's tourist offer, as it will be proved in the ongoing paper.

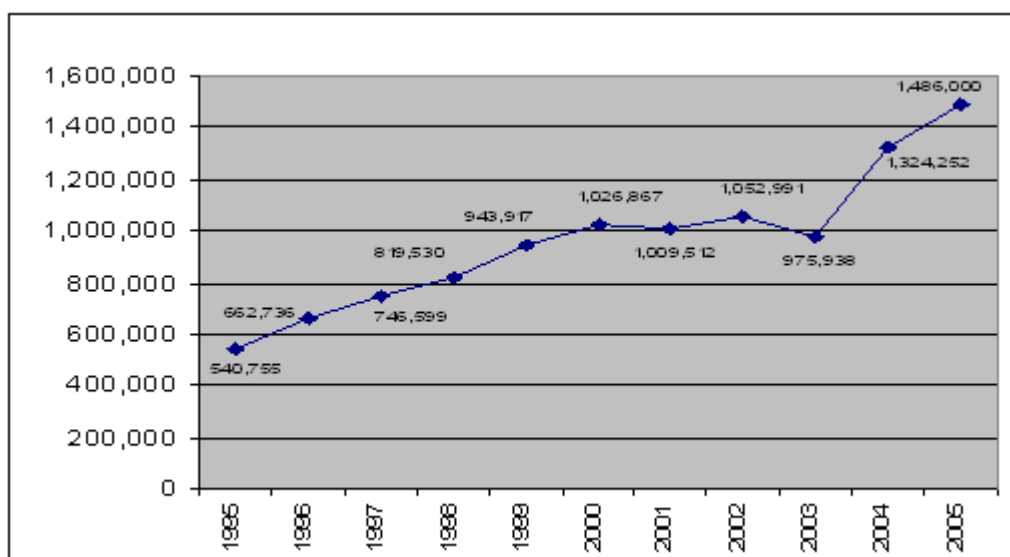
As expected, other tourist destinations in the country are waiting for their opportunities. This regional concern has created diverse research inquiries: Can all of the country's tourist destinations be represented by the slogan "Peru, the Inca's Land"? Is Peru only willing to offer Cusco and Machu Picchu as tourist destinations? Would a country-brand help to position other Peru's tourist destinations diversifying its offer?

To respond to these inquiries, the research is composed of four parts: the first one introduces the Peruvian tourist system figures; the second one introduces PromPerú's commercial strategy; the third one focuses on the theoretical framework and research methodology; and finally, the last one introduces the partial findings of the research

1. Peru's Tourist System Figures

In order to make a repositioning strategy proposal, it is necessary to know the most remarkable figures within the Peruvian tourist system. To do so, Peru's tourist demand figures are introduced as well as those of the offer. These figures are evidently showing the receptive tourism concentration in Cusco and the Historical Sanctuary of Machu Picchu.

As shown in chart N°1, during the year 2005 Peru welcomed 1'486,000 visitors reaching a growth of 12,24% in relation to the foregoing year. And under a sustaining growth during the last ten years (an exception occurred in 2003). Despite the fact that these figures are encouraging, not all of the people registered by the Migration and Naturalization General Division (Digemin) are tourists, but visitors.



Source: Ministry of Internal Affairs - Digemin
Own elaboration.

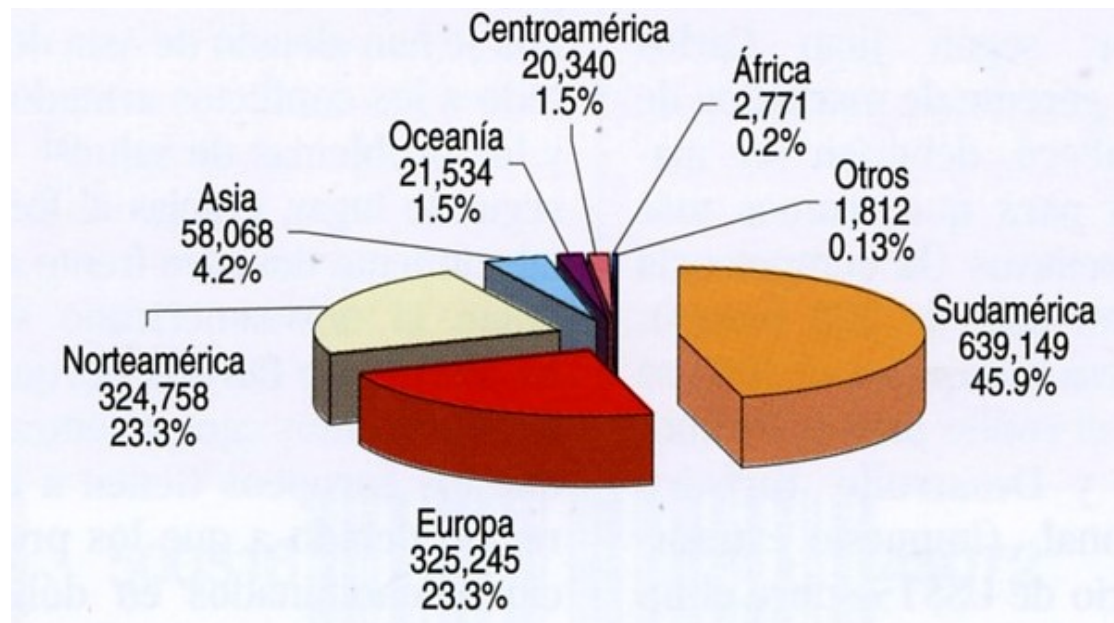
Chart N°1. - Receiving Tourism Flow (1995-2005)

The most important departing markets to Peru come from the South American region itself (45,9%), however, the ample majority of visitors are Chilean citizens who visit the country on business trips. They are businessmen who are not to carry out tourist activities, and they normally spend only one night. The remaining tourists mainly come from the bordering countries, and they get into the country through the boundaries, the Ecuadorian citizens through Tumbes, the Bolivians through Puno, and the Chileans (who are not businessmen) through Tacna, consecutively.

Another important flow of tourists, approximately 23.3%, comes from North America (United States and Canada).

Finally, the third flow comes from Europe (23.3%). Among the European tourists, the most important ones are the German citizens, Englishmen, French, and the Spaniards have recently been increasing their flow.

A tourist flow summary based on geographical origins is presented in Chart N°2.



Source: Migration and Naturalization General Division (Digemin)

Elaboration: APOYO Publicaciones

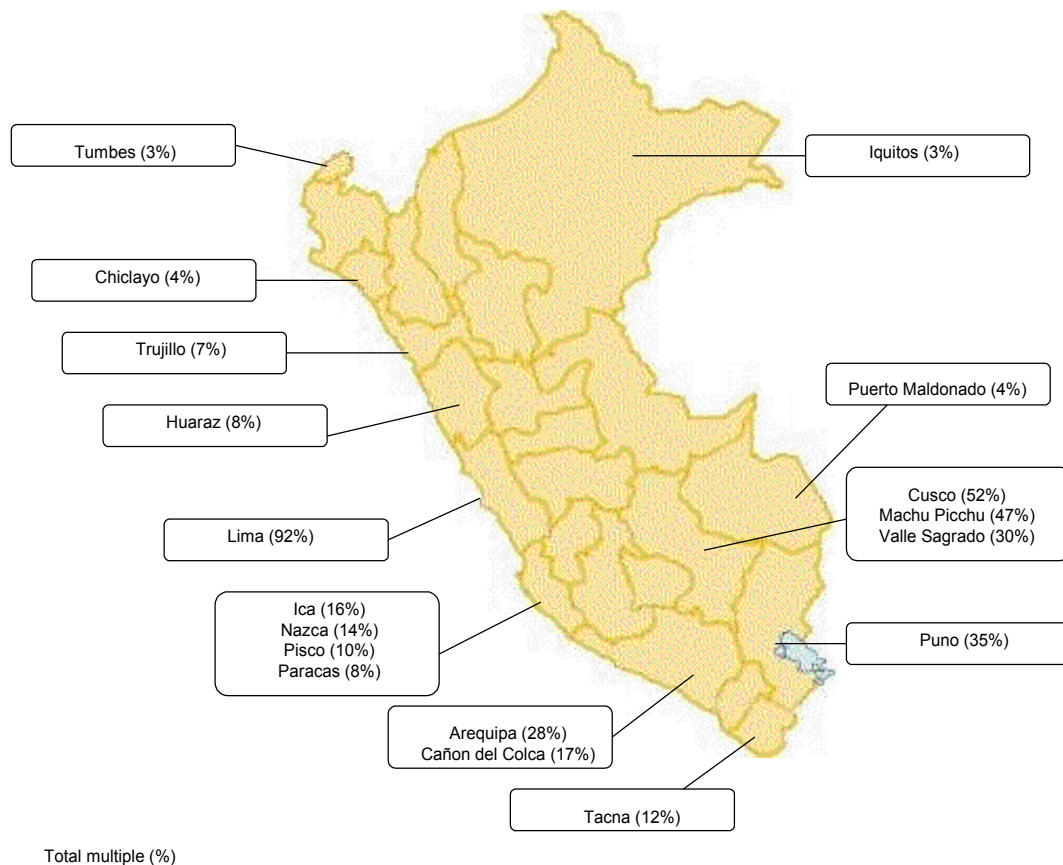
Chart N°2. - Main departing regions during 2005

In relation to the offer, it is doubtless that Peru, the Inca Empire's foundation, has a cultural and archaeological legacy that attracts, year after year, more and more tourists. However, Peru is also benefited from a diversity of natural attractions and living cultures, currently very appreciated by the tourists that are not benefited from appropriate communication strategies.

It results in the fact that more than 50% of the receiving tourism is to visit Cusco and Machu Picchu, and that other archaeological destinations as well do not receive the enough flow of tourists to surpass the two percentage digits.

An example is Peru's Northeastern Tourist Circuit that consists of La Libertad, Lambayeque, Cajamarca, and Amazonas regions, which only receives currently 7% of tourists in spite of the communication efforts undertaken to position its tourist offer, as shown in Chart N°3.

Lima is a traffic area, as Leiper would define it in its tourist system model, to benefit from the single international airport that bears with intra and intercontinental flights (Regalado-Pezúa & Arias-Valencia, 2006).



Source: PromPerú (2004, p.9) “Perfil del Turista Extranjero 2003”.

Chart N°3. - Main destinations visited in Peru

2. PromPerú’s Commercial Strategy

Peru’s Promoting Committee is the State Office in charge of promoting and circulating Peru’s attractions in the main departing markets identified by them themselves. They currently rely on a tourist promoting fund as a result of a US\$15-tax that charges the international plane tickets purchase. Its main goals are:

- Positioning Peru as the most attractive tourist destination in Latin America
- Increasing receptive and internal tourism flow.
- Promoting tourist offer diversification and decentralization to positively impact on the local economies
- Setting effective communication channels to promote investments
- Developing an appropriate tourist assistance and information system

PromPerú’s segmentation strategy proposal is based on the consumer tourists’ nationality. Thus, the priority markets represent the countries that hold a sustainable, departing tourist flow to Peru, and the potential markets are those under exploration, which due to the departing tourist flow can be interested in Peru as destination.

In brief, the objective public is from the following departing markets:

- High-priority markets
 - North America: The United States and Canada
 - Europe: England, Germany, France, Spain, Italy
 - South America: Chile, Brazil
- Potential markets (under exploration)
 - Europe: Holland, Belgium
 - South America: Colombia, Ecuador, Argentina
 - Asia: China

PromPerú has designed its positioning strategy based on the combination of three experiences: Archeological/cultural monuments, surrounded by natural habitats, enriched by early civilizations' cultural inheritance keeping on yet their ancestral customs.

The assumption foundations are based on:

- Outstanding historical vestiges: pre-Inca, Inca, colonial
- Impressive natural habitats: huge biodiversity, great variety of ecosystems
- A living ancestral culture: Architecture, languages, rituals and feasts, folklore (music and dances, cuisine, customs)

As an analysis result, PromPerú deduces three characteristics: Historical/cultural, living cultures, and biodiversity.

Thus, PromPerú leads its marketing strategies to the segment:

- From 25 year-old adults to-up who belong to an average and high socioeconomic stratum, with a highly educational level
- Concentrated on big cities
- Those looking forward to knowing and experiencing authentically and historically outstanding facts.

The communication means utilized are the usual ones in the tourist industry; however, the major critic is relating to being massive communication means, as if Peru were a massively tourist destination.

3. Conceptual Framework and Research Methodology

The conceptual framework of this research is linked to the tourist brand concept. According to Obiol Menero (2002), tourist brands are aimed at "capitalizing a differentiated product and an image concept that responds to values and desires of a market sector". A brand should bear the destination-product-tourist service, and most importantly, to market it. A strong and competitive tourist product -Obiol Menero (2002) states- is supported by a symbol that identifies and communicates it, and that comprises the destination qualities. As such it is Cusco, Machu Picchu, and Peru's

Southern Tourist Circuit (CTS) cases that can be benefited from the “Peru’s, the Inca’s Land” Brand (Regalado-Pezúa, 2006).

On the other hand, Obiol Menero (2002) states that a tourist resource can exist with no tourist brand, but it will be difficult to build a homologating tourist product up. As such it is Peru’s Northeastern Tourist Circuit (CTN) case that is aimed at positioning itself in alternative sectors by offering tourist destinations not directly linked to the Inca’s Culture (Regalado-Pezúa, 2006).

According to Obiol Menero (2002), the brands themselves should be tourist synergy promoting means, and favorable attitude sources to the trip. In addition, they should be built as “observatories” and displays where demand and competition are focused on and where the hosting tourist industry basic profiles are reflected in.

Thus, the necessity that be created a tourist brand that covers as an "umbrella" all Peru’s tourist destinations is verified as well as that the communication is not to be slanted, and only benefiting to the destinations linked to the Inca’s Culture. In agreement with Mundet (1996, cited by Obiol Menero, 2002), a tourist brand basic goal is aimed at positioning -as clearly as possible- a tourist territorial environment and communicating the destination strength resources that normally concur with basic territorial resources.

Research Methodology

The concern about this research –in execution process yet- is to verify whether all of Peru’s tourist destinations can be represented by the slogan: “Peru, the Inca’s Land”. Verifying whether the only ready tourist products are Cusco, and Machu Picchu. And, otherwise, as stated by Obiol Menero, a tourist brand could help to position other Peru’s tourist destinations in order to diversify its tourist offer.

Profound semi-directed interviews to 26 tourism experts were executed in order to solve the research inquiries; the content analysis of these interviews is still in process, however, it is possible to introduce some conclusions beforehand.

4. Preliminary Conclusions

Despite the fact that there is a growing tendency to search for culture and nature destinations, not all of the Peruvian tourist system sectors agree with PromPerú’s positioning search, because they consider that each one of the regions can attract itself a great number of visitors. These sectors blame the lack of tourist infrastructure, the little affluence of tourists, the difficulty accessing the tourist destinations, the relating services precariousness, and, finally, the lack of their main leaders' support.

Peru has not designed a Country-Brand strategy yet, whereas it has been executed by other countries in Latin America. Colombia’s case is the most relevant since violence and insecurity had prevented the opportunities from foreign investment. Additionally, the communication campaigns, taken as a whole, should be consistent with the products they offer, as it is, for instance, Ecuador’s situation, which with its slogan "Ecuador: pure state life" leads its offer to nature products.

On the other hand, it is known that most of Latin American Country-Brands recall of subjective concepts relating to emotions and feelings, for instance, friendship in Costa Rica, shock in Chile, sensation in Brazil, or passion in Colombia (Regalado-Pezúa, 2006).

Mexico's example is a special case, which possessing such a great cultural historical legacy as that of Peru, it does not limit its Country-Brand to the Aztec Culture, otherwise, it proposes a positioning strategy to spread out its offer during the entire year and throughout its geographic territory.

In conclusion, in Peru, apart from the tourism sector, it has not been developed a Country-Brand strategy yet. It is held a "non-inclusive" slogan which partially recalls of Peru's historical legacy and doubts its whole national offer representation, for instance, the Amazon jungle, the northern beaches, or the White Mountain Range. However, "Peru" Tourist Brand is an "inclusive" brand that denotes its tourist resource multi-variety, and is designed to rank Peru as a "cultural landscape" as noticed from the logo analysis in Chart N°4.



Source: Barbieri, B. (2003, tomado de Regalado-Pezúa, 2006)

Chart N°4. – "Perú" Brand

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