COURSE N.2: Destination Management
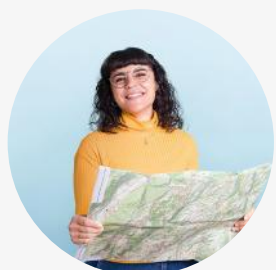
Module N.1: Destination Management Structure And Responsibilities

Destination Management overview: roles, functions and future directions

Alessia, Fiorentino – Etifor | Valuing Nature

About the Speaker

Started as a linguist, ended up in tourism studies. Curiously hopping from one destination to another, to guide governance and management processes. Enthusiastic about regenerative approaches to tourism.

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Agenda

- What is a destination?

- What does a destination do?

- How does it work?

- Success factors

- Stakeholder engagement in tourism

- Where next? The changing role of DMOs

Source: own picture

Starting from scratch: what is a destination?

"A tourism destination is a physical space <u>with or without administrative and/or analytical boundaries</u> in which a visitor can spend **an overnight**. It is **the cluster** (co-location) **of products and services**, and of activities and experiences along the tourism value chain and a basic unit of analysis of tourism. A destination incorporates **various stakeholders** and can network to form larger destinations. It is also intangible with its **image and identity** which may influence its market competitiveness."

Source: <u>UN Tourism</u>

Starting from scratch: what is a destination?

A destination is an objective place of travel, which the tourist wishes to visit because of the natural or man-made attractions it offers.

- Destinations tend to **'self-recognise' themselves**
- Recognition of the area as a destination **by users**
- The destination must be **organised**

Source: own picture

Why managing a destination in the first place?

1. Improve tourism yield
2. Protect communities and provide viable livelihoods
3. To reduce seasonality
4. To spread the benefits of tourism more widely
5. To increase awareness and enhance the image of the destination
6. **To ensure long-term sustainability**
7. To protect cultural or natural assets that are at risk of damage from tourism

Management = **control vs. adaptation** in a VUCA* world

(*) Volatile Uncertain Complex Ambiguous

Source: Destination Management Handbook, World Bank Group

An official definition of DMO

"A destination **management/marketing** organization (DMO) is the leading organizational entity which may encompass the various authorities, stakeholders and professionals and **facilitates tourism sector partnerships towards a collective destination vision**. The governance structures of DMOs vary from a single public authority to a public/ private partnership model with the key role of initiating, coordinating and managing certain activities such as **implementation of tourism policies**, **strategic planning**, **product development**, **promotion and marketing** and **convention bureau** activities.

The functions of the DMOs may vary from **national to regional and local levels** depending on the current and potential needs as well as on the decentralization level of public administration. Not every tourism destination has a DMO."

Source: UN Tourism

DMO's roles and responsibilities (1)

- Create a space for dialogue, enable **coordination** and to collaborate for use of limited funding

- Enable **different stakeholders** to contribute to a larger function

- Facilitate **destination strategy** and planning processes to manage and develop tourism

- Destination **marketing** and market research

- Provide **cohesive communication** to travelers

- Gather statistics, **monitor and evaluate**

Source: Destination Management Handbook, World Bank Group

DMO's roles and responsibilities (2)

- **Assisting tourism operators** – in particular smaller businesses and associations – in developing their offer; for example through training, or support with digitalization;

- **Representing the destination** in discussions with government, tour and transport operators, strategic marketing partners, suppliers of digital systems and applications, etc.

*The **mandate of the organization** can be broad, but it can also be restrictive: in particular, that its role may be limited to the marketing of the destination.*

Source: Destination Management Handbook, World Bank Group

Some common characteristics of DMOs

- Non-profit
- **Board** and published regulations
- **Membership** organization of diverse stakeholders
- **Revenue** from: membership, taxes, bookings…

Categories

- National Tourism Authorities (NTAs) or Organisations (NTOs)
- Regional (geographical area), provincial, or state DMOs (RTOs)
- Local DMOs (smaller geographic area or city/town)

Destination's organizational levels

Meta-destination: Dolomites UNESCO

Destination: Trentino

Local/ Regional Tourism Organisation: Valsugana

Hotspot: Artesella

Source: Etifor

Different functions for different organisational levels

FUNCTIONS	ORGANIZATIONAL LEVEL		
	Destination Management Organizations	**Local/ Regional Tourism Organisations**	**Hotspot**
Strategic planning	● Definition of the Destination Management Plan (DMP)	● Definition of the local tourism development plan ● Sustainable development projects ● Coordination of local entities ● Guarantee of the operational model functionality ● Searching for funding sources ● Definition of expenditure of resources allocated for Destination Marketing actions ● Involvement of the local population in the tourism development strategy	● Definition of the local tourism development plan ● Implementation of the sustainability plan ● Coordination of local entities ● Guarantee of the operational model functionality ● Involvement of the local population in the tourism development strategy

Source: Etifor

Different functions for different organisational levels

FUNCTIONS	ORGANIZATIONAL LEVEL		
	Destination Management Organizations	**Local/ Regional Tourism Organisations**	**Hotspot**
Hospitality	● Coordination of Tourist Information Offices ● Activation of the widespread information project ● Coordination of the use of the Destination Management System (DMS)	● Management of territorial Information Offices ● Coordination of the use of the regional DMS	● Management of info points ● Use of DMS

Source: Etifor

Different functions for different organisational levels

FUNCTIONS	ORGANIZATIONAL LEVEL		
	Destination Management Organizations	**Local/ Regional Tourism Organisations**	**Hotspot**
Relations with the territory	• Involvement of the regional/ local tourism organisations in the listening, proposal, and implementation phases of the DMP	• Discussion table with local administrations and associations	• Activation of moments for discussion with local administrations and operators for specific project planning
Training	• Creating opportunities • Coordinating various training opportunities	• Dissemination and involvement of operators and training institutions in training actions	
Communication	• Management of internal tourism communication • External communication strategy aligned with promotional actions	• Management of the internal communication plan • Management of the logo and coordinated image	• Collaboration with regional/ local tourism organisations and Destination

Source: Etifor

Different functions for different organisational levels

FUNCTIONS	ORGANIZATIONAL LEVEL		
	Destination Management Organizations	**Local/ Regional Tourism Organisations**	**Hotspot**
Implementing actions	• Activation of supra-territorial projects: International and interregional cooperation projects, collaborations between local/ regional brands	• Activation of territorial projects • Active participation in collaboration projects between the regional/ local brand and DMO	• Activation of territorial projects • Active participation in collaboration projects between the regional/ local brand and DMO
Product development	• Supervision of provincial or supra-provincial tourism products (e.g., Film commission, Convention bureau, Cycle tourism, Trails)	• Supervision and guarantee of the quality of the local tourism offer	• Supervision and guarantee of the quality of the local tourism offer to be shared with regional/ local brand and DMO

Source: Etifor

Different functions for different organisational levels

FUNCTIONS	ORGANIZATIONAL LEVEL		
	Destination Management Organizations	**Local/ Regional Tourism Organisations**	**Hotspot**
Promotion	● Provincial coordination of promotional actions and supervision of international markets	● Targeted promotion to support the specific tourism product of the area	● Collaboration with Local/ Regional Tourism Organisations and wider Destination
Commercialization	● Facilitate the work of private entities responsible for commercialization by organizing visits and knowledge-sharing opportunities with specialized operators	● Facilitate the work of private entities responsible for the commercialization of specific territorial tourism products	● Collaboration with Local/ Regional Tourism Organisations and wider Destination

Source: Etifor

Good governance of a DMO

- Strong vision and **leadership**
- Clear **roles and responsibilities**
- Clear operational **structures and processes** for discussions and decision-making
- Engaged, involved and included **communities**
- Engaging marketing leveraging sustainability **storytelling**
- **Product development** plays an increasingly crucial role
- Developing and sharing **expertise**
- Self-learning, flexibility and **adaptability**
- **Diversity** in the tourism system and targeted revenue models

Key success factors

Organizational structures	Activities	Financial model
● Engaged multi-stakeholder approach ● Mutually beneficial membership cooperative ● Community driven programs ● Strong partnerships ● Supporting governments	● Activities cover marketing and sustainable development of tourism ● Strong focus on maximising community benefits and quality assurance	● Multi revenue sources ● Engaged stakeholder approach ensures sustainable funding stream ● Project specific fundraising from public/ private sector and/or travel philanthropy

Even Destination Management Plans are evolving...

Recent destination management plans (here Bay of Plenty, NZ) are starting to include new dimensions, see the issue of **social licence**

COMPONENTS OF DESTINATION MANAGEMENT

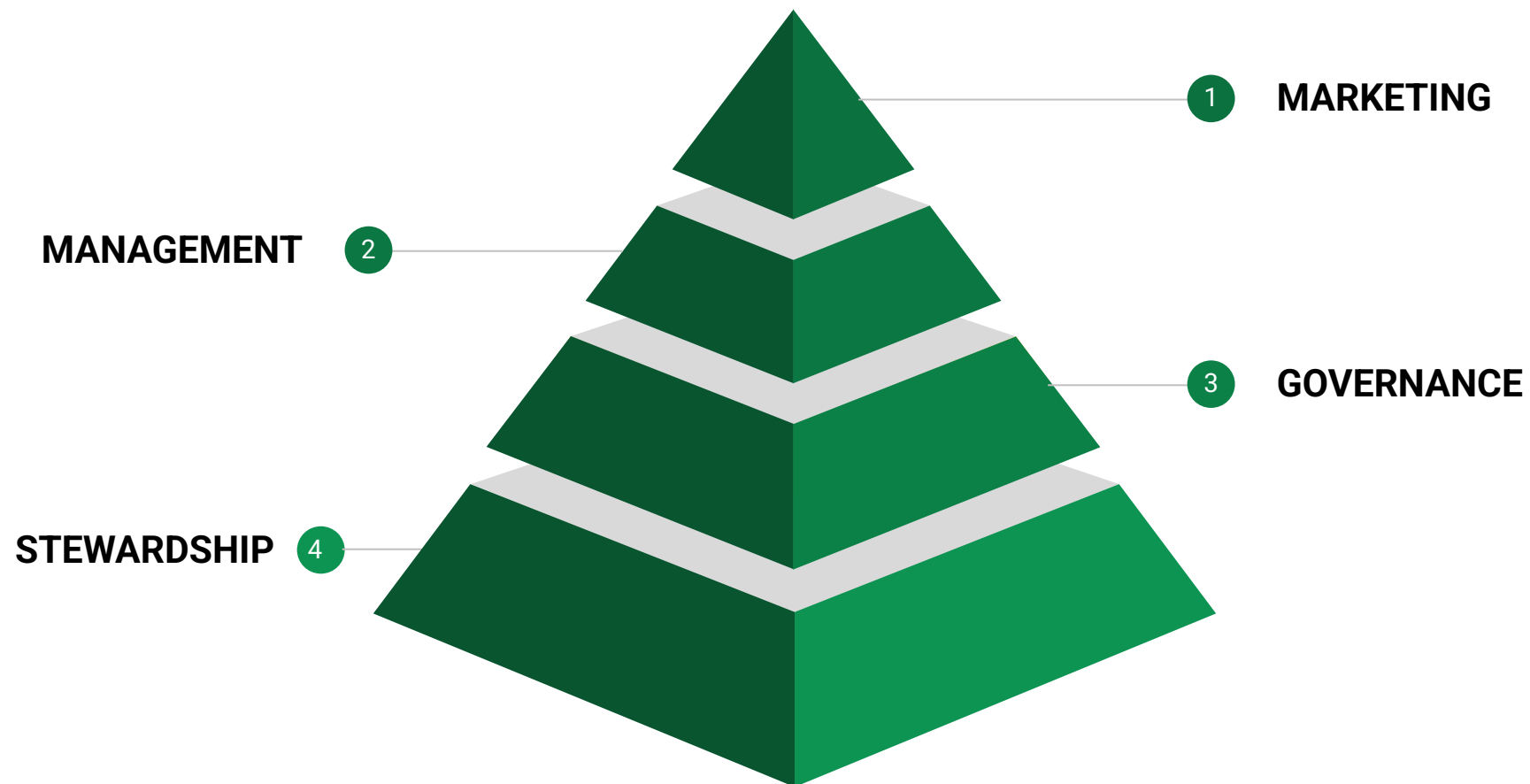Destination Management requires multiple elements to be present, as illustrated below:

Diagram 6: The Components of Destination Management

Source: MBIE Tourism Economic Development

Source: Te Hā Tāpoi | the Love of Tourism 2019-2022

Introducing a 4th dimension…

1 MARKETING

MANAGEMENT 2

3 GOVERNANCE

STEWARDSHIP 4

Source: Etifor

Destination stewardship

"Destination stewardship is a process by which local communities, governmental agencies, NGOs, and the tourism industry take **a multi-stakeholder approach to maintaining the cultural, environmental, economic, and esthetic integrity of their country, region, or town**. In other words, to ensure that the destination retains and enhances the distinctive attributes that appeal to both residents and tourists." (GSTC)

"...an approach to destination governance that seeks to balance the economic, environmental, and social/cultural needs of the destination; whilst **operating within a legitimate governance model with active participation from public and private sectors, as well as the local community.**" (WTTC)

Sources: GSTC, Destination Stewardship Starter Kit
WTTC, Towards Destination Stewardship
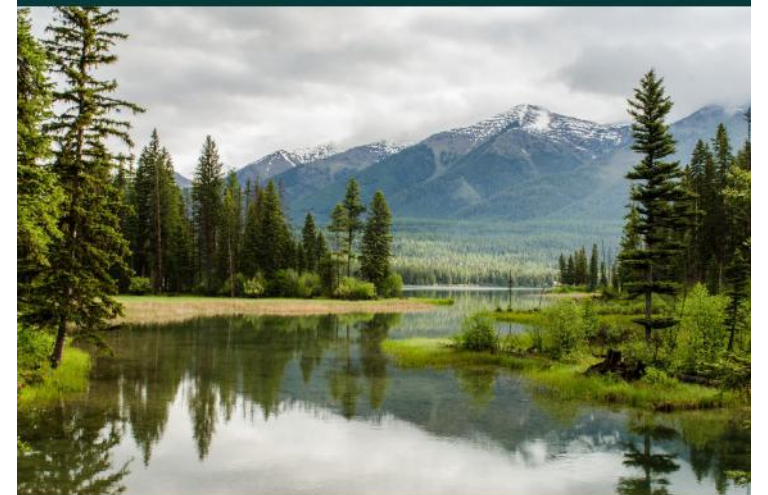
Stakeholder engagement in tourism: why

Stakeholder involvement is a **prerequisite** for 'doing sustainable tourism'.

Participation is important because it:

1) Increases the **quality of decisions**
2) **Democratises** decision-making
3) Creates **social cohesion**

Source: own pictures

Stakeholder engagement in tourism: potential

Tourism governance
- Improves local democratic processes
- Increases the **social capital of a community**, promoting information, education and greater capacity for action
- Creates a sense of **identity, belonging and co-responsibility**
- Helps reduce conflicts

Communication
- Increases dialogue between actors and thus **trust (social capital)**
- Simplifies and concretises complex or abstract technical concepts
- Increases **multi-sectoral perspectives**
- Enhances local knowledge

Operativity
- Helps identify priorities for action
- Induces **innovation**, knowledge transfer

Sustainability
- Increases sustainability of initiatives

Source: own picture

Stakeholder engagement in tourism: risks

Risks
- **Resistance to change**
- Lack of aptitude for teamwork
- Poor capacity for dialogue
- Presence of **conflicts**

Poor organisation and technique
- Incorrect methodologies for the purposes
- Poor organisation in terms of time and logistics
- Time and costs for organising the process

False expectations
- Rhetoric
- Inability to implement what has been decided

Source: Matteo Danesin

Stakeholder engagement in tourism: purpose

Designing strategic plans
- *Genius loci*
- Functions to be covered
- Destination profile and brand rules
- Working on the territorial product
- Plans for sustainable tourism

Policy creation
- Definition of action plans
- Gathering evidence
- Certification dossier

Business networks
- Establishment of the network
- Definition of the tourism product
- Territorial tourism product

Involvement of operators
- Search for solutions

Source: ATA Garda

Where next?

Source: own picture

Thank you
for your attention

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