

# A Practical Guide to Tourism Destination Management

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Calle Capitán Haya, 42  
28020 Madrid, Spain

**A Practical Guide to Tourism Destination Management**

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World Tourism Organization  
Calle Capitán Haya, 42  
28020 Madrid, Spain  
Tel.: (+34) 915 678 100  
Fax: (+34) 915 713 733  
Website: [www.unwto.org](http://www.unwto.org)  
Email: [omt@unwto.org](mailto:omt@unwto.org)

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## Preface

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Destination management is a subject of growing importance as destinations compete to provide the highest quality of experience for visitors; and to manage the impacts of tourism on host communities and environments.

To compete effectively, destinations have to deliver wonderful experiences and excellent value to visitors. The business of tourism is complex and fragmented and from the time that visitors arrive in the destination, until they leave, the quality of their experience is affected by many services and experiences, including a range of public and private services, community interactions, environment and hospitality. Delivering excellent value will depend on many organisations working together in unity. Destination management calls for a coalition of these different interests to work towards a common goal to ensure the viability and integrity of their destination now, and for the future.

Many destinations now have Destination Management Organisations or DMOs to lead the way. Traditionally responsible for destination marketing, the role of the DMO (often Tourist Boards) is becoming far broader. DMOs today should not only lead on marketing, but must also be strategic leaders in destination development. This role requires them to drive and coordinate destination management activities within the framework of a coherent strategy. Promotion must attract people to visit in the first place; creating a suitable environment and quality delivery on the ground will ensure that visitors' expectations are met at the destination and that they then both recommend the destination to others and return themselves on a future occasion.

This publication, the first UNWTO publication on the subject of destination management, represents a major contribution to developing professionalism in the field of destination management. It is intended as a practical guide, showing how concepts of destination management may be translated into practice, with models, guidelines, and snapshot case studies. It is essentially an overview of destination management; given the breadth of the subject, it cannot necessarily cover all these aspects in the fullest detail. The publication therefore also includes a brief section on further reading and useful websites.

Whilst this report will be of considerable interest to academics as well as practitioners, it is certainly not intended as an academic text. We acknowledge the work of other experts and academic leaders who have contributed to the field of destination management; their work may provide readers with a broader conceptual understanding of the subject of destination management.

The report is full of sensible guidance and principles for destination management. However, there is a particular theme that I should like to emphasise – one that reoccurs throughout the report – that successful destination management is based on effective partnership between the many organisations, public and private, that together deliver quality of experience to visitors. Bringing those players together into a team requires strong leadership – from a champion for tourism who has stature within the destination community. This is a vital ingredient for success in every destination.

For ease of reference, each chapter can be read on its own, but the reader will gain maximum value by reading through the document as a whole, viewing each aspect within the context of the whole subject.

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## Acknowledgements

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This report is the product of a partnership of experts, brought together by TEAM Tourism Consulting. Dr. Mike Fabricius of The Journey Tourism Advisors, has been the Principal Author. Dr. Roger Carter, TEAM's Managing Partner, has been co-author and editor. Dr. Davina Stanford, TEAM Researcher, has co-ordinated the whole publication, bringing together the wide range of contributions, including the material for the 64 case studies and authoring several sections.

We extend our thanks to them and also to the individual contributors: Gaëlle Connolly, Lorna Easton, John Hendrie, Mady Keup, Gui Lohmann, David MacIntyre, Sarah Osborne, Richard Smith, Peter Varlow.

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Esencan Terzibasoglu  
*Coordinator of Destination Management*

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## An Introduction to Destination Management

### 1.1 Defining a Tourism Destination

#### 1.1.1 Introduction

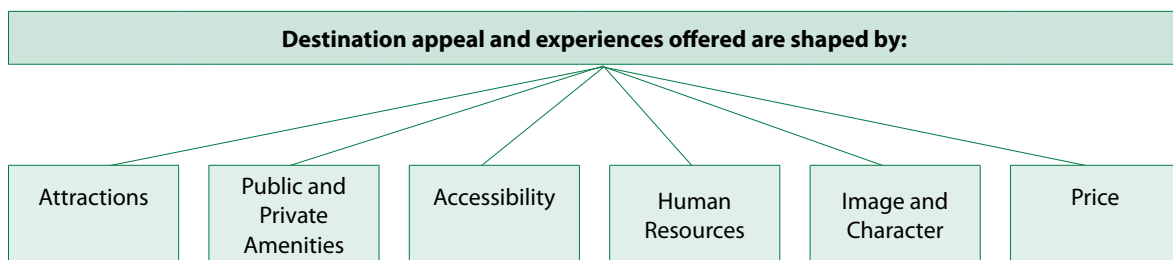
A local tourism destination is a physical space in which a tourist spends at least one overnight. It includes tourism products such as support services and attractions and tourist resources within one day's return travel time. It has physical and administrative boundaries defining its management, and images and perceptions defining its market competitiveness. Local destinations incorporate various stakeholders often including a host community, and can nest and network to form larger destinations. Destinations could be on any scale, from a whole country (e.g. Australia), a region (such as the Spanish 'Costas') or island (e.g. Bali), to a village, town or city, or a self-contained centre (e.g. Center Parc or Disneyland).

This document is intended to be useful to destination managers within this range of scales: that said the optimum level for destination management in most countries is below the national level.

#### 1.1.2 The Basic Elements of the Tourist Destination

Destinations contain a number of basic elements which attract the visitor to the destination and which satisfy their needs on arrival. These basic elements can be broken down into attractions (the 'must sees' or 'must dos') and the other remaining elements<sup>1</sup>. These are summarised in Figure 1. The provision and quality of these elements will be influential in the visitor's decisions to make their trip.

**Figure 1 Destination experiences**



**Attractions.** These are often the focus of visitor attention and may provide the initial motivation for the tourist to visit the destination. These can be categorised as natural (e.g. beaches, mountains, parks, weather), built (e.g. iconic buildings such as the Eiffel tower, heritage monuments, religious buildings, conference and sports facilities), or cultural (e.g. museums, theatres, art galleries, cultural events). They could be in the public realm such as a nature park, cultural or historical sites or could be community attractions and services such as culture, heritage or lifestyle. Other, less tangible factors, such as uniqueness and emotional or experiential triggers are also attracting tourists to destinations.

**Amenities.** These are the wide range of services and facilities which support the visitors' stay and include basic infrastructure such as utilities, public transport, and roads as well as direct services for the visitor

<sup>1</sup> Cho, B. H. (2000), 'Destination', in J. Jafari (Ed.), *Encyclopaedia of Tourism*, Routledge, London and New York.

such as accommodation, visitor information, recreations facilities, guides, operators and catering and shopping facilities.

**Accessibility.** The destination should be accessible to a large population base via road, air passenger services, rail or cruise ships. Visitors should also be able to travel with relative ease within the destination. Visa requirements, ports of entry, and specific entry conditions should be considered as part of the accessibility of the destination.

**Image.** A unique character or image is crucial in attracting visitors to the destination. It is not sufficient to have a good range of attractions and amenities if potential visitors are not aware of this. Various means can be used to promote the destinations image (e.g. marketing and branding, travel media, e-marketing). The image of the destination includes uniqueness, sights, scenes, environmental quality, safety, service levels, and the friendliness of people.

**Price.** Pricing is an important aspect of the destination's competition with other destinations. Price factors relate to the cost of transport to and from the destination as well as the cost on the ground of accommodation, attractions, food and tour services. A tourist's decision may also be based on other economic features such as currency exchange.

**Human Resources.** Tourism is labour intensive and interaction with local communities is an important aspect of the tourism experience. A well-trained tourism workforce and citizens who are equipped and aware of the benefits and responsibilities associated with tourism growth are indispensable elements of tourism destination delivery and need to be managed in accordance with the destination strategy.

## 1.2 Defining Destination Management

### 1.2.1 The Destination Management Organisation (DMO)

Destination management calls for a coalition of many organisations and interests working towards a common goal. The Destination Management Organisation's role should be to lead and coordinate activities under a coherent strategy. They do not control the activities of their partners but bring together resources and expertise and a degree of independence and objectivity to lead the way forward. It follows that DMOs must develop a high level of skill in developing and managing partnerships. Though DMOs have typically undertaken marketing activities, their remit is becoming far broader, to become a strategic leader in destination development.

#### **Tourism Victoria, Australia: Goals of a destination management organisation**

Tourism Victoria is the State Government authority responsible for developing and marketing Victoria as a premium tourist destination for Australian and international travellers. Tourism Victoria is a statutory authority within the Department of Innovation, Industry, and Regional Development.

Tourism Victoria's mission, in partnership with the industry, is to "Maximise employment and the long-term economic benefits of tourism to Victoria by developing and marketing the State as a competitive tourist destination".

To achieve this mission, the Board of Tourism Victoria has set the organisation four broad goals:

**Marketing Goal.** To increase visitor numbers, length of stay and visitor expenditure by positioning Victoria as a distinct and competitive tourist destination.

**Leadership Goal.** To take a leadership role in the tourism industry, encourage professional standards and the development of cooperative arrangements which maximise industry effectiveness.

**Infrastructure Goal.** To improve the tourism assets of Victoria by identifying infrastructure opportunities and facilitating development projects.

**Management Goal.** To maximise the effective use of resources by conducting the business of Tourism Victoria in accordance with professional commercial management principles.

See: [www.tourismvictoria.com.au](http://www.tourismvictoria.com.au)

Destination Management Organisations generally fall into one of the following categories:

- National Tourism Authorities (NTAs) or Organisations (NTOs), responsible for management and marketing of tourism at a national level.
- Regional, provincial or state DMOs (RTOs), responsible for the management and/or marketing of tourism in a geographic region defined for that purpose, sometimes but not always an administrative or local government region such as a county, state or province.
- Local DMOs, responsible for the management and/or marketing of tourism based on a smaller geographic area or city/town.

Taking New Zealand as an example, these categories would be represented by New Zealand Tourism at a national level [www.newzealand.com](http://www.newzealand.com); Destination Fiordland at a regional level [www.fiordland.org.nz](http://www.fiordland.org.nz); and Positively Wellington at a local or city level [www.wellingtonnz.com](http://www.wellingtonnz.com).

Destination Management is complex. The DMO's most critical assets are its credibility as a strategic leader in tourism destination marketing and development and its ability to facilitate industry partnerships and collaboration towards a collective destination vision.

### Northwest England: Implementing the tourism strategy

The Northwest Regional Development Agency (NWDA) is responsible for the sustainable economic development and regeneration of England's Northwest. Tourism is a significant sector within the regional economy. NWDA has been given the leading, strategic role in the development of tourism in the region and will deliver the Regional Tourism Strategy through a new support structure which comprises:

- The Visitor Economy Forum who will oversee the development of strategy and the broader regional visitor economy ensuring synergy between regional and sub-regional strategies. A Regional Tourism Management team, chaired by NWDA, consisting of Visit Britain and the five tourist boards is responsible for driving and co-ordinating the operational delivery of the strategy.
- The regional tourism executive group within the NWDA which is responsible for the strategic direction of tourism in the region, providing funding and project management, managing relationships with DMOs and, through its specialist teams, leading developments in ICT, skills, research, regional marketing and business support.
- The five sub-regional Tourist Boards are the DMOs responsible for the tourism management of these areas, including destination marketing, relations with the industry, research, project delivery and leading the delivery of their strategy through the Destination Management Plans that bring together all those involved in tourism and the visitor economy in their sub-region.

See: [www.nwda.co.uk](http://www.nwda.co.uk) and [www.visitenglandsnorthwest.com](http://www.visitenglandsnorthwest.com)

### 1.2.2 What is Destination Management?

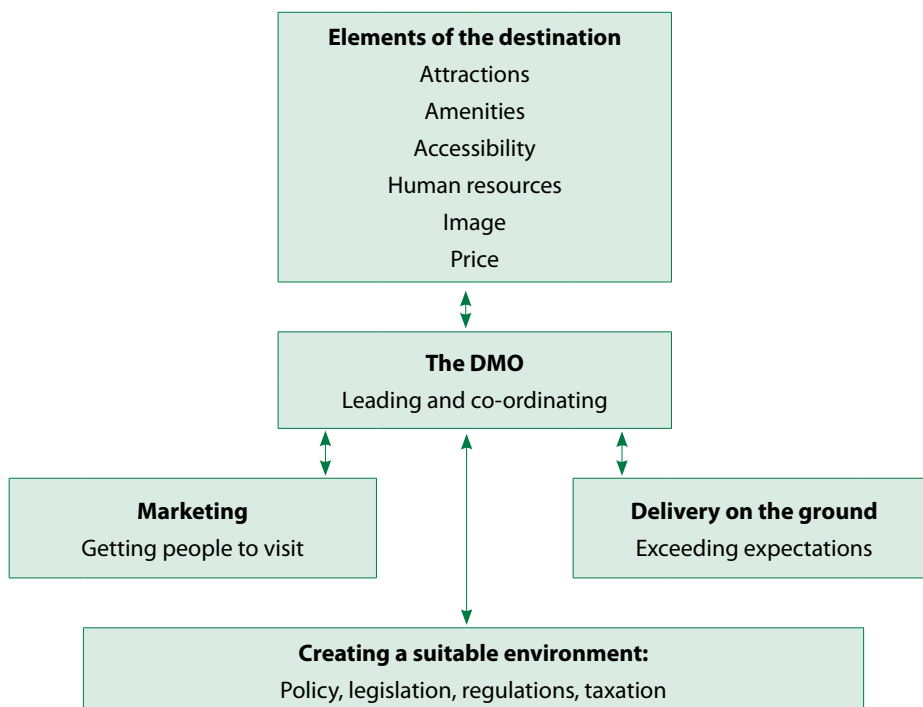
Destination management is the co-ordinated management of all the elements that make up a destination (attractions, amenities, access, marketing and pricing). Destination management takes a strategic approach to link-up these sometimes very separate entities for the better management of the destination. Joined up management can help to avoid duplication of effort with regards to promotion, visitor services, training, business support and identify any management gaps that are not being addressed.

There are various options for destination management governance as follows:

- Department of single public authority;
- Partnership of public authorities, serviced by partners;
- Partnership of public authorities, serviced by a joint management unit;
- Public authority(ies) outsourcing delivery to private companies;
- Public-private partnership for certain functions – often in the form of a non-profit making company;
- Association or company funded purely by a private sector partnership and/or trading – again for certain functions.

Destination management can be summarised as follows:

**Figure 2 Destination management**



The elements of the destination are supported by marketing to get people to visit in the first place and delivery of services on the ground to ensure that expectations are met at the destination. Underlying these activities is the need to ensure a suitable environment, (physical, social and economic) in which to develop tourism. The Destination Management Organisation should lead and co-ordinate these different aspects of the destination.

**Creating a suitable environment.** This is the foundation of destination management on which the marketing of the destination and the delivery of the experience are dependent. Before the visitor is

attracted by marketing or arrives at the destination the right social, economic and physical environment in which to develop tourism must exist. A strong and authoritative DMO will be necessary to provide the leadership and to drive and co-ordinate this process. Creating the right environment includes:

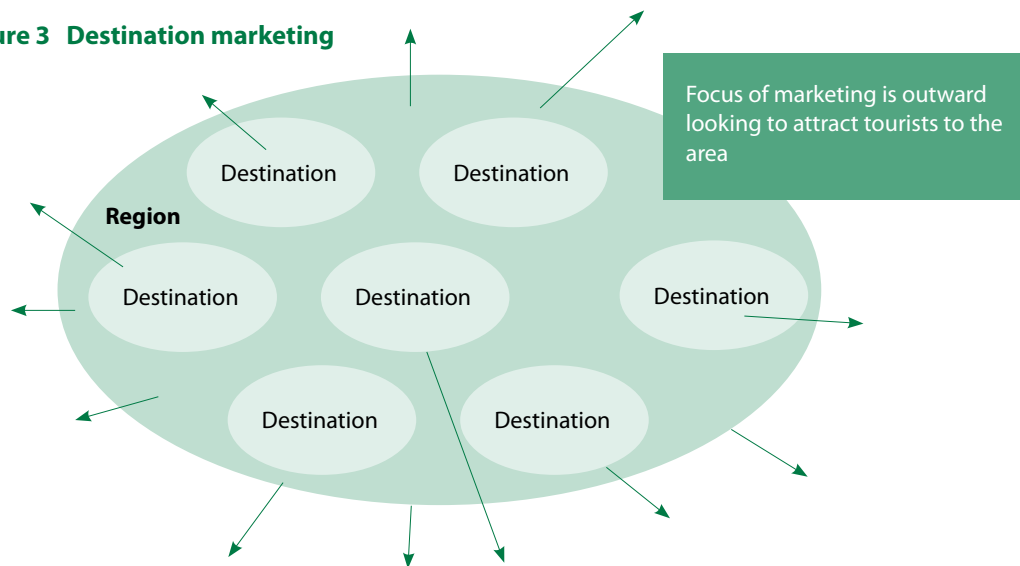
- Planning and infrastructure;
- Human resources development;
- Product development;
- Technology and systems development;
- Related industries and procurement.

**Marketing.** Destination marketing should face outwards to attract visitors to the area. It should promote what is most attractive to potential visitors and most likely to persuade them to come. The key functions are:

- Destination promotion, including branding and image;
- Campaigns to drive business, particularly to SMMEs (Small medium and micro enterprises);
- Unbiased information services;
- Operation/facilitation of bookings;
- CRM (Customer Relationship Management).

Promotion need not necessarily follow public sector boundaries and indeed may often cut right across them to represent many regions or destinations, although individual regions may also be responsible for their own marketing as seen in Figure 3.

**Figure 3 Destination marketing**



**Delivery on the ground.** Ensures the quality of every aspect of the visitor’s experience once they arrive at the destination as shown in Figure 4. This includes:

- Destination coordination and management for visitor ‘quality of experience’, especially the public realm;
- Product “start-ups”;
- Events development and management;
- Attractions development and management;

- Training and education;
- Business advice;
- Strategy, research and development.

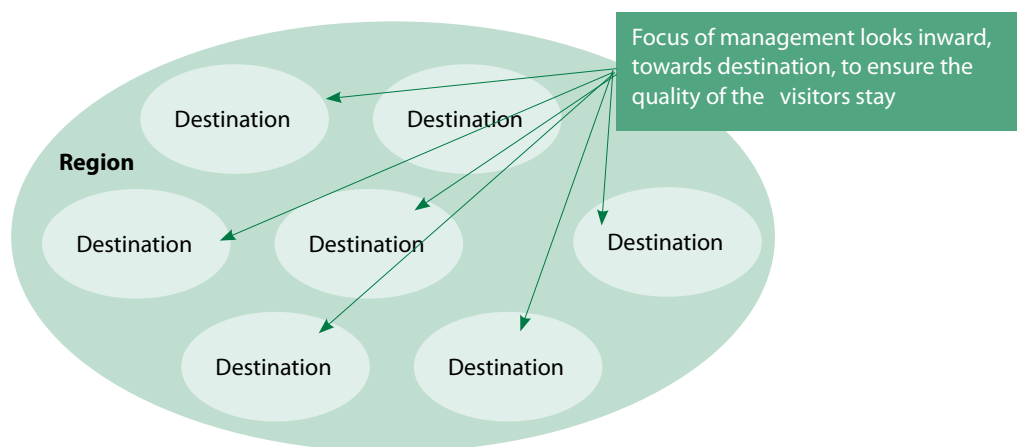
Destination management tends to be most easily organised on public sector boundaries at the sub-regional, provincial or state level because the public sector is the deliverer of much of this infrastructure. However, destinations may also need to be managed across political or administrative boundaries. Destination could also be organised around a distinct attraction, such as a river valley or a stretch of coastline or a unique natural or cultural attraction. Destinations are individually responsible for managing the delivery of the tourist's experience once they arrive.

### Blackstone Valley Tourism Council, Rhode Island, USA

The Blackstone Valley is a river valley, historically significant as the birthplace of the American Industrial revolution. This distinct geographic and heritage area is a designated National Heritage Corridor which comprises of nine different communities. The Blackstone Valley Tourism Council is a non-profit organisation which is responsible for bringing together these communities to develop and co-ordinate sustainable tourism. Blackstone Valley Tourism Council has recently received UNWTO's best Certification for Excellence in Tourism Governance.

See: [www.blackstonevalleytourismcouncil.com](http://www.blackstonevalleytourismcouncil.com)

**Figure 4 Managing delivery on the ground**



### 1.2.3 How Does Destination Management Work?

**The stakeholders.** There are many public and private sector stakeholders who are engaged in fulfilling the functions of destination management:

- National and regional/provincial government;
- Economic development agencies;
- Local authorities/government;
- Town centre management organisations;
- National Park authorities;
- Transport providers;

- Attractions, events and cultural organisations;
- Accommodation providers;
- Restaurant, leisure and retail operators;
- Intermediaries (for example tour operators and conference organisers);
- Destination representation agencies;
- Media;
- Local tourism consortia and partnerships;
- Business support agencies;
- Skills development organisations.

**Mechanisms for co-ordination and co-operation.** The following mechanisms may be used for co-ordination and co-operation between stakeholders:

- A tourism development and management partnership/liaison group (perhaps called a Tourism Action Group), overseeing:
  - Joint strategy development.
  - Joint destination management planning.
  - Implementation on a coordinated basis.

And/or

- Integrated product development and promotion projects.
- Bringing together partners for focused project planning (including investment planning) and implementation over specific timescale.

**The process.** The Destination Management Plan (DMP) is a key instrument for building partnership and commitment. As a document it should set out clearly the plan of action and the rationale for the programme. As a process it should be a prime opportunity to:

- Integrate the actions of separate organisations;
- Confirm and strengthen the link between strategy and action;
- Apply the DMO's knowledge and expertise to the project planning of other organisations;
- Foster an evidence-based and learning approach to destination promotion and management.

### **Hainan, China: A Tourism Development Master Plan for Hainan Province (2000)**

Hainan is the largest ocean island and the smallest land province in China, its natural assets have made it the focus for tourism development. The Tourism Development Master Plan provides a systematic and scientific framework for the orderly and integrated development of tourism as an important sector of the economy of Hainan Province. The Plan specifies tourism policy, provides guidance for physical development at the regional and urban levels, and sets forth recommendations on diversifying cultural attractions, developing ecotourism, enhancing economic benefits, preventing environmental problems, establishing suitable socio-cultural approaches to tourism, developing water sports, providing the human resource development required, attracting investment in tourism, and improving tourism legislation and regulations where needed. Techniques for implementing the plan include a five-year tourism development action programme, tourism promotion programme and public tourism awareness programme.

## 1.2.4 Public/Private Partnerships <sup>2</sup>

The role of governance in tourism is undergoing a shift from a traditional public sector model, delivering government policy, to one of a more corporate nature emphasising efficiency, return on investments, the role of the market and partnership between public and private sectors.

Regarding the last of these, there has been a greater emphasis on partnership working in recent years. Such partnerships may cover a range of different levels of involvement from informal through to more contractual obligations including:

- Good working relationships (including regular liaison) between two or more partners.
- Intermittent coordination or mutual adjustment of policies and procedures of partners to achieve common objectives.
- Ad hoc or temporary arrangements to accomplish a specific task or project.
- Permanent or regular coordination through a formal arrangement to undertake a specific programme of activity.
- A jointly funded organisation, which is a legal entity (e.g. a company), established to deliver an ongoing programme of work, with clear defined purpose and objectives.

Partnerships may be formed for economic, social or environmental purposes. They may occur on many different levels, for example between different government agencies (e.g. national parks authorities, transport agencies), between different levels of government (local, regional, national, provisional), between members of the private sector (such as market clusters), or as a collaboration across sectors (including government, private sector, educational groups, the community and so on).

Increasingly the role of the DMO is to assist in the development and maintenance of these partnerships, particularly to facilitate the planning and delivery of destination management to ensure a quality of experience for visitors.

### Tourism Vancouver: Working with partner organisations

Tourism Vancouver is a business whose purpose is to effectively market Greater Vancouver as a destination for leisure, meeting and event travellers. Tourism Vancouver is committed to developing mutually beneficial partnerships, sponsorships and related programs that support their strategic priorities. They offer a **Signature Partners Program** which is a multi-year strategic marketing alliance that brings sponsors and Tourism Vancouver together to leverage marketing budgets, augment marketing reach, generate demand for products and services and build business. Tourism Vancouver's signature partners, marketing partners and community partners include Visa; Tourist Information TV; Uniglobe Advance Travel; The Vancouver Sun and The Province; EasyPark and Metropolitan Fine Printers.

See: [www.tourismvancouver.com/visitors/about\\_us/sponsorship](http://www.tourismvancouver.com/visitors/about_us/sponsorship)

<sup>2</sup> Sources for this section: Hall, C. M. (1999), 'Rethinking Collaboration and Partnership: A Public Policy Perspective', *Journal of Sustainable Tourism*, 7 (3,4), pp. 274-288.

Mandell, M.P. (1999), 'The Impact of Collaborative Efforts: Changing the Face of Public Policy Through Networks and Network Structures', *Policy Studies Review* 16 (1), 4-17.

## 1.3 Why Manage the Destination?

### 1.3.1 Why Does the Destination Have to be “Managed”?

Tourism is an extremely competitive industry and to compete effectively destinations have to deliver excellent value to visitors. This depends on many aspects working together in unity. From the time that the visitor arrives at the destination, until he/she leaves, visitor value is affected by many services and experiences including a range of public services, private products and community interactions and hospitality.

It is vital that the various components of the visitor's stay are managed and coordinated to maximise customer value throughout the visit. Effective destination management allows destinations to maximise tourism value for visitors while ensuring local benefits and sustainability.

### 1.3.2 Advantages of Managing a Destination

Some advantages of effective destination management are outlined below:

**Establishing a competitive edge.** Two requirements are critical for destinations to achieve a competitive advantage over their rivals, namely:

- Establishing a strong and unique positioning, i.e. offering a different kind of experience compared to other destinations, by developing the destination's attractions and resources in a way that highlights its unique characteristics.
- Delivering excellent quality experiences and superior value for money, by ensuring that all aspects of the visitor experience are of the highest standard are co-ordinated.

Both these success factors require a coordinated management approach based on a collective vision and strong partnerships.

**Ensuring tourism sustainability.** Sustainable tourism development with proper management and planning ensures that the destination maintains its environmental integrity and the resources and character that made it attractive in the first place are protected. Good management can also help to avoid social and cultural conflicts and prevent tourism from affecting local lifestyles, traditions and values adversely.

**Spreading the benefits of tourism.** Tourism expenditure and consequent benefits could be spread e.g. by supporting the development of community based products and experiences, advancing rural and experiential tourism, promoting small business development, exploring the potential of arts and crafts industries, etc.

**Improving tourism yield.** Through focused spatial development and targeted marketing, destinations could lengthen the average visitor length of stay, increase per capita visitor expenditure and reduce unwanted seasonality in visitor arrivals; all contributing to an improved return on investment and yield per visitor.

**Building a strong and vibrant brand identity.** DMOs are increasingly realising the value and power of strong destination brands. By consistently delivering excellent value, brand loyalty increases and visitors return to the destination on a regular basis.

**Cancun, Mexico: Benefiting from destination management**

Destination management, provided by Cancun’s Trust for Tourism Promotion, allowed Cancun to successfully overcome the damage caused by Hurricane Wilma in 2005 by rebuilding most of their facilities and restoring natural settings. The Trust also has good relations with all the stakeholders involved in the tourism governance of Cancun, as well as providing competent supervision of the financial resources and infrastructure. In addition, there has been a large investment in human capital, with specialised training courses together with universities and other renowned institutions. Cancun was recently awarded UNWTO’s best Certification of Excellence in Tourism Governance.

See: [www.cancun.info](http://www.cancun.info)

**1.4 Tourism Destination Management: Similar But Different to Other Industries<sup>3</sup>**

Tourism is similar to other commercial industries. As with other industries its success is measured according to commercial indicators such as the number of businesses, the number of people employed and the output achieved. Compare tourism to shoe manufacturing in a particular region or city, for example:

**Table 1 Common success indicators: Tourism and manufacturing industries**

Shoe Manufacturing	Tourism
Number of shoe manufacturers	Number of tourism businesses
Number of people employed in shoe manufacturing	Number of people employed in tourism
Pairs of shoes produced per annum, per type of shoe	Number of visitors attracted, per visitor segment
Value of shoes produced	Tourist spend

As with other industries a successful tourism industry depends on two key aspects coming together: a suitable experience (product) and a customer (market) that is willing to purchase and pay for it.

As with other industries tourism is business driven and its success is measured in quantitative business terms. Tourism can only succeed if tourism businesses are viable, i.e. if the product is suitable and if there is adequate demand for it.

However,

In many respects the tourism industry differs substantially from other traditional industries.

**1.4.1 Unique Features of the Tourism Industry**

As can be seen from Table 2 below, the tourism industry has many unique features when compared with a manufacturing industry:

<sup>3</sup> See also: Advance Tourism (2002), *Comparing Tourism with Other Industries*, Advance Tourism, Victoria, AU.

**Table 2 Differences: Tourism and manufacturing industries**

Process	Shoe manufacturing	Tourism
Design	Professional fashion/footwear designer designs shoe Clearly defined, finite product	Visitor has major input in itinerary – often designed by visitor himself or by travel operator/agent  Tourism experience is flexible – nature and extent depends entirely on the visitor
Logistics	Materials for shoe production transported to factory where manufactured and finished product transported to market	No movement of materials or products – visitor travels to the destination to experience the product
Production	Final shoe produced in controlled factory setting – uppers, soles, laces etc. assembled in factory by company employees	Tourism experience produced “on the fly” i.e. as visitor travels in destination, various components produced and supplied by variety of stakeholders, with no central controls
Promotion	Product-focused promotion: Individual shoe makes and models marketed and bought by the customer at location	Destination-focused promotion: Visitor first decides on the destination and then buys and books individual products
Sales	A finished, complete pair of shoes is sold	A destination package is sold, consisting of different products and experiences, often produced at various locations and times
Profits	Profits clearly calculated and distributed among a limited number of shareholders	Profits accrue to a large number of stakeholders and citizens all over the destination and benefits filter through the entire economy (e.g. accommodation, transport, food and beverage, entertainment and so on)

### 1.4.2 The Implications of Being Unique

The implications of tourism being a unique industry are substantial, including:

#### Positives

- Tourism is a “silent” export industry that allows small and medium sized businesses access to external (often foreign) markets. Tourists purchase a variety of goods and services at the destination level, allowing large and small businesses the opportunity to gain from external expenditure.
- It reduces barriers to entry for SMMEs: smaller enterprises can access tourist markets without having to produce at a large scale and invest in an export distribution channel.
- Where tourism goods and services can be supplied locally, tourist expenditure can be retained in the destination.
- It is employment intensive across skills levels, i.e. from semi-skilled to managerial level, with the majority of employment opportunities at a technical skills level.
- Developing tourism offers benefits to the wider community. The community can benefit from facilities and services developed for or supported by tourism such as entertainment, events, visitor attractions or well maintained beaches.

#### Challenges

- **Making partnership work.** Public, private and community sector need to join forces and work together closely: tourism success is reliant upon strong and committed partnerships and a collective vision. The tourism experience is delivered by a range of partners, including private

sector businesses, public sector and the community at large (hospitality, visitor care, environmental custodianship, etc.). For tourism to succeed, these stakeholders have to work together in accordance with a collective vision.

- **Ensuring strong leadership.** Closely related to the previous point, strong and effective leadership from the Destination Management Organisation (DMO) is essential for retaining focus, ensuring all stakeholders work to the same end and guiding the competitive strategy.
- **Minimising economic leakages.** Not all the income generated by tourism stays within the destination. For example, in many all-inclusive package tours, a large percentage of visitor expenditures go to the airlines, hotels and other international companies who often have their headquarters in the visitor's home countries. Food and drink may also be sourced from the visitor's home country, increasing the economic leakage.
- **Planning to achieve competitive advantage.** Tourism should be managed according to a clear game plan: given tourism's many economic and other advantages competition among destinations is fierce and ever increasing. Successful tourism destinations require a clear competitive strategy to achieve a competitive advantage, follow a targeted tourism approach, build a brand of distinction and deliver excellent customer value.
- **Delivering quality.** Because the tourism industry is fragmented, quality control is difficult and value can be substantially reduced by the actions of weak or unscrupulous service providers in the tourism value chain. An agreed framework and standards of quality control should be ensured.

#### In essence

The Destination Management organisation (DMO) is in charge of the tourism destination "factory" and is responsible for achieving an excellent return on investment, market growth, quality products, a brand of distinction and benefits to all "shareholders".

Yet,

the DMO does not own the factory, neither does it employ the people working in it, nor does it have control over its processes.

## 1.5 Sustainable Tourism Development

### 1.5.1 A Framework for Sustainable Tourism Development

Without proper planning or management tourism can damage the destination's environment; cause social and cultural conflict and alienate the communities that host tourism. Sustainable tourism development manages the impacts of tourism on the destination's environment, economy and community and maintains and enhances the destination's resources for the present and future needs of both tourists and the communities that host them.

#### Stakeholder involvement: Sustainable tourism in San Martín de los Andes, Argentina

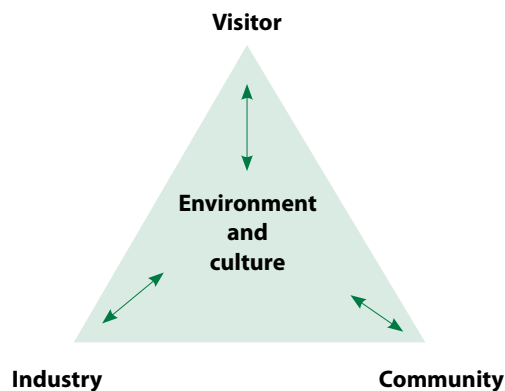
The Secretariat of Tourism of the municipality of San Martín de los Andes is the first institution in Argentina to receive the UNWTO Sbest Certification of Excellence in Tourism Governance. One of the main contributions to the achievement of this certificate is the implementation of a strategic plan that emphasises focus on policies for sustainable tourism. In order to achieve sustainable tourism, the Tourism Secretariat of the municipality has always promoted the active involvement of all stakeholders in tourism. It also encourages their open participation, and provides them with constant updated information.

See: [www.smandes.gov.ar](http://www.smandes.gov.ar)

Striking the appropriate balance to protect and enhance resources while still meeting the needs of all stakeholders (present and future) is a complex task. The VICE model accommodates these requirements and gives a framework which destinations planners and managers can use to ensure their actions are sustainable.

The VICE model<sup>4</sup> illustrated in Figure 5 presents destination management as the interactions between the **visitors**, the **industry** that serves them, the **community** that hosts them and the **environment** where this interaction takes place. The last of these, the environment, can be understood in its broadest sense to include built and natural resources on which many tourism products are based.

**Figure 5 The VICE model**



According to this model, it is the role of destination managers to work through partnerships and a joint destination management plan in order to:

- Welcome, involve and satisfy Visitors;
- Achieve a profitable and prosperous Industry;
- Engage and benefit host Communities;
- Protect and enhance the local Environment and culture.

The model can be used as a quick check of the sustainability of a proposed plan or action. Four questions should be asked:

- How will this decision affect the visitors?
- What are the implications for industry?
- How does this affect the community?
- What will be the impact on the destination's environment and/or culture?

If positive answers cannot be given for all four questions, then the right balance has not been found and the proposition is unlikely to be sustainable.

The principles of sustainable tourism development should be borne in mind and destinations managers should adopt the VICE model, considering all stakeholders, throughout the various processes of destination management.

4 From English Tourist Board and Tourism Management Institute (2003), *Destination Management Handbook*.

### 1.5.2 Responsible Tourism Practices: Keys to Destination Sustainability

The principles of responsible tourism encourage tourism operators to grow their businesses whilst providing social and economic benefits to local communities and respecting the environment.

The following guidelines could assist in maximising the positive impacts of tourism:

- Economic guidelines.
  - Assess economic impacts before developing tourism;
  - Maximise local economic benefits by increasing linkages and reducing leakages;
  - Ensure communities are involved in and benefit from tourism;
  - Assist with local marketing and product development;
  - Promote equitable business and pay fair prices.
- Social guidelines.
  - Involve local communities in planning and decision making;
  - Assess social impacts of tourism activities;
  - Respect social and cultural diversity;
  - Be sensitive to the host culture.
- Environmental guidelines.
  - Reduce environmental impacts when developing tourism;
  - Use natural resources sustainably;
  - Maintain biodiversity.
- The following process could be followed to develop a responsible tourism plan.
  - Select a portfolio of appropriate responsible tourism practices;
  - Choose realistic objectives and targets;
  - Use clear benchmarks to measure and report on your progress;
  - Work with trade associations, local people and government to achieve your objectives;
  - Use responsible tourism as part of your marketing strategy;
  - Show your progress to staff and clients.

#### **The Cape Town Declaration: A call for responsible tourism**

The Cape Town Conference was organised by the Responsible Tourism Partnership and Western Cape Tourism Board as a side event preceding the World Summit on Sustainable Development in Johannesburg in 2002. The conference grew out of the South African work on responsible tourism guidelines and involved delegates field-testing the South African Guidelines on sites in and around Cape Town.

Representatives from all sectors of the industry including inbound and outbound tour operators, national parks and conservation authorities, government, tourism authorities, NGOs and hotel groups, from Africa, North and South America, Europe and Asia considered the issue of responsible tourism in destinations and agreed the declaration. The declaration acknowledges the importance of sustainable tourism and the participants committed to work with others to take responsibility for achieving the economic, social and environmental components of responsible and sustainable tourism. The declaration also called on other countries, multilateral agencies, destinations and enterprises to develop similar practical guidelines and to encourage planning authorities, tourism businesses, tourists and local communities to take responsibility for achieving sustainable tourism.

See: [www.icrtourism.org/capetown.html](http://www.icrtourism.org/capetown.html)

### 1.5.3 Tools for Managing Resources

**Concessions and leases.** Concessions allow commercial enterprises to build and operate tourism facilities and services within a designated conservation area or national park. Those who are entitled to run the concessions (concessionaires) are required to pay fees for the benefit of obtaining commercial or other benefits from public land. These fees may be charged as a percentage of the gross revenue; per mile/kilometre of land, per head or per trip charge; a fixed fee; or a combination of these depending on the activity and the market rates. The right to operate could also be paid for by an annual fee based on the percentage of turnover agreed during the tender process. Concessions may run for a limited period, after which operators must re-bid for the concession. As well as payment for the concessions, concessionaires must fulfil specified obligations regarding the stewardship of the resource they are using. If this is not observed the concessions may be terminated.

**Public-private-partnerships.** Conservation areas and areas which may require specific management of cultural or environmental resources, do not always fit within legislative boundaries. Take, for example, the European Alps. The Alps are perceived as a tourist destination in their own right, yet they straddle the boundaries of six countries. Partnerships will be particularly instrumental in the management of such resources. Those who lead the partnerships (governments, tourist boards or trade associations) can take a number of steps to ensure their success as outlined in Agenda 21 for the Travel and Tourism Industry <sup>5</sup>.

**Local Agenda 21 tourism groups.** Local Agenda 21 (LA21) is an international planning process. A local community defines, through consultation, a sustainable development strategy and an action programme to be implemented. This is usually initiated by the provincial government, which provides leadership for the process. LA21 initiatives can also be developed for the context of tourism. The DMO is well placed to work with local government to represent the views of its members for the ongoing development, marketing and management of tourism in destinations. At the same time, they are appropriately positioned to ensure their commercial members understand the sustainable, environmental and community concerns of tourism development.

**Certification.** Tourism certification programmes cover a wide range of initiatives and provide a logo to those organisations that exceed a baseline standard which should be assessed and reviewed at regular intervals. There is a proliferation of such certification programmes. For example:

- The Blue Flag programme [www.blueflag.org](http://www.blueflag.org), a programme which assesses environmental standards of beaches.
- Green Globe 21 [www.greenglobe.org](http://www.greenglobe.org) a programme aimed at businesses to improve their environmental performance.

5 World Tourism Organization, World Travel and Tourism Council and Earth Council, *Agenda 21 for the Travel and Tourism Industry* (1996) (Online), available: [http://www.destinationmarketing.org/web\\_images/DMAIspecialreport2006.pdf](http://www.destinationmarketing.org/web_images/DMAIspecialreport2006.pdf) (11-04-07).

- AAA Tourism Green STAR assessment is a green endorsement for properties which indicates that certain criteria of environmental 'good practice' standards have been met. See: [www.aatourism.com/pdf/Green%20Stars%20Guidelines.pdf](http://www.aatourism.com/pdf/Green%20Stars%20Guidelines.pdf).
- Green Tourism Business Scheme [www.green-business.co.uk](http://www.green-business.co.uk), the largest and most successful environmental accreditation body of tourism related businesses in Europe.

Certification may encourage businesses to raise their standards of environmental performance. It also allows certified businesses or destinations to demonstrate their environmental credentials to consumers.

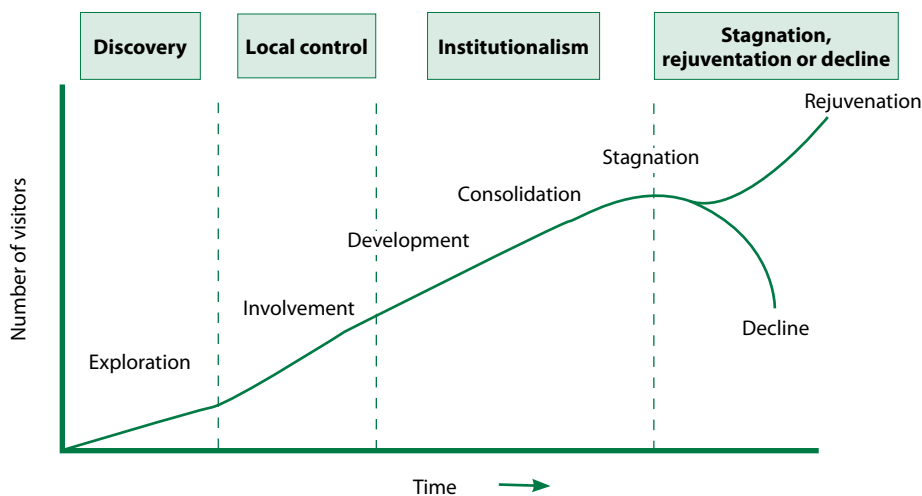
**Sustainable Tourism Indicators.** In the context of sustainable tourism development, indicators are information sets which are formally selected for regular use to measure changes in assets and issues that are important for the tourism development and management of a given destination. UNWTO has been promoting the use of sustainable tourism indicators since the early 1990s, as essential instruments for policy-making, planning and management processes at destinations. The Guidebook on Indicators of Sustainable Development for Tourism Destinations <sup>6</sup>, published in 2004, is the most comprehensive resource on this topic, the result of an extensive study on indicator initiatives worldwide.

The publication describes over 40 major sustainability issues, ranging from the management of natural resources (waste, water, energy, etc.), to development control, satisfaction of tourists and host communities, preservation of cultural heritage, seasonality, economic leakages, or climate change. For each issue, indicators and measurement techniques are suggested with practical information sources and examples. The publication also contains a procedure to develop destination-specific indicators, their use in tourism policy and planning processes, as well as applications in different destination types (e.g. coastal, urban, ecotourism, small communities).

## 1.6 Destination Life Cycle: Various Stages of Development and Why it is Important to be Aware of Them

Tourism destinations are constantly changing, they rise and fall in popularity and their success can often be influenced by changes in fashion or to external influences outside the control of the destination. This process can be understood in terms of a life cycle as explained by the Tourism Area Life Cycle (TALC) model in Figure 6.

**Figure 6 Tourism Area Life Cycle** <sup>7</sup>



<sup>6</sup> World Tourism Organization (2004), *Indicators of Sustainable Development for Tourism Destinations A Guidebook*, UNWTO, Madrid.

<sup>7</sup> Butler, R. W. (1980), 'The Concept of a Tourist Area Cycle of Evolution' Implications for Management of Resources', *Canadian Geographer*, 14, pp. 5-12.

This model postulates that tourism destinations tend to experience five distinct stages of growth: exploration, involvement, development, consolidation and stagnation outlined below:

**Exploration.** During this stage small numbers of visitors are attracted by natural or cultural attractions; visitor numbers are limited and few tourist facilities exist; visitors may come from nearby towns.

**Involvement.** During this stage there is limited involvement by local residents who provide some facilities for visitors; recognisable tourist seasons and market areas begin to emerge; visitors may travel from within the state or region.

**Development.** During this stage large numbers of tourists arrive and external organisations such as hotel chains and tour operators take more of a key role; tourists may travel from all parts of the nation or internationally.

**Consolidation.** During this stage tourism becomes a major part of the local economy and of increasing political importance, with politics perhaps taking more of a central role. Rates of visitor growth may have levelled off and some facilities may be in need of upgrading.

**Stagnation.** During this stage the number of visitors has peaked; the destination may no longer be considered fashionable and there may be a high turnover of business properties.

Depending on the response of destination managers to the onset of stagnation, various scenarios are then possible, including decline, stabilisation, or rejuvenation and re-invention. It is at the stage of consolidation and stagnation that managers need to intervene and take action to avoid decline.

### British Seaside Resorts: Demonstrating the destination life cycle

The life cycle of the British coastal resorts began as early as the 1730s, when health theorists suggested the curative powers of drinking and bathing in seawater. Small fishing villages around Britain began to receive visitors 'taking the cure'. The popularity of seaside destinations such as Brighton, Bournemouth, Blackpool and Scarborough grew steadily throughout the 1800s, in step with the UK's developing rail network. By the mid-1900s, the seaside holiday was firmly established in the minds of the British public as the traditional annual holiday and Blackpool, Scarborough, Southend and Brighton consolidated their position as leading resorts.

In the 1960s and 1970s Britain saw the introduction of affordable package tours to developing destinations in the Mediterranean. UK coastal resorts, with their unpredictable weather, cold seas and aging facilities became unfashionable and could not compete with the new markets in the Med. They gradually fell into decline. These resorts are now taking steps to rejuvenate their products by developing facilities for business tourism, conferences and conventions, organising programmes of events or festivals, etc.

Blackpool, for example, though still receiving some 11 million visitors per year, has a resort regeneration programme which has secured £ 62 million (approx US\$ 125.5 million) for the reshaping of the sea wall between north and south piers; £ 14 million (approx US\$ 28 million) for the Central Gateway project which includes recreational spaces and a new hotel; and has established a Tourism Support Bureau to support small businesses, and to improve the accommodation offer.

## 1.7 Types of Tourism

Tourism destinations may be affected by many external influences outside their control such as changes in fashion, or political or environmental circumstances. Depending on the resources available to the destination, it is wise to diversify and to offer more than one type of tourism. The following is a brief explanation of the key types of tourism.

**Leisure.** Leisure tourism is the term used to describe tourism for the main purposes of recreation and leisure. It is typically thought of in terms of the residential vacation, but it may include day trips also. There are many different types of tourism within this sector such as adventure tourism, ecotourism, heritage tourism, wine tourism, packaged beach vacations and so on.

**Health.** Health tourism can broadly be defined as people travelling from their place of residence for health reasons. This includes visits to spas and health and fitness centres, as well as travelling to receive treatments which require more specific medical intervention such as cosmetic or medical surgery. The latter have been driven by high costs and long waiting lists in the generating countries and by new technology and skills in destination countries alongside reduced transport costs and Internet marketing.

**Educational/study.** Educational or study tourism includes both travelling to attend an academic institution in order to gain qualifications or participation in a tour for the purposes of learning.

**Business tourism.** Is travel to attend an activity or event associated with business interests. A key component of business tourism is the MICE sector: meetings, incentives, conventions and exhibitions. Business travellers come at different times of the year, at different days of the week and may return to a destination as leisure travellers. Business travellers, particularly conference delegates, may travel with their partners and can be persuaded to spend extra time in the destination for leisure purposes. Business tourism is high quality and high yield and can be positioned as a key part of an economic development strategy. The sector is resilient to the types of events and economic downturns that affect leisure tourism adversely.

**Visiting friends or relatives (VFR).** This term refers to travel to visit friends or relatives and could be the primary purpose of a trip, or could be a combination of visiting friends and relatives with a vacation. The extent to which VFR visitors use services such as accommodation and attractions will vary, some may stay exclusively with their friends/family while for others this may be a combination. Globalisation is facilitating more of those who live and work in different countries from those in which they were born and this will inevitably increase VFR travel.

**Religion.** Religious tourism is tourism motivated strongly for religious reasons. This may include pilgrimages to significant religious places such as the Holy Lands – significant to Jews, Muslims and Christians or India – significant to Hindu and Buddhists. Religious tourism can also be for a specific religious conference or event such as the Islamic pilgrimage to Makkah (Mecca).

**Sport.** Sport tourism is travel to participate in a sports activity for recreation or competition; or to observe a sporting event (e.g. the Olympics, which attract a number of participants and spectators); or to visit a sports attraction. Attractions may be natural or man made and provide opportunities to participate in sport. Resorts often specialise in providing sport activities such as golf or tennis and specialised tours such as package ski tours or tours for spectators and participants have been developed.

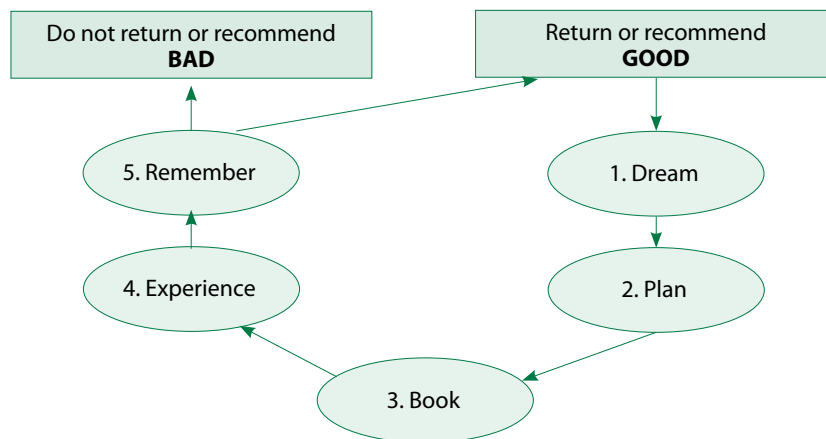
## 1.8 The Customer Journey

The customer journey is a helpful framework for understanding the experience of the customer: from first thinking about a vacation or business trip through to planning, booking, experiencing and recalling the experience. This can be represented diagrammatically as in Figure 7 below.

1. **Dreaming.** The customer is considering a vacation. They may have an idea of when they will travel, for how long and how much they might spend, but they have not decided where they will go or what they will do. They will be looking for inspiration, ideas and recommendations. Decision making will probably begin at the national level, as different countries are considered.
2. **Planning.** The customer may have a clearer idea of where and what they want. They will be looking for further, specific information about their choice such as transport and accommodation options, things to do, 'must sees', events, the weather, and bad weather options. The decision making may be narrowed down to regions and/or destination in the country of choice.

3. **Booking.** The customer may make comparisons of best values – price may be the main priority followed by convenience and security. The booking may be made through an intermediary – a tour operator, travel agent, booking agent or DMO or directly with individual providers (e.g. transport and accommodation providers).
4. **Experiencing.** This is the stage at which the visit is experienced and will include transport to and arrival at the destination as well as every aspect of the visitors stay once they have arrived. This stage covers everything from the overall welcome that they receive, the standard of the facilities, the quality of the attractions, accommodation and other amenities and the information that visitors receive.

**Figure 7 The customer journey**



5. **Remembering.** The customer will recall their journey and will assess whether it was good or bad. The experience at every step of the journey will inform this decision. If the experience was good, then the customer may recommend to others, or return themselves. If the overall experience was bad then the customer will not return, will not recommend to others, and may well speak badly of the destination. The DMO can keep the memory of the good experience fresh in the mind of the visitor through the good practice of Customer Relationship Management. This “*satisfaction dividend*” is reaped through the destination’s marketing. Databases of past customers and follow-up database/e-database marketing should be maintained on an ongoing basis.

**BonjourQuébec.com: Following the customer journey**

The BonjourQuébec.com website clearly identifies the different customer journey stages with the ultimate aim to encourage visitors to book their trip to Québec. These first three stages of the journey, and the services offered by BonjourQuébec.com website are outlined below. The tabs on the website appear as follows and clearly relate to these three initial stages.

**1. Explore (Dream)**

- Québec
- Travel experiences
- Tourist Regions
- To do and see
- Tailor-made holidays

**2. Plan**

- Accommodations
- Transportation
- Restaurants
- Useful tips
- Brochures

**3. Book**

- Rooms
- Best deals
- Packages
- Shows and entertainment
- Gifts certificates

See: [www.bonjourquebec.com](http://www.bonjourquebec.com)

This customer journey is applied to an industry which is widespread and which is characterised by a range of independent operators who provide products and services to their customers.

Quality consistency at every stage of the journey (from planning and anticipation through the booking process and into the experience) should be ensured.

Those concerned with the success of the destination (including the public and private sectors) should combine effectively to deliver this consistent quality. This will generally be through a Destination Management Organisation.

Table 3 demonstrates how the customer journey and corresponding communications life cycle translate into destination action.

**Table 3 Customer journey, communications life cycle (CLC) and destination action**

Customer journey	Communications Life Cycle	Destination action
Dream	Create awareness, emotional interest, specific ideas	Destination promotion
Plan	Provide 'hard' information	Visitor services
Book	Enable booking	Visitor services
Experience	Ensure quality of experience – facilities, services, 'public realm', information, booking	Management of the destination Visitor services
Remember	Maintain the relationship through research (behaviour, and follow-up action)	CRM

## 1.9 Maximising Visitor Satisfaction: A Value Chain Approach

### 1.9.1 Introduction

A large part of the tourist's experience is dependent on support factors at the destination that cannot be affected, controlled or packaged by any individual player in the industry.

In order to analyse and understand exactly where and how value is added to the destination experience at each stage we need to design a value model that is clearly focused on the consumer's requirements and activities.

The traditional business value chain is controlled from a factory or office environment and adds value through the various stages of manufacturing and service provision. From a destination perspective visitor value is added as the visitor prepares, travels to, experiences and returns from the destination. This process follows similar stages of the customer journey as outlined above and could be presented as shown in Figure 8.

The DMO plays a key role in coordinating and tacking the activities of the wide variety of service providers involved in maximising visitor value.

Many of the elements of Figure 8 are explained in fuller detail elsewhere in the document. However, it is useful to look at them here, as a whole, to give an overview of the activities in which destination managers should be involved. Both these primary and foundation activities are critical to ensure an excellent visitor experience and are discussed in the following sections.

## 1.9.2 Primary Activities

Primary activities directly involve the packaging, promotion and delivery of the tourism experience to the visitor. The public and private sector tourism industries consider these primary activities their core business and the missions and objectives of tourism product and service suppliers, intermediaries (agents/operators) and destination marketing organisations are largely tied to these primary activities including:

**Product development.** This is of key importance to ensuring constant rejuvenation of the destination offering. There are two different parts that make up the product. Firstly attractions such as natural, cultural and man-made products that provide the major reasons for travellers wanting to visit and experience the destinations and plant such as accommodation, catering and transportation which is mainly developed in support of the attractions of a destination and does not act as a primary motivator for travel. It is therefore of utmost importance that the attractions are constantly improved and expanded in accordance with new trends and developments in the marketplace.

**Destination and product packaging.** The intangible tourism product should be packaged as conveniently, attractively and accessibly as possible. Packages consist of a range of attractions, experiences, products and services and can be offered according to theme, suggested itineraries or geographical locations.

**Promotion.** The destination needs to be promoted to the marketplace either directly to the consumer or to the intermediaries (travel agents and tour operators) using a range of promotional methods.

**Distribution and sales.** Generic and commercial information should be distributed through the most appropriate channels. These include consumer enquiry lines, mailing services to distribute destination information, brochure display facilities, retail travel agency networks to quote, sell and make reservations, arranging insurances as well as payment and ticketing systems.

**In and outbound logistics.** Ease and speed of access, especially for long-haul destinations, is increasingly having an influence on destination choice. Choices to visit can be influenced by convenience factors such as availability and cost of flights, visa and passport provision, airport facilities and services, VAT reclaim facilities, emigration services, check in and gate operation, baggage handling, in-flight services, seat pricing and scheduling, etc.

**Destination operations and services.** The largest part of the tourist experience happens at the destination and this has a determining effect on the enjoyment levels and value experienced by the visitor. These include all aspects of the tourists visit including transfers, taxis and public transportation, visitor services and centres; accommodation, food/catering, tours, attractions, car and car rentals, entertainment, health and beauty services, sport and recreation, etc.

**Aftercare.** Client care and follow-up is essential to establish loyalty and positive attitudes among clients. Aftercare services include establishing, managing and maintaining databases of client information, tracking consumer attitudes and profiles and conducting industry feedback and follow-up programme.

**Figure 8 The destination value chain**

PRIMARY ACTIVITIES		DISTRIBUTION AND SALES		IN AND OUTBOUND LOGISTICS		DESTINATION OPERATIONS AND SERVICES		AFTERCARE	
<b>Product development</b> <ul style="list-style-type: none"> <li>New airline alliances and destinations</li> <li>Development of environmental and cultural resources</li> <li>Upgrading and development of visitor services and facilities</li> <li>Exploiting new markets and market segments</li> <li>New routes, themes, hub/spokes and itineraries</li> <li>-Quality (standards) management and assurance systems</li> <li>Improved service delivery and visitor management</li> </ul>	<b>Destination and product packaging</b> <ul style="list-style-type: none"> <li>Producing marketing materials</li> <li>Collectively packaging attractions of cities, areas and regions</li> <li>Negotiating commission and pricing contracts with suppliers</li> <li>Wholesale packaging</li> </ul>	<b>Promotion</b> <ul style="list-style-type: none"> <li>Consumer advertising, PR and promotions</li> <li>Trade exhibitions, workshops, sales visit</li> <li>Marketplace representation</li> <li>Familiarisation trips</li> <li>Media liaison/educational</li> </ul>	<b>Distribution and sales</b> <ul style="list-style-type: none"> <li>Enquiry and info mail service</li> <li>Distributing destination information</li> <li>Brochure display</li> <li>Tour operators alliances</li> <li>Retail (travel agency) sales</li> <li>E-business</li> <li>Reservations</li> <li>Payment and ticketing</li> <li>Insurance</li> <li>Seat pricing and scheduling</li> </ul>	<b>In and outbound logistics</b> <ul style="list-style-type: none"> <li>Visa and passport provision</li> <li>Airport facilities and services</li> <li>VAT reclaim</li> <li>Emigration services</li> <li>Check in and gate operation</li> <li>Baggage handling</li> <li>In-flight services</li> </ul>	<b>Destination operations and services</b> <ul style="list-style-type: none"> <li>Airport transfers</li> <li>Taxi services</li> <li>Public transport</li> <li>Visitor centres</li> <li>Accommodation</li> <li>Catering</li> <li>Tours</li> <li>Attractions</li> <li>Car rentals</li> <li>Entertainment</li> <li>Health and beauty</li> <li>Sport and recreation</li> </ul>	<b>Aftercare</b> <ul style="list-style-type: none"> <li>Database management</li> <li>Consumer and client tracking and feedback</li> <li>Industry feedback and follow-up</li> </ul>			
<b>VISITOR VALUE AND SATISFACTION</b>									
<b>FOUNDATION ACTIVITIES</b>		<b>TRAINING AND SKILLS DEVELOPMENT</b>		<b>TECHNOLOGY AND SYSTEMS DEVELOPMENT</b>		<b>RELATED INDUSTRIES AND PROCUREMENT</b>			
<b>Destination planning and infrastructure</b> <ul style="list-style-type: none"> <li>Public transport systems, roads, airports, rail, ports, public toilets, etc.</li> <li>Bulk infrastructure, telecoms, water, electricity, recreation, etc.</li> <li>Community tourism awareness and acceptance</li> <li>Computerised reservation systems</li> <li>Equipment and component supplies</li> </ul>	<b>Destination planning, design, layout and land-use</b> <ul style="list-style-type: none"> <li>Energy, water and resource management</li> <li>Aesthetic, environmental and social quality enhancement</li> <li>Customer care, hospitality culture</li> <li>Management – recruitment, motivation, incentives, etc.</li> <li>Market research and intelligence</li> <li>Fuel, food and beverages</li> </ul>	<b>Safety and security management</b> <ul style="list-style-type: none"> <li>Career pathing, staff development, staff stability</li> <li>Security systems</li> <li>Management systems and procedures</li> <li>Contracted services</li> <li>Professional services</li> </ul>	<b>Energy, water and resource management</b> <ul style="list-style-type: none"> <li>Customer care, hospitality culture</li> <li>Management – recruitment, motivation, incentives, etc.</li> <li>Market research and intelligence</li> <li>Contracted services</li> <li>Professional services</li> </ul>	<b>Customer care, hospitality culture</b> <ul style="list-style-type: none"> <li>Customer care, hospitality culture</li> <li>Management – recruitment, motivation, incentives, etc.</li> <li>Market research and intelligence</li> <li>Contracted services</li> <li>Professional services</li> </ul>	<b>Management systems and procedures</b> <ul style="list-style-type: none"> <li>Management systems and procedures</li> <li>Contracted services</li> <li>Professional services</li> </ul>	<b>Security systems</b> <ul style="list-style-type: none"> <li>Security systems</li> <li>Management systems and procedures</li> <li>Contracted services</li> <li>Professional services</li> </ul>	<b>Information systems and communication</b> <ul style="list-style-type: none"> <li>Information systems and communication</li> <li>Contracted services</li> <li>Professional services</li> </ul>	<b>Other services</b> <ul style="list-style-type: none"> <li>Other services</li> <li>Real estate/buildings</li> </ul>	<b>Real estate/buildings</b> <ul style="list-style-type: none"> <li>Real estate/buildings</li> </ul>

### 1.9.3 Foundation Activities

The foundation activities are those where the value delivery is indirect and supports the visitor experience e.g. infrastructure, planning, human resources development, technology and related industries such as construction, retail, etc. The provision of these foundation activities is especially challenging, since they are delivered by a range of public and private agencies that do not have tourism as their core businesses.

The efficient delivery of these activities and their performance are a fundamental foundation for building a tourism destination and as such are vital to the destination's success. The destination must live up to its brand promise, otherwise there will be high levels of dissatisfaction. Ensuring these foundation activities are in place requires strong leadership from the DMO.

Such delivery can only occur within the framework of *public/private partnerships and strategic alliances and effective institutional coordination* among the various players in the value chain.

These activities are summarised as follows:

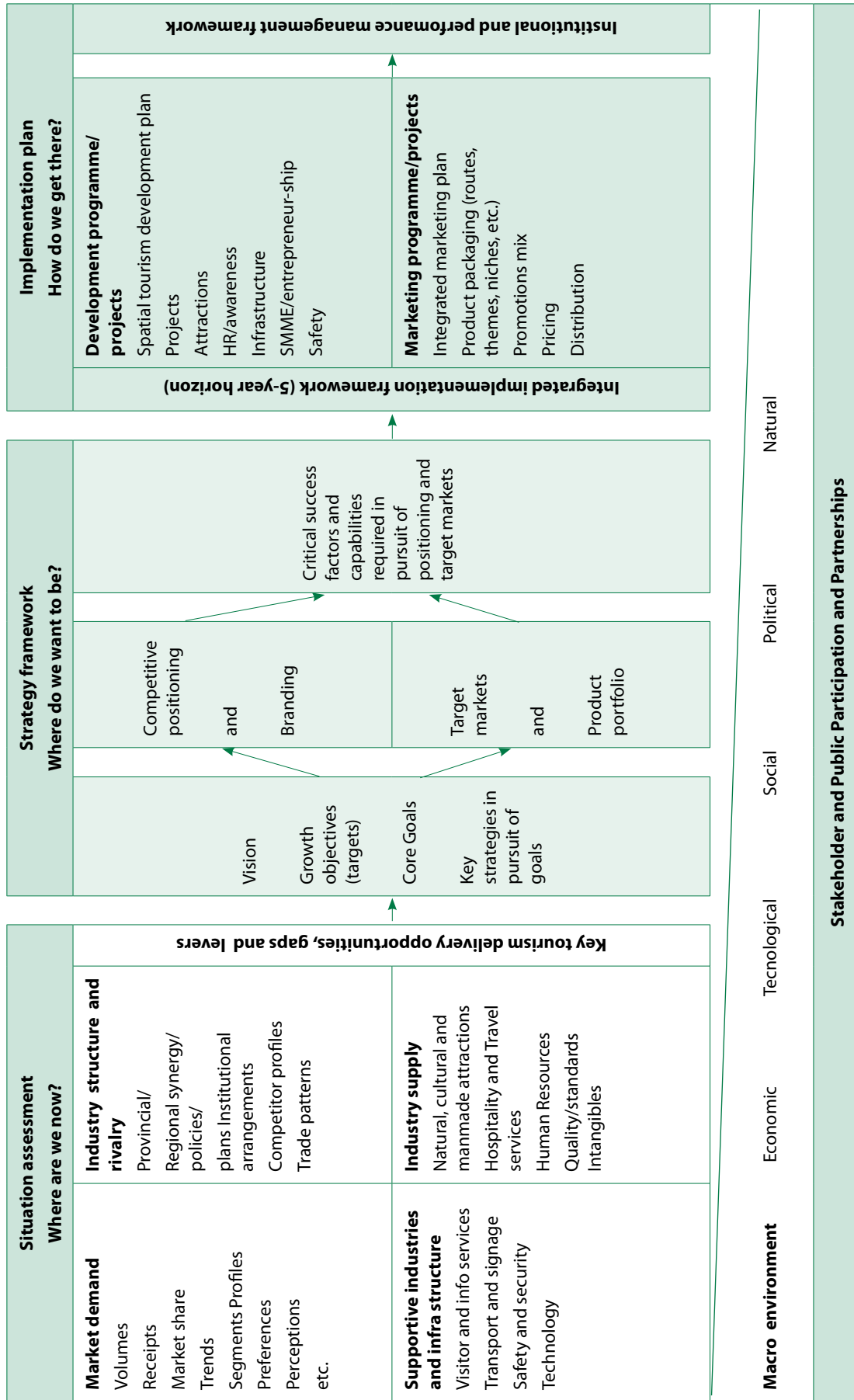
**Destination planning and infrastructure.** The physical image, environment integrity and infrastructure of the destination are key determinants of the quality of the visitor's experience. The industry will not be able to function without transport infrastructure, such as an appropriate and operational transportation network (e.g. public transport, roads, airports) as well as *bulk infrastructure* such as telecommunications, water, electricity, recreation and access to communication channels. Operational public toilets must be provided for visitors and clean, safe drinking water is also essential. Where safe drinking water cannot be provided through the destination's infrastructure, drinkable bottled water should be available for visitors. The threat of diseases such as Aids, malaria, etc. put pressures on destinations to provide high quality basic infrastructures and services. The effective provision of *safety and security services* is of utmost importance to a successful tourism experience and is clearly one of the main 'levers' of tourism movement on the globe.

**Training and skills development.** Tourism is a service industry and the quality of the visitor experience is largely determined by the quality of service and personal interaction experienced at the destination. Therefore, the development of quality interactions with the people tourists encounter at the destination is an important element of the tourism value chain.

**Technology and systems development.** Technology is increasingly becoming a driving force in support of the value chain. Global reservations systems are key levers of competitive advantage for airlines, hotels, car rental companies, etc. Recently substantial developments have occurred with regard to Internet based reservation services and there is no doubt that these will revolutionise the concept of online reservations by providing access to a far greater number of destination product. Operational and management information systems are also of major importance. In *addition information and communication systems* are the lifeblood of an increasingly globalised consumer market. Electronic conferencing and constant contact with the global marketplace are not only important to the tourism industry, but may have a determining effect on the visitor's experience.

**Related industries and buying local produce.** Primary tourism industry activities such as accommodation, transportation, catering, entertainment and recreation are underpinned by a wide range of related enterprises that supply services to the industry sectors. These are an integral part of the tourism "cluster" and the success of the value chain is highly dependent upon the effective provision of these services and products. These include equipment and component supplies, fuel, food and drink, contracted services, professional services, real estate/buildings, etc.

**Figure 9 A framework for destination strategy development**



## 1.10 A Framework for Developing a Destination Management Strategy

The following systems framework in Figure 9 summarises the strategic planning model that could be used for devising a strategy for effectively managing the destination.

1. **Situation assessment (Where are we now?)** regarding the tourism competitiveness of the destination, including:
  - A macro-environmental appraisal, including political, economic, social and technological opportunities and threats that need to be taken into account when planning for tourism in the destination.
  - A market analysis and assessment, including the destination's tourism market share and performance, market trends and customer profiles.
  - An audit and assessment of tourism resources and services, including tourism attractions, services, routes and nodes.
  - An assessment of supportive infrastructure and services in the tourism value chain.
  - An analysis and assessment of the industry structure and rivalry including benchmarking and comparison with current and future competitors, synergies with other destinations, relationships with the travel trade channel and the nature and extent of local institutional collaboration.
  - Based on the above, a summarised assessment of key tourism challenges, delivery gaps, opportunities and levers for tourism growth.
2. **A strategic framework (Where would we like to be?)** for future tourism growth based on the findings of the situation analysis, including:
  - A tourism vision, growth objectives and targets, core goals in pursuit of the vision .
  - Key strategies to achieve these goals.
  - A distinctive positioning and branding strategy to differentiate the destination from competitor destinations.
  - A target market strategy to identify and profile the most appropriate and lucrative market segments, their profiles and preferences.
  - A suitable product portfolio to match the target markets .
  - An assessment of critical success factors and destination capabilities required in support of the positioning strategy and target markets.
3. **An integrated, multi-year Implementation Plan (How do we get there?)** with specific programmes and projects, budget indicators and monitoring mechanisms to implement the strategic framework, including:
  - A tourism development programme and implementation plan relating to e.g. spatial nodes and routes, critical infrastructure, tourism information systems, new product development and packaging, investment promotion, human resource development and awareness, SMME development, support infrastructure and services, safety and security, etc.
  - A tourism marketing programme and implementation plan that supports the brand and focuses on attracting target markets through an integrated marketing mix, i.e. product packaging, distribution channels (travel trade, Internet, visitor network, etc.) and promotional activities (PR and media, advertising, promotions, etc.).

#### 4. Institutional and performance management arrangements (How do we organise ourselves to get there and measure success?) including:

- A suitable organisational system for the future management and execution of tourism in the destination, that:
  - Is based on the findings the strategy and implementation plan;
  - Complements other initiatives and structures e.g. national and regional/provincial tourism institutional policies and frameworks;
  - Is based on the public/private partnerships.
- Monitoring and evaluation mechanisms to measure and evaluate strategic performance.
- Cooperative mechanisms with other complimentary sectors and industries such as arts, heritage, events, business promotion, etc.

During this stage the impact of the strategy would have to be evaluated. This would be likely to cover a number of differing factors (e.g. growing the economic benefits, spreading seasonality or levelling demand, securing investment, raising quality, etc.) depending on the priorities of the strategy. Different research methods will be required to assess different types of impact but they can be broadly divided into two categories:

- Assessment of macro impacts through destination wide research such as national surveys, occupancy surveys etc.
- Assessments of the impacts of individual programme – e.g. campaign evaluations.

### 1.11 Strategy Check List

In assessing its strategic ability the destination management organisation/team should check whether it has:

- Clarity regarding the potential for tourism growth and the economic and employment benefits associated with various growth scenarios;
- A thorough understanding and assessment of the key gaps and opportunities in tourism demand, supply, supportive infrastructure and industry structure;
- A good database and intelligence system to evaluate and track tourism market performance, visitor profiles, product quality and service levels, etc.;
- A forward competitive strategy that includes a vision, growth targets, key levers for tourism growth, core tourism goals to be achieved, and appropriate strategies to achieve these;
- Clarity and agreement with regard to the competitive positioning of the destination and guidelines of how it could be translated into a viable destination brand;
- Clarity and agreement on a portfolio of target markets and matching product segments and how these should be prioritised for implementation;
- An inspiring brand proposition and identity that resonates well with potential target markets;
- An understanding of the critical success factors and destination capabilities that are required to realise the chosen positioning and product-market mix;
- An integrated action framework containing practical programmes, projects, indicative budgets and success indicators to implement the competitive strategy and evaluate progress;
- Proposals for a suitable, sustainable institutional system to drive the implementation, monitoring and evaluation of the strategy.

# The Strategic Foundations: Assessing the Situation and Setting a Vision, Goals and Objectives

At the outset of the strategic planning process it is important for the DMO to lay solid foundations for the future by assessing the current tourism situation and setting a inspiring vision and goals for the future. This chapter deals with assessing the current situation facing the destination and plotting a visionary and goal-directed future strategy.

## 2.1 The Situation Analysis: Assessing the Destination's Competitiveness

### 2.1.1 Introduction

During the situation analysis phase a thorough assessment should be made of the destination's competitiveness, by using a SWOT (strength, weaknesses, opportunities and threats) method.



The research should initially be market-orientated and in many respects is part of the marketing process referred to earlier and should:

- Identify potential market opportunities for the destination;
- Make a realistic assessment of the destination's resources;
- Include an analysis of other destinations to allow competitive analyses to be undertaken.

### 2.1.2 Research is Key

Conducting a proper situation analysis requires an investment in high quality research to examine the dimensions of tourism performance. This could include questions such as:

- How is the tourism product performing?
- What are the overall dimensions of tourism demand and impact?
- Market performance – e.g. occupancy, visitor numbers.
- Yield and profitability.
- Peaks and troughs in demand, and periods of mismatch in supply and demand.

Potential sources for this information include occupancy surveys, attractions surveys etc. In terms of the overall dimensions of tourism demand, this would look at the volume of trips and nights, market segments and volumes attracted and the economic impact of tourism in terms of expenditure and potentially jobs supported. Different dimensions could be examined – e.g. scale of domestic and overseas visitors, scale by different purposes of visit.

Potential sources for this information could include:

- National Tourism Surveys on domestic and inbound visitors.
- Tourism Satellite Accounts (TSAs).
- Local Economic Impact models.

### Tourism KwaZulu-Natal: Providing research

Awarded a UNWTO.Sbest Certification of Excellence in Tourism Governance, Tourism KwaZulu-Natal (TKZN) devotes a large part of its daily work to research and communication activities to keep attracting and satisfying visitors and local residents. Their website provides on-line information on general tourism statistics; South Africa’s Foreign Tourism Arrival Reports; TKZN Occasional Research Papers and Ad Hoc Tourism Research Projects; and Event Impact Assessments. TKZN can also be contacted for over a 100 reports on a range of tourism development issues.

See: [www.kzn.org.za](http://www.kzn.org.za)

## 2.1.3 Elements of the Situation Analysis

The following elements should be considered during the situation analysis as indicated in Figure 10:

**The Macro environment.** Political, economic, socio-demographic, technological trends that could impact on the destination’s competitiveness.

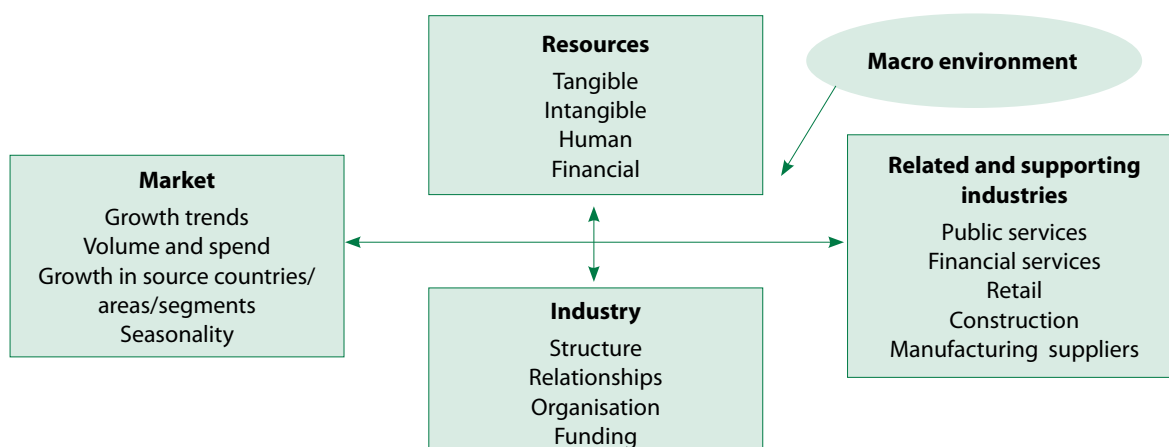
**Destination resources.** Including tangible (facilities, attractions, infrastructure, etc.), intangible (image, reputation, culture, etc.) and human (skills, motivations, service levels, etc.).

**Destination Markets.** Existing and potential market performance, trends, demand seasonality, segments, etc.

**Supporting industries.** The ability of support industries such as construction, retail, transport, etc. to deliver.

**Industry structure.** Industry co-operation, organisation, strategic planning, etc.

Figure 10 Elements of destination competitiveness



Each of these is discussed in the following four subsections.

### 1. Scanning the macro environment

Tourism destination managers are faced by two realities, namely:

- The environment in which the tourism industry operates is changing at an escalating rate;
- Most of what happens in the macro environment is largely outside the control of the destination marketer.

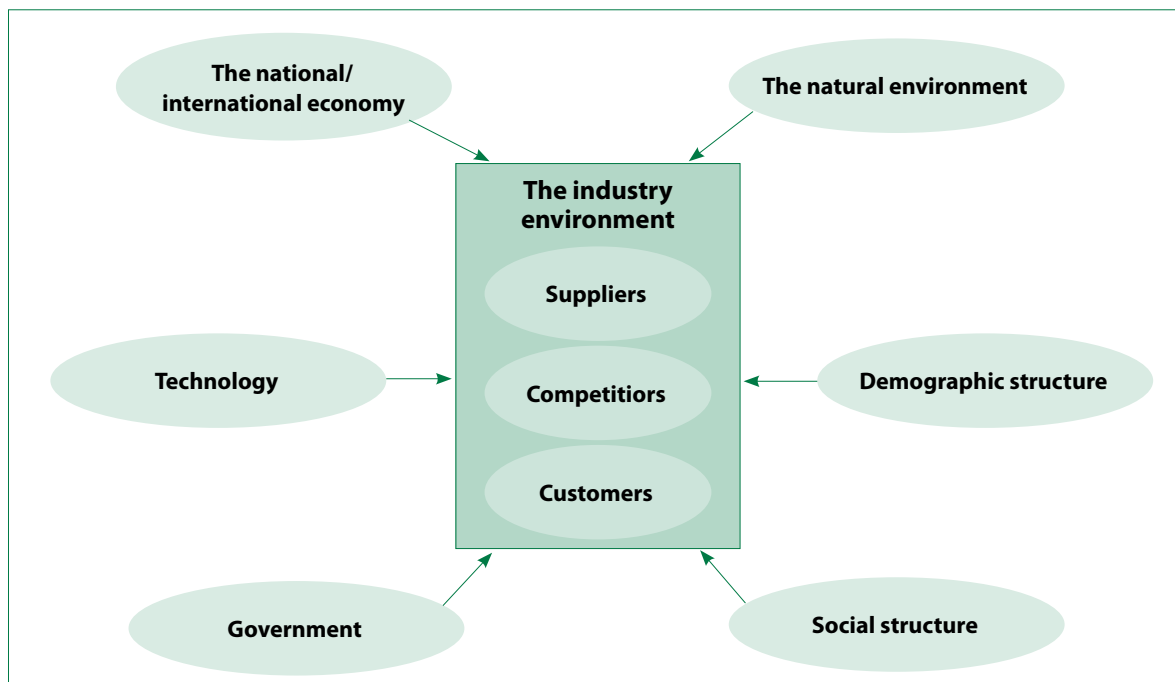
The challenge is to continuously scan and evaluate the trends in the macro environment including economic, social, demographic, natural, technological and political/governmental changes.

Examples of macro-environment changes that could have a severe impact on tourism industry performance are outlined in Table 4:

**Table 4 Examples of macro-environment changes**

Economic	Socio-demographic	Political	Technological	Ecological
Exchange rates	Demographic trends	Global/regional conflicts	Global distribution systems	Environmental strain on popular destinations
Interest rates	Health threats	Regional relations	Internet and CD Rom marketing	Market concern for responsible travel (triple bottom line)
Economic stability	Lifestyle and value trends	Changes in power structures	Transport innovations	Species awareness
Inflation	New tastes and social trends	Occurrence of extreme events	Virtual reality	Increased focus on values, sustainability and ethics
Fuel prices	Leisure orientation	Legal restrictions	Video and teleconferencing	
Aviation costs	Sport, health and fitness	Positive political developments		
Privatisation	Global village			
Currency re-evaluations	Impact of the media			

**Figure 11 The Macro Environment and its interrelationship with the industry environment**



The implications of these changes for the tourism industry should be assessed as external influences on the strategy.

## 2. Evaluating existing and potential tourism resources

Maximising the destination's tourism resources and turning the inherent resources into competitive advantages is critical to the success of the destination strategy.

Tourism resources could be defined as those factors that make it possible to produce a tourism experience and include the following:

- Tangible resources. With a particular focus on the basic key tourism resources such as:
  - The key “attractors” in a destination. This includes tourist attractions, historic sites, beaches, national parks, events, cultural facilities, sporting activities etc. These attractions will be important initially in motivating a visitor to travel to the destination.
  - Accommodation stock in the destination. This includes accommodation which suits the potential visitor in terms of location, price, quality and type and must be found before the decision to visit is confirmed. This is because some 50% of visitor expenditure is on accommodation and accommodation is difficult to walk away from during the actual visit if it is unsuitable. If suitable accommodation is not found the destination could well not be visited and alternatives considered.
  - Transport. For example main roads, rail, sea and air links. Even if the destination has quality attractions and accommodation, visitors will be deterred from visiting if good transport links do not exist.
  - Other resources. For example conference facilities which will be important in attracting business visitors.
- Intangible resources including:
  - The reputation of the destination regarding value for money, service quality, hospitality, etc.
  - The image of the destination concerning safety and security, uniqueness of experiences on offer, readiness to receive tourists, etc.
  - The culture of the destination e.g. welcoming of tourists, hospitality, lifestyles, etc.
- Human resources including:
  - Skills, qualifications and experience.
  - Work ethic.
  - Training systems and schemes.
- Financial resources:
  - Investment capital
  - Public capital for services, infrastructure, etc.
  - Finances to develop and market tourism, etc.

A number of dimensions should be analysed and identified in relation to these tourism resources, and questions that should be covered include:

- The scale of the tourism product;
- The key motivation themes and their relative strengths, particularly in relation to potential competitor destinations – the unique selling points (USPs);

- The capacity of tourism resources to cater for different types of visitors;
- The quality of tourism resources;
- Current and potential investment in the product.

These can be identified through:

- Product databases;
- Audits;
- Site visits;
- Capacity studies.

### 3. Assessing market trends and performance

The third aspect to be addressed in the situation analysis is market performance. A market performance evaluation of the destination should include an evaluation of the destination's performance relative to its competitors, in relation to the following aspects:

- Market trends. Global movements, demand consistency and fluctuations, seasonal variations, price sensitivity, sales and reservation channels, market preferences, etc.
- Source markets and segments, including:
  - Profile – who, how many, from where, how, when, for how long;
  - Potential – current performance, expansion potential, emerging markets, future opportunities;
  - Yield – length of stay, local spend, return visitation;
  - Local (domestic) market performance;
  - Consumer segments – common behavioral, demographic, activity and lifestyle segments.
- Market gaps. Where/when/in which segments do we not get our rightful share and what are the reasons.
- Market impact. On key aspects such as job creation, investment, aviation, environment, social, etc.

In analysing market performance and competitiveness there is often too little investment in market analysis, forecasting and segmentation. The market analysis should involve rigorous looking at both total potential and current markets:

**Total Market Review.** Undertake desk-based research to pull together information on the global tourism market and how it is changing and any visitor studies or market research which has been done specifically for the region, country or destination in question. This will give a broad overview of the marketplace within which to look at potential markets.

**Current Market Review.** It is important to know who is coming now. A number of sources can be used for this, the most obvious are:

- Visitor survey. A dedicated survey of visitors is one of the best routes. This involves interviewing visitors in the destination and finding out who they are (in as much detail as possible), where they come from and why they come.
- Database analysis. If destinations have a database of those who have enquired for information or visited then this can be analysed. The value of this depends on the data that has been captured. At the very least it should provide postal region data).

#### 4. Assessing related and supportive industries

Destination tourism competitiveness depends heavily on the ability of related industries such as public and private transport, retail, manufacturing suppliers to the tourism industry such as furniture, fittings, vehicles, etc., construction, professional services, etc.

The ability of these sectors to deliver on the demands of the tourism industry should be assessed and gaps identified.

##### Assessing industry structure and rivalry

The ability of the tourism industry to be at the cutting edge of tourism innovation should be evaluated, including:

- Institutional “thickness” and competitive maturity – the ability of industry players to join forces in the interest of developing and promoting the destination while competing with one another;
- The price competitiveness of the industry;
- Innovation and diversity of facilities and services;
- The quality and standards of facilities and services;
- Technological astuteness and the ability of the industry to capitalise on the power of new technologies.

##### Example of a SWOT analysis for “Anywhere” destination

A SWOT analysis **for an imaginary destination** is constructed below. It is presented in the traditional format and discussed in the paragraphs which follow it. As can be seen from the summary diagram, no more than five (or perhaps six) features are listed in each of the four quadrants. This is important in that SWOT analyses should focus minds on real strengths, *significant weaknesses*, the best potential opportunities, and the *greatest* external threats.

<p><b>Strengths</b></p> <p>Excellent Natural Assets Excellent Outdoor All-Year Product Iconic Features Part of Wider Strong Brand Active Business Leaders</p>	<p><b>Weaknesses</b></p> <p>Relatively Inaccessible Unsatisfactory Built Infrastructure Reputation for Poor Weather Poor Market Intelligence Relatively Small Operator Tourism Base</p>
<p><b>Opportunities</b></p> <p>Outdoor Activities Market Well-Being Niche Market Opportunity Secondary Vacations Event Tourism Partnership Marketing</p>	<p><b>Threats</b></p> <p>Declining Market Share Local Apathy and Complacency Inability to Change Wrong Decision-Making Lack of Investment</p>

**Strengths.** The destination is in a beautiful natural setting which contains a wide range of outdoor activity options, including walking, climbing, water sports activity, golfing and even winter skiing. It is characterised by at least one iconic feature, with others in the wider area that is itself part of an iconic brand. This is understood and appreciated by a number of business tourism leaders who are keen to see a new impetus being established that will reverse the destination’s poor performance in recent years.

**Weaknesses.** The destination is relatively inaccessible. It has a main line rail link and trunk road connections to southern conurbations but its lack of a nearby airport restricts its ability to attract budget airline short-break vacationers. The tourism infrastructure is not as good as it should be as a result of poor planning decisions and a lack of investment which is linked to seasonality, despite the evidence of some winter business. The area also has a reputation for poor weather which is exacerbated by a lack of

good indoor attractions. Poor market intelligence is another weakness, although in this the destination is not alone. It is relatively weaker than others in the size and scale of the tourism base and the income that is available for new investment in the product and the destination's marketing.

**Opportunities.** Marketing is increasingly about finding niche market opportunities. There are plenty in this destination but they are mainly associated with its outdoor strengths, which suggest that its market positioning should capitalise on this. Related to this, with investment there is the opportunity to develop the destination as a "well-being" centre, which research has shown as an emerging market opportunity. This could in turn help to attract secondary vacations, which the destination needs because of its relative remoteness, from a range of significant conurbations. Events could also play a supportive role, although the destination's location means that these will be unlikely to attract significant numbers of general visitors into the area.

Finally, partnership marketing – both within and beyond the destination – is not only an opportunity, it is a necessity. There is a relatively low base of tourism revenue in the destination (the "push" factor) but there is in any case real merit in joining with others within the wider region, given its brand strength (the "pull" factor). When push and pull co-exist, the opportunities they provide should be capitalised on.

**Threats.** The destination's declining market share is threatening, especially if the base is allowed to fall below recovery levels. This could happen if the weaknesses associated with the built infrastructure, especially related to the accommodation stock but also in respect of indoor things to do in wet weather, are not addressed. The problems associated with poor market intelligence will also have to be addressed and the wider tourism community engaged in the recovery process in a way that is meaningful in terms of them taking ownership of it, albeit under the leadership of the key, active players in the locality.

## 2.2 Identifying Competitors and Tracking the Competitive Environment

### 2.2.1 Introduction

How do you know whether your destination is performing well and whether your Destination Management Organisation is competing effectively for the largest possible share of the market?

You have to compare your destination with relevant competitor destinations and track their strategies to gauge and ensure that you stay ahead of the pack.

### 2.2.2 Who Are Your Competitors?

While it could be argued that all tourism destinations compete for a slice of the global tourism market it is true that competition between certain specific destinations is a lot fiercer, depending on a range of criteria. These could include similar source markets, similar products and experiences, similar target market segments, similar distance from key source markets, similar growth performance in source markets and similar peak tourism seasons.

Competitors could be ranked by scale-rating potential competitor destinations according to these and other criteria.

The analysis in Table 5 indicates that, according to the criteria used, destination F is the most competitive of the 6 destinations analysed and destination E is the least competitive. By using this process of competitor evaluation DMOs are able to evaluate the competitor landscape regularly and consistently. The criteria used in the table are not exhaustive and could be reduced or supplemented by others such as market size, brand identity and others.

**Table 5 Scale rating competition**<sup>1</sup>

Compared To Us 1 = Extremely different and 5 = Extremely similar	Potential Competitor Destinations					
	A	B	C	D	E	F
1. Top 10 source markets	5	3	2	4	2	4
2. Distance from our key source markets	2	4	4	2	2	5
3. Products and experiences promoted	2	4	2	3	2	4
4. Market segments targeted	2	3	2	4	3	4
5. Average annual growth past 5 years	5	4	4	3	3	2
6. Peak tourism months	1	4	5	2	2	5
<b>Average</b>	2.8	3.7	3.2	3.0	2.3	4.0

### 2.2.3 Finding Competitor Intelligence

Effective competitor evaluation and benchmarking requires valid and reliable information and knowledge of competitors. There is often a perception that tourism intelligence and knowledge is extremely expensive and difficult to find and extract.

Some information is costly and conducting your own primary research can become very expensive. This is mostly suited for large DMOs with substantial budgets. However, the Internet has made it possible for DMOs to obtain extremely valuable market and competitor research free of charge or at a very limited cost. See 'Sources and References' for organisations and websites where relevant information can be extracted.

### 2.2.4 Benchmarking Against Competitors

Benchmarking is an essential element of measuring your destination's progress and performance. Such comparison and measurement could fulfil various objectives e.g.:

- Tracking your own performance over time, especially before and after strategic interventions, campaigns, etc.;
- Comparing your destination's performance against other destinations and especially your competitors;
- Justifying and demonstrating the application of public resources;
- Evaluating whether your tourism strategy is working and how well you have done in achieving your targets.

Some typical measurements used for benchmarking purposes include the following:

- The volume (numbers) and value (spend) of tourists;
- Market share of key source markets;
- Annual average % growth compared to competitors;

<sup>1</sup> Woodward, I., (2006), *Developing a Tourism Strategy: Diagnosis and Marketing Objectives Setting*, Presentation at UNWTO seminar on destination marketing, April 2006, Seychelles.

- Accommodation capacity growth and occupancy rates;
- Tourism seasonality and geographical spread.

### Benchmarking in Britain

Different methods have been used to benchmark the UK against its key rivals, including<sup>9</sup>:

- Comparing the UK's key inbound source markets with those of its competitors to see in which markets the competition is outperforming the UK.
- Analysing the main outbound destinations frequented by key source markets and seeing what the UK's league position is in these source markets.
- Comparing a basket of performance indicators with those of competitors e.g. rank position in international tourist arrivals and receipts, growth in arrivals and receipts over specified time periods, share of arrivals and receipts within the world, the immediate region, etc.

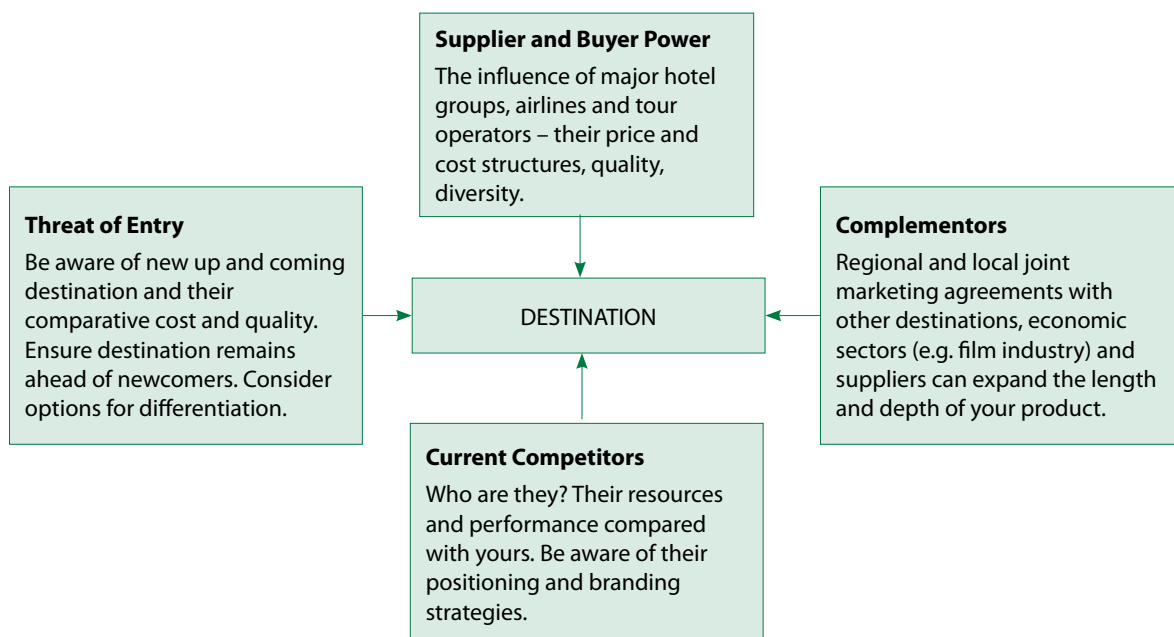
Within the UK, Tourism South East offers a benchmarking scheme using consistent indicators comparable between UK destinations.

See: [www.industry.visitsoutheastengland.com/site/market-intelligence/research-services](http://www.industry.visitsoutheastengland.com/site/market-intelligence/research-services)

## 2.2.5 Watching the Competitive Environment

Keeping an eye on your key rivals is a crucial element of crafting a destination strategy. However, other aspects could also have a major influence on the ability of a destination to continue competing in a highly competitive environment. These are summarised in Figure 12.

**Figure 12 Effects on destination competitiveness**



2 Woodward, I., (2006), Developing a Tourism Strategy: Diagnosis and Marketing Objectives Setting, Presentation at UNWTO seminar on destination marketing, April 2006, Seychelles.

## 2.3 Setting a Vision, Goals, Objectives and Core Strategies

The above SWOT Analysis is for an imaginary destination but it is loosely based on a real one. It has been provided to demonstrate what a SWOT Analysis looks like, and how it can be used in developing the vision, goals and actions that will help destinations to grow.

The destination vision should be a shared dream of a future destination, based on desired position. It should be a foundation and reference point for strategic direction and a leading light when times are tough, reminding the destination stakeholders of where they would like to head.

The vision should be:

- Inspiring, imaginative and speak to aspirations of stakeholders;
- Achievable and consistent – it should be an anchor and hook to hang strategies on;
- Formulated with broad stakeholder participation, using participatory methods.

### Advantage Victoria! An inspiring vision <sup>10</sup>

Leading up to the 2006 Commonwealth Games in Melbourne Tourism Victoria, the DMO for the State of Victoria, formulated the following vision as part of their 2002-2006 strategic plan:

The year 2006 will see Victoria as home to a strong and successful tourism industry characterised by co-ordinated and effective leadership and a community that understands and values tourism. The state will have delivered the best ever Commonwealth Games experience and boosted Melbourne's reputation as Australia's event capital. Offering quality products and services with a superior level of customer service the degree of visitor satisfaction will be unsurpassed. Melbourne will be a business events leader and the city will provide the gateway to a thriving regional tourism industry.

The goals should:

- Break the vision into defined outcomes;
- Be medium/long term focused;
- Address key levers identified in competitive and macro analysis;
- Be a realistic and consistent guide to action;
- Build upon the destination's strengths and take the best of the available growth opportunities;
- Eliminate the weaknesses whilst also guarding against the threats in the external environment;
- Based on the goals a range of specific objectives can be formulated. A good set of objectives should adhere to the SMART principle, i.e. they should be:
  - Specific. Objectives should *specify* what exactly you want to achieve;
  - Measurable. You should be able to *measure* if you met your objectives;
  - Achievable. Are the objectives you set *achievable*?
  - Realistic. Can you *realistically* achieve them with the resources you have?
  - Timebound. In what *time-scale* do you want to achieve the objectives?

3 Tourism Victoria: *Victoria's Tourism Industry Strategic Plan, 2002-2006*

- Examples of objectives are:
  - Increase the *value* of tourism to the economy by X% by the year Y;
  - Increase the *volume* of tourist arrivals to X by the year Y (this can be broken up into specific segments, depending on the strategy);
  - Generate an average of US\$ X million worth of *additional* tourism receipts each year;
  - Generate X thousand additional *jobs* in tourism by the year Y;
  - Create an *additional* X thousand bed-spaces by the year Y.

The goals and objectives should be supported by core strategies, which should be directives for achieving the destination goals. Strategies relating to the above imaginary SWOT analysis could include:

- Use the destination's outdoor activity strengths to position it as an attractive place for vacations and short-breaks.
- Examine the scope for Public Private Finance Initiatives to help upgrade and develop the destination's built infrastructure.
- Establish a local Destination Marketing Organisation which makes stimulation of the local business community an early priority.
- Also give early priority to working with other regional DMOs (or equivalents) in marketing and promoting the region and its destinations on the basis of sound market intelligence.
- Develop local events that underpin the positioning of the destination whilst also seeking other niche marketing opportunities.
- In particular, focus on the market and product development opportunities associated with "well-being", linked to both indoor and outdoor programmes, with these also being developed as niche products in their own right.

## 2.4 Turning Visions and Goals into Actions

The Vision and Goals will not be delivered by simply defining them: they will require actions to be pursued. Therefore the actions that result in developing the vision and goals will also need to be identified. These should initially be related to the strategic goals and to the DMO structure to allow the organisation to play its part in the delivery process.

The process of identifying these actions should be inclusive. It should involve as many of the DMO and wider tourism community stakeholders as possible. This is important, not only because of the contributions stakeholders can make, but also because engagement is important to ownership and ownership is vital to delivery. Those involved in delivering the agreed actions must be able to relate to them – which they will do if they have been involved in identifying them.

Preparation of the action/investment plan follows the development of the strategy. Where the strategy identifies broad priorities and potential approaches, the action and investment plan needs to translate this into specifics. As such, it will typically cover a finite time period – say one to three years.

The development of the action/investment plan should involve appropriate stakeholders or key players. This is applicable for an action plan that covers just one organisation or multiple organisations in the destination. This could take a number of forms from simple internal meetings to the establishment of a steering group (with representation from a range of different sectors and interests) and a number of working groups with more specific interests and roles (such as marketing and promotion, visitor management etc.).

### **Erseka, Albania: Developing a tourism action plan**

The Erseka Area is a subsistence agricultural area situated in the extreme southeast corner of Albania. The area currently has few developed attractions and events, though does possess a wealth of natural and cultural attractions. The Area developed and approved, with assistance from the SNV (The Netherlands Development Organisation), an action-oriented, user-friendly Tourism Action Plan (TAP) using a process that not only allowed for the development of a Plan of action but also educated stakeholders and Tourism Action Committee (TAC) members as to the workings and complex interrelationships among the various components that constitute a successful tourism industry.

The process of developing the TAP was as follows:

- The Erseka Area TAP was developed through workshops and meetings with a Tourism Action Committee (TAC) composed of equal representation from the four involved local governments, relevant NGOs and tourism-oriented private sector businesses.
- An intensive two-month stakeholder input process allowed Erseka Area stakeholders and citizens the opportunity to review the draft TAP. This was facilitated through open public displays, surveys and local TV media.
- Through questionnaires stakeholders commented on the draft TAP and provided other ideas toward improving it.
- 'Outside' stakeholders (e.g. the Regional Council, relevant national agencies, government ministries, private sector tourism agencies and international agencies) were personally approached by the Mayor of Erseka (also the TAC chairperson) and provided with copies of the draft TAP highlighting where each agency could be of service during implementation.

Through this process the TAC has gained wide support and insight into the workings of the tourism industry and their Area's within it. The TAC now has the confidence to move forward and implement the TAP. Five Work Groups were created each with the responsibility of implementing one of the top five TAP Objectives. The Ministry of Tourism wholeheartedly supports the SNV TAP process and is encouraging other Albanian communities and rural areas to use the process to develop their tourism industries.

The action/investment plan itself needs to address a number of elements including:

- The scope of the plan – its timescale and remit;
- The process and the partners – who is the plan for and who is involved in its development and implementation;
- Strategic direction – i.e. what the plan is broadly trying to achieve;
- Specific objectives and targets;
- Action programmes relating to, for example:
  - Tourism Marketing;
  - Information and Visitor Services;
  - Activities, Attractions and Experiences;
  - Tourist Accommodation;
  - Business and Workforce Development;

- Integrated Transport Infrastructure;
- Planning and the Environment.
- Implementation processes;
- Monitoring and review.

In relation to the action programmes, the plan needs to identify:

- Projects/programmes of activity;
- A description of those programmes and what they will involve;
- The lead agency with responsibility for delivery;
- Other partners involved in delivery of funding;
- Funding- amount and sources;
- Timescales for delivery, and possibly key milestones;
- Targets and monitoring where relevant.

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## Positioning and Branding the Destination

With tourism being increasingly recognised as a key economic opportunity around the world competition among countries and regions for a share of global tourism expenditure is increasing by the day. Potential tourists are faced with a wide range of holiday and business travel choices. To be recognised and to attract their rightful share of the global tourism market it is of critical importance for destinations to establish a recognised and valued tourism position and brand image in the market. This chapter deals with the concepts of differentiation and brand development, which are cornerstones of the destination strategy.

### 3.1 Competitive Positioning of Destinations

#### 3.1.1 Introduction

There are three broad approaches companies or destinations can follow to establish an advantage over competitors, namely:

**Cost leadership.** Consistently controlling and reducing costs and improving efficiency of operations, thereby out-pricing competitors

**Focus.** Becoming specialists in a very focused area of activity

**Differentiation.** Offering clients a product, service or experience that has a unique value and is different to those alternatives offered by competitors.

The differences between cost leadership and differentiation could be summarised as follows:

**Table 6 Difference between cost leadership and differentiation**

Basis of competition	Key strategy elements	Resource and organisational requirements
Cost Leadership	Investment in scale-efficient plant; design of products for ease of operation; control of overheads; R&D; avoidance of marginal customer accounts	Access to capital; process engineering skills; frequent reports; tight cost control; structured organisation and responsibilities; incentives relating to quantitative targets
Differentiation	Emphasis on branding and brand advertising, design, service and quality	Marketing abilities; product engineering skills; creativity; capability in basic research; subjective rather than quantitative measurement and incentives; strong inter-functional coordination
Focus	Specialisation in a particular product or service; focused and niche and highly segmented marketing; consistent product innovation and cutting edge technology	Customer relationship management; market leadership through product specialization and expertise; consistent innovation and product engineering; copyright, concessions and patent ownership

While consumer choices of transport modes and booking channels are increasingly affected by cost, their choices of destinations and experiences are increasingly affected by differentiated product. Consumers will consider how destinations are tailored to their needs and how unique these are in relation to other destinations and experiences.

One of the most effective ways of differentiating products is based on product attributes, i.e. characteristics that are “owned” by the product. To demonstrate this point, let’s consider how the various car manufacturers differentiate their products:

Product	Attribute
BMW	Driving
Volvo	Safety
Mercedes	Engineering
Toyota	Reliability
Jaguar	Styling

While most motorcar manufacturers use attributes to differentiate their product, concepts can also be used to differentiate products:

Product	Differentiating Concept
Microsoft, Sony	Market leadership
Jack Daniels	Market heritage
Apple	Being the latest
Hewlett Packard	Offering a full range of products
Hägen Das	How the product is made

Destinations must also establish a competitive advantage to out-compete other destinations. In the words of Jack Trout, the originator of the positioning concept: “Competition is not a battle of products or services, it is a battle of perceptions in the customer’s mind”.

Your destination may offer the best products and experiences, but unless you are able to create a perception in the minds of potential travellers that you offer something different, better and more appealing than other destinations you may not be in a position to convince travellers to visit.

### 3.1.2 Unique Selling Propositions and Unique Emotional Propositions

The key to differentiating the destination is finding a Unique Selling Proposition (USP) and promoting this so as to “own” a unique and valuable tourism attribute(s) in the minds of your current and potential customers.

In the new era of tourism, with a proliferation of new destinations entering the market, it has become increasingly difficult for destinations to base their positioning on physical attributes and factors such as climate (the subtropical paradise), geography (e.g. the river city), services/Infrastructure (“bandwidth Bay” – San Diego), or icons (e.g. landmark buildings, topographical features, etc.).

Customer decisions are increasingly influenced by emotional reactions and triggers. In the tourism marketplace, what persuades potential tourists to visit and return to one place instead of another is whether they have empathy with the destination and its values<sup>1</sup>. If the destination does not have a USP,

1 Morgan, N. et al. (2002), *Destination Branding: Creating the Unique Destination Proposition*, Butterworth-Heinemann, Oxford.

another option is to group together or package similar products to develop a special selling proposition (SSP). The Unique Selling Proposition is increasingly becoming the Unique Emotional Proposition (UEP). Emotion that differentiates the tourism experience, has a real benefit for the clients and a direct relation with the product <sup>2</sup>.

In destination terms, the UEP is:

- A single proposition as emotional trigger;
- Not offered by, or unable to be offered by, the competition;
- Something which the destination has the credentials to deliver on and to exceed client expectations;
- Strong enough to convert “lookers” to “bookers”;
- The cornerstone of your competitive strategy and communications.

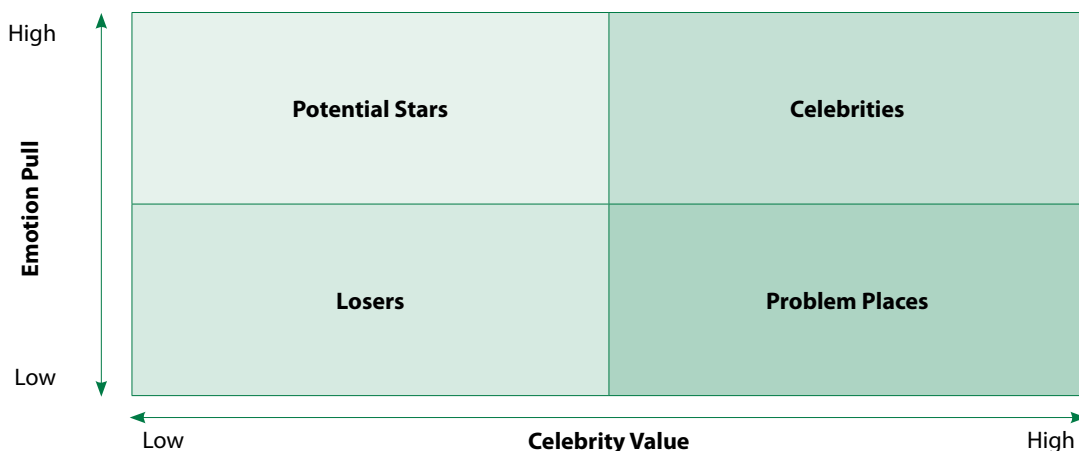
The following are some examples of USP’s and emotional value propositions of successful destinations:

**Table 7 Examples of USPs**

Destination	USP	Emotional promise
Canada	The ultimate in personal exploration “Keep Exploring”	Personal immersion and escapism
India	Incredible spiritual discovery and diversity “Incredible India”	Adventure, spiritualism and mystique
Malaysia	The best of Asian culture “Malaysia Truly Asia”	Broadening cultural horizons
New Zealand	Most unspoilt/authentic nature/lifestyle “100% Pure New Zealand”	Back to nature the way it was

On any positioning map brand winners are those places which are rich in emotional meaning, have great conversation value and hold high anticipation for potential tourists. The message is that rich, strong destination brands sing a song of difference and have a sense of being somewhere worth visiting <sup>3</sup>.

**Figure 13 Brand winners and losers**



2 Trout and Partners, (2006), *Country Positioning, the Battle for the Mind*, Presentation by Raul Peralba at the National Communication Partnership Conference, August 2006, Johannesburg.  
 3 Morgan, N. et al. (2002), *Destination Branding: Creating the Unique Destination Proposition*, Butterworth-Heinemann, Oxford.

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### Positioning Rwanda <sup>4</sup>

Around 2001 Rwanda's tourism authorities realised that tourism was a potentially powerful growth sector but they had a major image problem due to the regional history of conflict and genocide.

To move forward, Rwanda adopted the competitive advantage model, seeking to differentiate itself for customers willing to pay a higher price. Rwanda's tourism strategy creates revenue by emphasising unique value and high prices for each visitor. Rwanda differentiates itself and has created a special selling proposition through focused market segments, in particular eco-travellers (looking to experience primates, ornithology and other niches such as butterflies and flowers) and explorers (looking for cultural and educational experiences such as dancing and drumming and socio-political interests such as conflict resolution and Gacaca).

See: [www.rwandatourism.com](http://www.rwandatourism.com) and <http://rwanda.usaid.gov/images/Docs/biodiversity/Rwanda%20tourism%20policy.doc>

### 3.1.3 Positioning Implications for Destination Management

The selected positioning strategy to differentiate the destination from its competitors could be regarded as the cornerstone of the destination's competitive strategy. This selected positioning will have a profound effect on aspects of destination strategy design and execution. As an example consider two divergent destination selling propositions, namely i) natural and cultural authenticity and ii) fun, sun and entertainment.

**Table 8 Examples of destination selling propositions**

Examples of destination management decisions	Positioning: Eco authenticity
The scale and type of developments sought, allowed and promoted	Low density, environmentally sustainable designs, use of local material
Quality and service levels	Personalised attention with local participation and cultural interaction
Local content/participation	Strong focus on local content, participation, materials, etc.
Carrying capacity	Low volume, sensitive
Brand design e.g. <ul style="list-style-type: none"> <li>• Forms and shapes</li> <li>• Colours and textures</li> <li>• Tone of voice</li> <li>• Photographic angles</li> </ul>	Natural shapes and colours Soothing tone of voice with local themes Natural and local image design and forms

In conclusion, as air travel becomes more affordable and travel information and arrangements become more accessible through the Internet, consumers will be able to select their travel destinations from a growing pool of destination options. The challenge facing destinations will increasingly be one of differentiation and demonstrating their unique value proposition.

<sup>4</sup> CEO Rwanda Tourism (2006), *Rwanda Tourism Strategy*, 2002; Presentation at UNWTO seminar, Ethiopia, March 2006.

## 3.2 Destination Branding

### 3.2.1 The Strategic Role of the Destination Brand

Competition for tourists in a highly competitive destination marketplace is increasingly being fought over minds and emotions rather than physical features and price. The destination brand communicates and signals the competitive positioning. Since DMOs are mandated to manage the destination's image, effective branding could be an extremely valuable and powerful tool in their hands.

A brand could be defined as a unique combination of product characteristics and added values, both tangible and non-tangible. The characteristics have a relevance that is inextricably linked to the destination and awareness of this may be conscious or intuitive.

The brand is not only a trademark (logo, strapline or icon), but an experience and image that signals a value system and positioning. In short, it is a PROMISE. It establishes the kind of experience that the visitor can expect from the destination.

### 3.2.2 Branding Challenges for Tourism Destinations

In pursuit of winning brand identities, tourism destinations are faced with a range of challenges, including:

**Budget limitations.** Most tourism destinations do not have the financial resources to go head-on with commercial products for a share of discretionary consumer spend. The challenge is therefore one of "outsmarting" rather than "outspending".

**Political interference.** Destination brands signal the personality of nations and as a result politicians often find it difficult to accept a rational and scientific approach to brand development without interfering with the brand strategy.

**An often volatile external environment.** While destination brands can be defined and developed in a particular timeframe and context, external events (conflicts, disasters, etc.) can impact heavily on the brand's credibility and progress.

**Delivery challenges.** Delivering on the brand promise can be hampered by a lack of human capacity, infrastructure and a range of other delivery factors.

**Corruption.** The brand strategy and values could be undermined by corrupt visitor practices and services such as bribery at immigration points, security check points, etc.

**Differentiation challenges.** Brand delivery has to be consistent over time and the actual experience has to support the image created, making the brand believable and relevant – this depends on the cooperation and buy-in of a range of stakeholders.

However, good brands can be extremely powerful and valuable, as is demonstrated by the following indication of brand values as percentages of company market-capitalisation <sup>5</sup>.

Brand	Market cap. (US\$ million)	Brand value (US\$ million)	Brand value % market cap.
Coca-Cola	124,780	67,394	54
McDonald's	33,340	25,001	74
Heinz	13,080	7,026	54

5 Interbrand, (2004), Best Global Brands, (Online), available: <http://www.interbrand.com> (11-04-07).

### 3.2.3 Benefits of Effective Destination Branding

As with products, creating a unique identity has become more critical than ever for destinations and it has in many respects become the basis for survival and growth within a globally competitive marketplace. The following are some of the major benefits of effective destination branding:

**Destination awareness and demand creation.** An exciting brand could persuade customers to take note of the destination and to add it to their tourism “shopping list”. In addition the media could find a publicity and news angle in the brand, thereby enhancing its celebrity value.

**Customer loyalty.** A key prime objective of branding is to establish loyal relations with customers, i.e. getting customers to strongly associate with the values, tangible assets and emotional benefits offered by the destination and becoming promoters and ambassadors for the destination.

**Commercial value.** Once the destination brand is established it could become extremely valuable as a catalyst for travel conversion. This means that the DMO is able to retain and defend its brand-loyal customer base and can reduce its spend on generic awareness in favour of tactical sales and conversion.

**A base from which to co-ordinate private sector efforts.** A visionary and well-consulted brand can become a vehicle for coordination – if key public and private sector stakeholders ascribe to the same brand “family” and use the same brand identity and values in association with a basis for their own products it is clearly more efficient than individual efforts by separate players.

**A basis for establishing “seamlessness” between communication tools.** One of the key challenges in tourism destination management is the fragmentation and proliferation of marketing collateral and imagery. An exciting brand design that has the backing of key stakeholders can become the footprint according to which all destination promotions and materials creates an association and support for the destination “mother brand”.

**Image enhancement wider than tourism.** An exciting and encompassing brand could serve as an endorsement and “seal of origin” for other industries and products, especially export industries such as film production, agricultural exports, wine production, etc.

### 3.2.4 Key Factors for Success

A successful destination brand represents a major asset to any destination, but its success will depend upon a number of key factors including:

**Brand credibility.** The brand promises the customer a particular value and experience and thus automatically creates an expectation. The experience has to live up to the expectation created for the destination to retain a positive image.

**Deliverable.** One of the golden rules of branding is never to over-promise and under-deliver. Brands designs should be tested to ensure effective, on-the-ground delivery of the brand promise.

**Differentiating.** Destinations have to avoid the “me too” trap at all costs. The brand should signal the differentiated positioning and not try to emulate other successful designs or strategies.

**Conveying powerful ideas.** Branding is all about the hearts and minds of customers and destinations brands will only be truly successful if they convey concepts, values and destination personality traits that speak powerfully to the mind of the marketplace.

**Enthusing for trade partners.** The DMO alone will not be able to roll out and communicate the brand proposition. In successful destinations the private sector is the driver of tourism, under government destination leadership. A winning brand should be strongly endorsed and used by the private sector in the destination.

**Resonating with the consumer.** Lastly, it speaks for itself that even an award-winning creative brand design will not be truly successful unless the brand resonates with the consumer, encouraging him or her to visit and converting “lookers” to “bookers”.

### **“I Love New York”: Reviving New York’s tourism industry post 9/11** <sup>6</sup>

The “I love New York” brand has been one of the strongest, longest-lasting regional brands in North America if not the world, running for some 30 years. The design is one of the most recognisable logos of any city in the world. The powerful emotions evoked by the brand took on new meaning in the aftermath of the World Trade Center tragedy, allowing New Yorkers to honour their heroes, survivors and victims and to demonstrate their pride in their city and for the world to express their compassion and solidarity. Recognising the strength of the campaign, its logo and slogan, Governor Pataki announced an unprecedented US\$ 40 million “I love New York” advertising campaign three weeks after the attacks to both solicit and convey support for New York. In the weeks and months which followed, the “I Love New York” campaign proved invaluable in the efforts to rebuild downtown’s economy, retain vital businesses and industries and revive New York’s tourism industry.

This example illustrates the powerful influence that a strong brand such as this can evoke, assisting the city to recover from extreme events such as the 9/11 tragedy.

See: [www.iloveny.com](http://www.iloveny.com)

## **3.2.5 Understanding Your Targeted Market**

To develop a successful brand, destinations initially need to fully understand their targeted customer. A destination may have many different experiences and products to offer, each of which will appeal to different markets. However, the branding process should focus attention on their key target markets. Therefore research is required to fully identify and understand the primary target markets. The aim should be to make a major impact on this key target segment – and benefit from a ripple effect that will affect other segments.

Market research should be undertaken to identify the targeted customer’s needs and wants, both in terms of tangible products such as accommodation and attractions and intangible experiences such as fun, relaxation or adventure. Increasingly, people are motivated by emotion far more than reason, especially in leisure travel. In the past, market research has focused on finding out what the visitor wants, and not on finding out why? You can get ahead of your competitors if you find out why, by understanding the emotional factors that determine the preferences of your potential visitors.

## **3.2.6 Brand Building Process**

While a variety of processes and models have been used and applied to develop and implement brand strategies, the following outline encompasses the spectrum of brand elements and sets out a process for developing a brand strategy.

Before embarking on a brand building process it is important for destination managers to clearly establish a strategic direction for the destination, i.e. agreeing on an inspiring future vision and a fundamental market positioning, i.e. on what basis will the destination differentiate itself from its competitors in the

6 Empire State Development (2002), ‘I Love New York Recognized for Role in City’s Ongoing Recovery’ (press release) (Online), available: [http://www.empire.state.ny.us/press/press\\_display.asp?id=114](http://www.empire.state.ny.us/press/press_display.asp?id=114) (11-04-2007).  
Gertler et al (2006), *The New York City Case Study*, Munk Centre for International Studies, University of Toronto, Toronto (Online), available: [http://www.utoronto.ca/progris/pdf\\_files/Creative\\_Cities\\_NY\\_Case\\_Study%5B1%5D.pdf](http://www.utoronto.ca/progris/pdf_files/Creative_Cities_NY_Case_Study%5B1%5D.pdf) (11-04-2007).

client’s mind? The overall integration of branding within the marketing of the destination is outlined in Figure 14 below.

The following are five key phases of building the brand:

- Image investigation, analysis and strategic recommendations;
- Brand identity development;
- Brand design;
- Brand launch and communication;
- Brand management.

It should be clear from the diagram that, while the brand team should contain strong strategic and creative capabilities throughout the brand building process, the priority skills and expertise will differ during the various stages. During the brand building and strategy phases (determining the strategic direction, assessing the destination’s image assessment and developing the brand identity) the contributions and input required are of a strategic nature and should involve destination managers, researchers, marketers, researchers, etc. During brand activation phases (designing and promoting the brand) the key skills and capabilities should be of a creative and advertising nature and should involve designers, producers, copywriters, etc.

This also implies that the strategic brand direction should preferably come from within the destination management team (e.g. DMO and industry), while the brand design and promotion activities could be fruitfully outsourced to specialists once the strategy has been agreed.

**Figure 14 The branding process**



### 3.2.7 Developing the Brand Identity

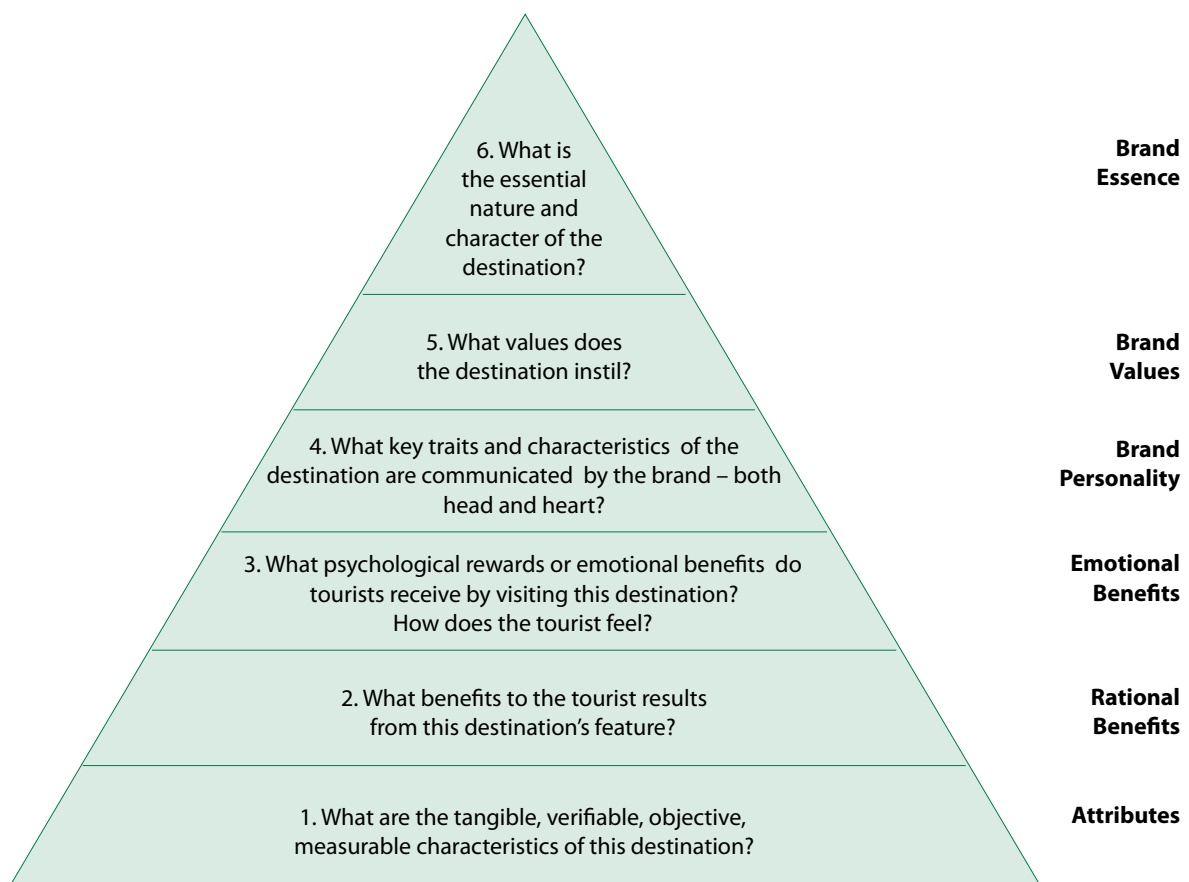
All too often destination branding is left to advertising agencies that are strong on design and creative expertise but less capable when it comes to brand strategy.

A brand's personality has both a head and a heart – its head refers to the logical brand features, while its heart refers to its emotional benefits and associations. Brand propositions and communications can be based around either a brand's head or its heart: head communications convey a brand's rational values, while heart communications reveal its emotional values and associations.

Brand benefit pyramids (see Figure 15) sum up consumers' relationships with a brand and are frequently established during the consumer research process where consumers are usually asked to describe what features a destination offers and what the place means to them. Using the research, brand builders are able to ascertain what particular benefit pyramids consumers associate with the destination in question. The benefit pyramid can be instrumental in helping to distil the essence of a destination brand's advertising proposition. This refers to the point at which consumers' wants and destination's benefits and features intersect – any brand communication should then encapsulate the "spirit" of the brand.

The brand pyramid has as its foundation the tangible and measurable attributes of the destination, which result in key rational and emotional benefits to the visitor. As summarised pointers and guidelines for communicating brand benefits and the destination's differentiated position in the marketplace a brand personality, values and a brand essence should be defined.

**Figure 15 The brand pyramid**



### Incredible India <sup>7</sup>

In 2002/2003, the Indian government launched the Incredible India branding campaign aimed at acquainting domestic and international travellers with the many unique experiences that India offers.

The objectives of branding India were to:

- Produce a unique and attractive offering to meet the rational and emotional needs of the tourists and build a strong visual identity for India.
- Develop India into a global brand, with worldwide recognition and strong brand equity and create a unique identity for India as a differentiated tourism destination.
- Re-position India as a premium destination with all communication sharply focussed to attract upmarket clientele.

In support of this upmarket brand, their focus has been to improve infrastructure and provide, clean, hygienic surroundings at heritage sites and monuments. The Ministry of Tourism has also moved towards developing integrated circuits creating one tourism and cultural hub in each state of India and islands of excellence from tourist arrival to departure.

See: [www.incredibleindia.org](http://www.incredibleindia.org)

### 3.2.8 Designing the Brand Architecture

Brand architecture should reflect all the key components of a destination brand including its positioning, its rational (head) and emotional (heart) benefits and associations, together with its brand personality. A brand’s architecture is in essence the blueprint which should guide brand building, development and marketing and is a device which can be used by all destination brand managers. More and more tourism destinations are looking to establish their brand architecture in order to put themselves ahead of competitors. Of course, when they are whole countries, destinations are often composite brands (being composed of many different places).

Consumer research which reveals and establishes a destination’s brand architecture should enable marketers to clearly see the elements and contributions of these various composite brands. It is a device critical to the development of destination supra-brands and sub-brands. Thus, Britain is a destination supra-brand and the *sub-brands* (England, Scotland, Wales, and London) are both part of, and at the same time, distinct from it.

**Figure 16 Brand architecture**



Branded House	Master Brand Sub Brands	Endorsed Brands	House of Brands
Nepal New Zealand – one destination, one core brand	Britain incorporating sub-brands London, England, Scotland, Wales	Florida brand endorsement of various theme parks and partner attractions	Australia’s states and territories each with their own brand and strategy

<sup>7</sup> Kant, A. (2003), *The Branding of India* (Online) available: <http://www.tourismofindia.com/misc/8-21.pdf> (11-04-07).

### Brisbane: Brand Architecture



### 3.2.9 Internalising the Brand

For the brand to be authentic and deliver on its promise the local community and stakeholders should believe in it and live it. It is a well-known fact that our best brand champions are our citizens, but they could also be our worst enemies, especially if they do not subscribe to brand essence.

Thus, a special effort is required to communicate and advocate the brand internally. These could include practical ways of instilling the brand values within the community, such as schools awareness programmes, brand pride competitions e.g. a brand song, art competitions, etc.

One of the most important vehicles for internalising the brand is to capacitate and enthuse leadership figures (political, business and societal leaders) to be brand ambassadors and infuse the brand values within the broader society.

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Georgios Drakopoulos (307-99-294)  
Friday, March 04, 2011 7:14:35 AM

# Marketing the Destination

With a clear vision and objectives set and the destination's positioning and branding clarified a key focus of the strategy will be on a proactive approach of enticing and attracting potential travellers to visit the destination. This requires a targeted approach and a well-balanced marketing mix.

Over the past ten years, the Internet has achieved huge market penetration, with more than a billion users world wide and Internet marketing is becoming increasingly more important. Information on e-marketing and CRM can be found in Section 7.4 of Chapter 7.

## 4.1 Current Market Trends <sup>1</sup>

Globally, tourism is being influenced by a number of trends. These are sometimes quite contrary and work in different ways on different groups.

DMOs should be aware of these trends and guide the development of their tourism product to take account of trends which may directly or indirectly affect consumer choices and behaviour.

The following are some important emerging trends that could affect market performance.

### Demographics

- In mature tourism markets, such as Europe and North America, populations are ageing but are remaining active into older age. Opportunities lie in health tourism products.
- At the other end of the age spectrum, the youth market has more money to spend and is becoming a more significant segment. This is particularly the case in emergent generating countries (like China). Growth in the youth markets creates opportunities for active/adventure tourism.
- Leisure time globally is increasing, but for the wealthy it is becoming more pressured. Concepts of time-rich, time-poor, and money-rich will be more important in segmentation and the way in which markets purchase products.
- Trips are becoming shorter. However a contrary trend is the emergence of "saving time" i.e. taking a sabbatical or trip of a lifetime.
- The general trend is towards more independent travel and away from traditional package tours. However, time poor markets are more likely to be seeking "bundled products" purchased in one transaction.

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1 Source for this section: European Travel Commission (2006), *Tourism Trends for Europe*, ETC, Belgium.

### The Tourism Intelligence Network, Canada: Tracking trends

The Tourism Intelligence Network, Canada, locates, gathers, analyses and distributes value-added information to enhance the Quebec tourism industry's competitiveness and help its decision-makers develop forward-looking strategies. The TIN website presents articles regarding current trends and how this affects their tourism. Recent articles reflecting current trends include:

**Carbon neutrality.** Travellers are increasingly going 'carbon neutral' to counterbalance their contributions to greenhouse gas emissions and combat climate change. This trend is explored fully on the website.

**Exploiting the 'gap year' travel niche.** Travellers in this segment do not spend a great deal, yet nonetheless make a significant contribution to the local economy because of their length of stay. The site identifies who gap travellers are and strategies for attracting them.

**Family travel and Generation X parents.** In the last few decades, family realities have changed dramatically. While amenities popular with children (like a hotel pool) are still very important, the demand for family travel has been affected by the fact that parents from Generation X now head young families. This new generation of parents has different values and concerns than their predecessors and their requirements are outlined on the website.

See: <http://tourismintelligence.ca/>

### Environmental issues

- Climate change, and increasing environmental and social responsibility are key trends.
- Consequences of these on tourism could include:
  - Increased costs of maintaining natural resorts.
  - Changes in tourism flows and seasonality.
  - Rises in demand for "eco-tourism" and nature based vacations.
  - Increased environmental related legislation and costs.

### Macro-economic factors

- Globalisation will continue and more global trade in goods and services with a greater homogeneity of cultures.
- This will help to create both new destinations and new markets. However the global market place will be more competitive.
- It will also lead to a more global workforce with increasing proportions of jobs filled by foreign labour.

### Safety and security

- While there are growing feelings of insecurity, fuelled by terrorists targeting tourism destinations, consumer attention spans are becomingly increasingly short with a resignation to the inevitability of such disasters.

### Consumer and lifestyle trends

- People are becoming increasingly motivated by internal determinants, such as the desire for self-development and creative expression. People are also increasingly seeking genuine experiences rather than staged ones. These trends will result in: Experienced travellers demanding higher quality experiences and services at all levels of expenditure.

- Fewer repeat visitors and a greater difficulty for destinations to build loyalty.
- A search for different experiences and the growing demand for 'safe danger' (e.g. adventure travel or the development of destinations which offer a 'controlled edge').
- There will also be increasing demand for spiritual products based on inner experiences. Health products will be increasingly added to other tourism products.

### Trends in marketing

- Consumers are seeking advice from other consumers through the Internet (e.g. blogs). Neotribes or new-common interest groups and communities and social networking sites are a main resource for orientation and knowledge. TripAdvisor, RealTravel and IgoUgo are good examples. This trend potentially has major implications for DMO activities.
- The Internet will drive future developments in travel/tourism product distribution.
- Changes in Information Communication Technology (ICT) will include advances in areas of mobile phones and digital TV, richer product data for the consumer, and development of new electronic payment systems.
- Marketing messages based on experiences and feelings will have greater importance in travel decisions. Tailor made and personalised products will become more important.
- Unique selling propositions (USPs) will become more important but will need to be expanded into unique experiential selling propositions (UESPs).

### Transport

- Cars will remain as the primary mode of transport for visitors, particularly for domestic travel.
- New destinations are being created through improved accessibility, such as the development of new airports, and budget airline routes.
- Destinations not easily accessible by direct or inter-modal transport systems will suffer.

## 4.2 Market Segmentation: The Basis of the Marketing Strategy <sup>2</sup>

To have any chance of standing out in a busy marketplace with many competing voices, destinations must be single-minded on focusing on those people who they are most likely to be able attract and who are most likely to purchase a destination's tourism goods and services. Only by having those people clearly in mind and presenting the destination to them in the right way will a destination maximise the effectiveness of its marketing and promotion.

Market segmentation is the starting point for devising a marketing strategy and is a process which categorises people into groups where they share certain definable characteristics. There are several reasons to segment a market:

- Only a small percentage of the world's population takes an international trip in any one year.
- Demand for tourism goods and services is not randomly or equally distributed throughout a population.
- Minorities within a population are often likely to consume a disproportionately high volume of the tourism product.

<sup>2</sup> Source for parts of this section from World Tourism Organization, European Travel Commission (2007), *Handbook on Tourism Market Segmentation: Maximising Market Effectiveness*, UNWTO, Madrid

- To develop the product according to the customer's needs, wants and desires.
- To understand a potential customer and how they think, in developing the marketing proposition and messages.
- Segmentation helps inform which marketing channels and media are the right ones.
- Each segment has its own distinct needs and/or patterns or response to varying marketing mixes.

The key to effective target marketing is to:

- Identify groups of people (segments) who are, or will be, in the market for an international trip.
- Decide whether these are the people who, if they visited, would help fulfil the destination's tourism objectives.
- Establish whether the destination has the appropriate products and services to meet their needs.
- Assess whether people in these segments are realistically likely to consider the destination.
- Establish their motivations/triggers, buying habits, etc.
- Persuade them to visit using appropriate and targeted marketing messages and channels.
- Evaluate and review the impact of the marketing on the segments that have been targeted.

There is not ideal number of segments to be targeted, and there is any number of ways to segment a market the most common approaches use some or all of the following, the choice depending on the reason for segmenting:

- Demographics/lifestage;
- Geo-demographics (i.e. based on common characteristics of people living in the same area);
- Transport catchments;
- Loyalty/purchase behaviour;
- Needs/activities;
- Values/beliefs/attitudes.

Though there is no single method for undertaking segmentation, the last of these, segmentation based on values, beliefs and motivations, is becoming increasingly more important than segmentation based on geography and socio-demographic profile. DMOs should consider which approach is best for their purposes and fully integrate segmentation into the strategic planning framework.

For further information on Market Segmentation see World Tourism Organization, European Travel Commission (2007), Handbook on Tourism Market Segmentation: maximising market effectiveness, UNWTO, Madrid.

### 4.2.1 Segmentation Tools

Tailor-made segments for any destination should be identified and articulated, based on sound analysis of the market, quantified wherever possible.

There is a number of tools commercially available to help with segmentation. The two most widely available are CAMEO International Mosaic Global which are geo-demographic profiling tools based on the common characteristics of people living within the same postal region. The assumption is that people tend to gravitate towards communities with other people of similar backgrounds, interests, and

means. Census and other data are used to give considerable detail to the profiling which covers socio-demographics, lifestyle, values and media consumption. Where destinations have data on postal region, these tools are particularly powerful in both profiling and targeting.

## 4.2.2 Targeting

In choosing their priority target segments, the following criteria are useful:

- How well does the destination product fit the needs and wants of the segment?
- Value of the segment – what will they spend?
- Ease of reach – how easy is it to communicate with them?
- Ease of conversion – how easy will they be to persuade?
- Proximity – it will generally be easier to convert those that are nearer or are on transport routes.
- Assessment against other objectives e.g. will they come outside the main season?

### Generation Kanada: A generational market segmentation concept <sup>3</sup>

The Canadian Tourism Commission (CTC) office in Germany has launched a concept to attract a particular market demographic in Germany. Specifically, they promote Canada as a destination to consumers 50 years of age or more – the so-called Generation X. They are targeting these consumers through their Generation Kanada campaign. The campaign enables this segment to identify with the brand by using music and song titles that were popular in the 60s and 70s and associating these titles with the Generation Kanada campaign and website. This has become CTC-Germany's own definition of this target group – they were in their 20s, 30s and 40s when this music was popular.

See: [www.generation-kanada.de](http://www.generation-kanada.de)

## 4.3 The Marketing Mix

The destination marketing mix is at the heart of the destination marketing plan. The challenge facing destination marketers is to select and combine the best mix of marketing elements in order to be most competitive and obtain the best return on investment in the target markets, while achieving the goals and objectives.

The traditional destination marketing mix consists of the four P's, namely Product, Place (distribution channels and locations), Promotion and Price.

**Product.** What experiences and services should be packaged and developed for presentation to target markets? Product development and packaging includes aspects such as product-market matching, product mixes, product life cycle, product packaging and new product development.

**Place.** What distribution channels are most appropriate to distribute product to target markets? The destination place (distribution) strategy should take into account changes in the traditional travel channel, the emergence of the Internet and other new media and the role of low-cost and scheduled airlines.

<sup>3</sup> Canadian Tourism Commission (no date), 'CTC-Germany Takes Generational Market Segmentation to New Heights', Press release at <http://www.tourismexchange.com/exchange/en/cobrand/ctc/getArticle.jsp?articleID=2521&languageID=1>

**Pricing.** Which price points appeal to target markets and how can these be achieved? While DMOs do not “sell” commercial products they should act as watchdogs pertaining to value for money in the destination.

**Promotion.** What is the best mix of promotional techniques to reach target markets most effectively, including advertising, sales, promotions, publicity, etc.?

The components of the mix should be seamless and integrated to ensure an effective marketing thrust.

In addition, marketing mix options can be pursued individually or in association with others within “partnerships”. If this can be achieved, the marketing spend of individual companies can be linked to DMO spend, thereby making both more effective in reaching and persuading visitors to come.

At the DMO level, the focus should be on:

- Using research to identify “best prospect” potential markets;
- Ensuring that the destination product is competitive in these markets, and that it is correctly positioned;
- Identifying which distribution and communication channels are likely to be the most cost-effective.

#### **Rewarding Scotland: Cost effective customer relationship e-marketing**

Rewarding Scotland is a web-based customer relationship marketing and management programme, mainly aimed at hotels. Hoteliers choose between two and four of the initial themes: Romantic Scotland, Recreational Scotland, Authentic Scotland and Special Breaks Scotland. The themed electronic brochures are then produced for participating hotels and these hotels send their e-brochures to their own database of customers, at least twice, during the period of the promotion. Each hotel e-brochure also features all the hotels participating in the themed promotion, as well as other relevant associates. All participating hotels are featured on the Rewarding Scotland website.

The initiative increases databases for everyone, without contravening the Data Protection Act, and is highly cost-effective.

See: [www.rewardingscotland.co.uk](http://www.rewardingscotland.co.uk)

## **4.4 Planning the Promotions Strategy**

### **4.4.1 Introduction**

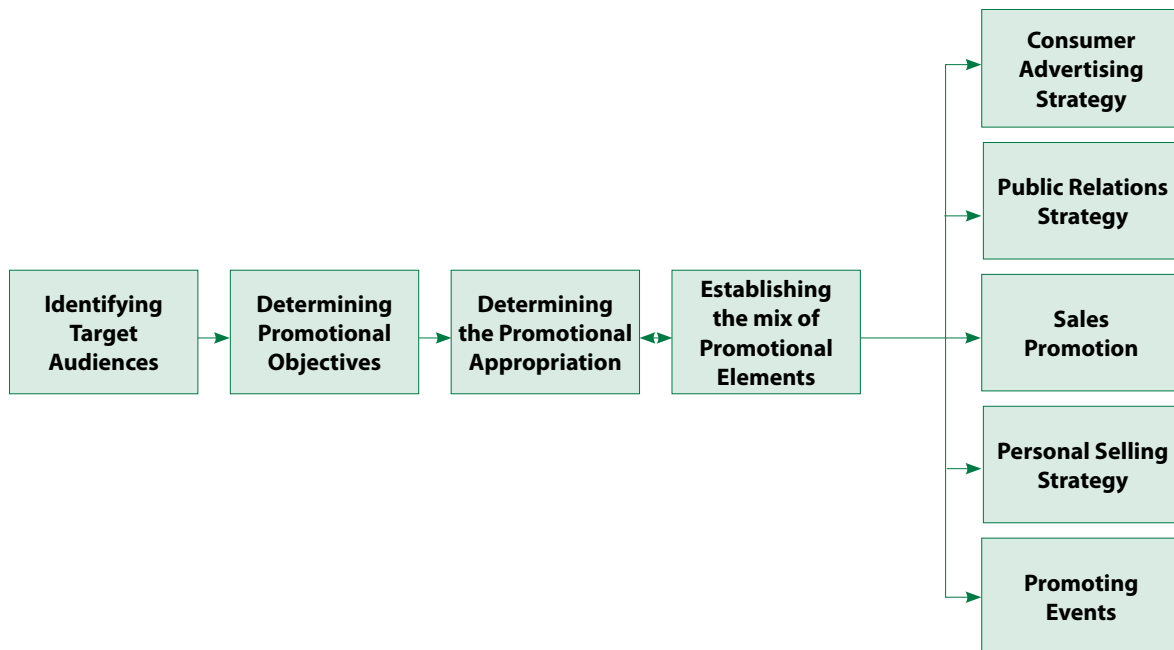
Promotion is one element of the overall destination marketing mix, albeit an extremely important and visible one. However unless the promotions drive is properly supported by the other elements of the core destination marketing mix, namely product, pricing and distribution channels, the promotional effort will not deliver the required return on investment.

Potential travellers could be enticed to visit the destination but will be frustrated by a lack of products and attractions, inability or difficulty to book and buy and inconsistent prices and/or poor value for money. Destination promotion could be considered the front face of destination marketing, as it entails all aspects of communicating and enticing customers to visit the destination.

#### 4.4.2 Designing the Promotional Programme

Designing a promotional strategy and programme involves the following stages:

**Figure 17 Designing a promotional strategy**



Each of these elements is discussed more fully below. In particular, the following should be taken into account when designing the promotional programme:

**Identifying target audiences.** As has been indicated market segmentation and targeting is one of the most critical components of a successful destination marketing strategy. Focusing on “low hanging fruit” and clearly defined and profiled target market segments will ensure the most immediate results and best return on investment. Existing target market profiles could be further enhanced by analysing their characteristics (e.g. lifestyles, benefits sought, purpose of trip, etc.) where to reach them (where they live, shop, exercise, socialise, etc.) and how to reach them (what they read, watch, how they buy, etc.). This clearly requires thorough market research.

**Determining promotional objectives.** The promotional objectives should be tailored to complement and support the vision, goals and overall direction of the destination strategy. Depending on the stage in the destination life cycle, clarity should be achieved upfront whether the aim of the promotional programme is:

- To create brand awareness of the destination, its positioning and brand personality, in which case the focus will be on generic image building, information provision and promoting loyalty within the established customer base.
- To achieve conversion, in which case a more tactical approach will be adopted with the focus on information on special promotions and offers, a call to action, booking and fulfilment channel, etc.
- As a result of travel lead times becoming shorter and consumer decisions becoming more immediate, the promotional trend is increasingly moving towards combining generic awareness and sales.

Objectives should be target market specific, realistic, measurable and time specific, e.g. number of additional travellers, increases during specific times of the year, etc.

**Determining the promotional appropriation.** In determining the promotional budget the challenge is to find a balance between the scope of the objectives set and the available budget and affordability to achieve these. This means that every element of the potential promotional mix should be critically evaluated and monitored in terms of return on investment e.g. cost per contact/enquiry, conversion cost, circulation (reach and penetration) achieved, life span of the medium used, profile of the audience reached and whether it fits the brand personality and enhances the credibility of the brand.

**Establishing the mix of promotional elements.** Given the increasingly blurred distinction between generic promotion and sales or conversion-directed promotion, there is a growing trend for DMOs to establish joint marketing agreements and partnerships with private operators to facilitate immediate conversion and customer gratification. There is a number of elements which can be used in the promotional mix and these are described below.

### 4.4.3 The Promotional Mix

In promotion terms we refer to “above-the-line” and “below-the-line” promotional execution.

**Above-the-line.** The highly visible, image driven and public advertising focused elements of the promotional execution and include print (newspapers, magazines, trade and professional press, etc.); outdoor (billboards, posters, etc.); television; radio; cinema; web-banner; and advertising.

**Below-the-line.** The less “in your face”, i.e. personalised elements of promotion execution and include exhibitions and fairs; direct mail; point-of-sale (window displays, posters, banners, etc.); packaging (paper, electronic, and physical marketing collateral); e-marketing; sales promotions and special offers; personal selling (trade visits, familiarisation trips, workshops, etc.); public relations (newsletters, press releases, interviews, editorial for travel programmes and magazines, etc.); media familiarisation visits, etc.

#### Lyon Tourist Office: Leisure Tourism Promotion Department

The Promotion Department of Lyon Tourist Office promotes Lyon as a leisure destination in France and around the world, and facilitates event planning. The department focuses on tour operators, travel agents, coach companies or receptive operators and assists these businesses to add Lyon as a new destination for their programmes. Services to industry are offered free of charge and include:

- Advice and assistance in the choice of programmes;
- Active participation at the time of inspection visits (help in preparing study trip);
- Loan of visuals to illustrate brochures;
- Forwarding of documentations published by the Bureau for sales network (sales manuals, maps of the town, etc.);
- Forwarding copies of documents for customers’ travel folders (maps, tourist guides, etc.);
- Introduction to local tourist service providers and tour guides.

Lyon also promotes itself to industry at international trade fares and workshops.

See: [www.en.lyon-france.com/page/p-621/art\\_id/](http://www.en.lyon-france.com/page/p-621/art_id/)

## 4.5 Destination Promotion for Leisure Tourism

The following are some common activities that form part of DMO leisure promotional programmes:

- Above and below-the-line consumer advertising programmes and campaigns;
- Trade fairs, trade sales visits and workshops;
- In-destination familiarisation travel trade visits and travel “academies”;
- Media familiarisation programmes;
- Public and press relations;
- E-marketing and promotions;
- Special promotions linked to events, periods, seasons, etc.;
- Visitor information services and facilities e.g. call centres, visitor passes and cards, multi-media displays, etc.;
- Production of distribution of promotional and information collateral and technologies.

### 4.5.1 Consumer Advertising

Effective consumer advertising requires a significant investment in time and financial resources. While DMO’s usually engage the services of professional advertising agencies in planning, designing and executing their advertising plans, it should always be kept in mind that the DMO is the custodian of the marketing strategy and that it has the responsibility of directing, evaluating and monitoring the advertising plan.

By identifying the most relevant media and continuously studying their profiles including audited readership, listenership/viewership numbers, readers’/viewers’ socio-economic status, activity preferences, interest profiles, etc. an optimal advertising-audience match could be ensured.

For DMO’s with limited budgets the following practical guidelines could be of assistance:

- Avoid engaging in ad-hoc advertising. DMO’s are sometimes reactive in their advertising initiatives and spend scarce promotional resources by reacting to unsolicited approaches by salespersons and agents. DMO’s should guard against such practices by planning their advertising programmes to suit their promotional strategies and developing methods of evaluating ad-hoc advertising opportunities. There is no worse form of advertising investment than reacting to unsolicited approaches by advertising consultants who lead DMO managers into an ad-hoc decision without proper information and evaluation of the opportunity.
- DMO’s that have not planned their advertising initiatives as part of a well-orchestrated promotional strategy or campaign should consider applying scarce resources to below-the-line activities such as e-marketing, trade and media familiarisation visits, public relations and editorial support, etc.
- Critically evaluate advertising media performance. In media advertising the terms “reach” (i.e. what % of the target market will be exposed to the advertising) and “frequency” (i.e. how many times they will be exposed) are important indicators of potential success. For advertising to be effective DMO’s need to know that they will be reaching their target markets and that the message will not be once-off but that it will achieve a high degree of repetition in target markets to ensure the highest possible recall value and reaction.
- Consider targeted and cost effective advertising investments in focused media that are patronised by selected niche target market segments, such as special interest magazines, television and radio programmes (environment, golf, birding, adventure sports, etc.).

- Invest in production. The investment involved in advertising placement is considerable and by neglecting or skimping on production the message could lose its impact and valuable resources could be wasted. Superior conceptualisation, design, imagery and copywriting are critical elements of successful destination advertising.
- Be sure to project the brand personality. The unique selling proposition and agreed brand identity should be reflected through the images, design style, colours and tone of voice used in advertising designs.
- Use simple, coherent and attention grabbing messages and images. Advertising is aimed at grabbing the attention of the potential customer and once that has been achieved more information can be provided. Singular, impactful messages that speak to the consumer's needs are critical. Clogged-up, overly "busy" advertising designs that attempt to convey everything on offer in the destination in a single advertisement often diverts the attention away from the advertisement.
- Be innovative and consider alternative advertising media. The creative use of outdoor advertising e.g. on travel modes such as tourist taxis, buses, rental cars, at airports, etc. could draw the eyes of the travel market.
- Invest in evaluation and monitoring of advertising outcomes. Whether generic or tactical in nature, advertising should always include an invitation and response mechanism, whether it is an email address, coupon, website address, contact telephone number, etc).

#### 4.5.2 Personal Selling (see section on distribution for an explanation of the travel channel)

It is common knowledge that interpersonal relationships are very important in promoting tourism destinations. As indicated and explained in the section on tourism distribution the travel trade channel consists of is a network of individuals working in travel agencies, tour operators and supplier operations and they are all able to affect the credibility and exposure of the destination.

The following personal selling initiatives could be considered and various practical issues should be considered when implementing these:

**Consumer exhibitions.** Consumer exhibitions could range from dedicated travel shows to participation in related exhibitions (e.g. consumer lifestyle products, sport and cultural events, etc.) and ad-hoc initiatives in public areas such as shopping centres. DMO participation at exhibitions directed at consumers should preferably be a component of an integrated promotional programme and should not be ad-hoc, isolated initiatives. The following pointers should be considered:

- Clear goals should be set for each occasion. When entering new markets the aim may be awareness creation, while attending consumer occasions in established markets may be directed at achieving conversion and action.
- If the focus is on conversion the DMO should ideally establish co-operative marketing links or agreements with fulfillment partners to be able to point consumers towards a purchase-able package.
- Destination presentation materials should be of excellent quality – as with advertising the costs of attending the exhibition could be substantial and to save on presentation materials and quality is not sensible, as it could well result in an opportunity lost.
- When dealing with consumers the language factor is extremely important and the DMO stand should be serviced by staff conversant in the local language.
- In addition to co-operative marketing initiatives DMO staff should be acquainted with commercial products in the destination to be able to advise customers of product opportunities.

- DMO staff should keep records of all contacts made and follow through with customer communication. A customer database should be developed to establish and build relationships with potential customers.

**Trade Fairs.** One well-established method of developing trade contacts and relations is attendance of trade fairs, where destinations create a branded exhibition stand which is often sub-divided into smaller exhibition spaces for product exhibitors and sub-regions and locations within the destination's boundaries. The idea is to create a collective space that carries the destination brand with the international travel trade coming to a single location and being able to meet and interact with a variety of products, attractions and destination organisations, i.e. a "one-stop destination shop". Some well-known examples are the World Travel Market (WTM) in London and ITB in Berlin, but there are many other trade fairs elsewhere in the world ([www.eventseye.com](http://www.eventseye.com)). The following are some pointers for DMO's attending trade fairs.

- Study the profiles of the various fairs – e.g. who attends, from which markets, which of your competitors are attending, what is the mix of trade versus consumer attendance, how highly is it rated by the trade i.e. what level of seniority is the average attendee.
- Set clear objectives in preparation of the event, i.e. which operators are critical to meet, what you wish to achieve as an outcome, what products or experiences you wish to launch or promote, what marketing materials are required, etc.
- Investigate the possibility of attending specialised fairs related to particular niche products and target markets, where you are more likely to meet up with specialised operators in accordance with your marketing strategy.
- Coordinate the efforts of other public and private sector partners by, for example, forming small working committee to deal with trade fairs where the key parties (tour operators, accommodation, airlines, other DMO's, etc.) are represented and where collective planning and decision-making are the guiding principles.
- Partner with private operators in co-funding exhibitions and approach trade fairs with prior-agreed partnerships and working relationships established; Partners (payment)/joint participations.
- Make as many appointments as possible upfront and be clear about the objective of meetings.
- Investigate and make use of parallel events and press conferences to learn as much as possible from the event and use opportunities to expose your destination.
- Plan publicity and prepare press releases and publicity material ahead of the event and make best use of media opportunities.
- Keep records of all contacts made and most-importantly follow-up all leads with a concerted customer relations programme including newsflashes, newsletters and personal messages.
- Always evaluate the return on the investment made in attending trade fairs in terms of contacts made, possible new tour operators partners, lessons learnt, etc.

**Trade workshops.** While trade fairs provide an entry point and for travel trade contacts and relationships, finding the best partners to support your strategy and establishing personalised relations require one-on-one meetings and communication. Dedicated workshops arranged by the DMO in country markets, where the DMO and selected private product suppliers meet with travel agents and operators in a more structured environment within the source market are excellent destination-focused platforms for meeting with current and potential travel partners. The following are some practical pointers for trade workshops:

- Plan workshops for the most appropriate time of the year – consider how it ties in and synchronises with other trade-related events and exhibitions in each market, how it coordinates with tour operator's sales cycle and marketing programmes, etc.

- The typical format would be round table discussions where destination presenters can base themselves and set up their display and presentation materials. Local participants (agents/operators) then move from presenter to presenter in a round-robin fashion according to a predetermined timetable of approximately 20 minutes per table, with a bell or announcer signalling when to move on to the next table.
- Select destination participants carefully and ensure that the criteria for participation are clearly laid down. Remember: your objective is to promote a differentiated and efficient tourism destination – quality of participants, their ability to deliver and their commitment to the destination brand should non-negotiable.
- Marketing the workshop to secure the highest quality of participation in the source market is crucial – direct communication such as personalised emails, telephonic invitations and hand-delivered invitations could improve attendance of senior sales executives. It is vital for the DMO to identify and target travel trade that have a high probability of promoting and selling the destination to the selected target markets. Once again a targeted and focused approach is essential.
- Send invitations well in advance and to follow-up diligently. Where DMO's do not have offices or representatives in the marketplace a local service provider could be retained on an ad-hoc basis to coordinate local logistics.
- While presentation of high-quality generic destination information by the DMO is important, the focus should be on commercial products with price offers.
- Allow adequate opportunities for social interaction and networking.

**Trade familiarisation trips and travel “academies”.** The ultimate in selling the destination to the travel trade is letting them come to the destination to experience the best it offers first hand. This can be achieved using various formats, e.g. i) individual or small group visits, mostly by tour operators visiting the destination or ii) travel “academies” where larger groups of tour operators and selected travel agents visit the destination and participate in a more formalised programme of activities. Some aspects to consider are as follows:

- The selection of suitable attendees is crucial to achieving a good return on investment. It should be made clear that the DMO is seeking attendance from individuals who excel at their jobs and who are appropriately placed and tasked to sell the destination.
- Since the DMO mostly deals with tour operators who in turn distribute their offers and brochures through a retail travel agency network it is appropriate to work closely with tour operator companies and for them to be the conduit for inviting travel agents. If the DMO has an office(s) in the marketplace it may want to invite travel agencies directly, but this may be sensitive as it may be seen to not fully respect the role of wholesalers in the channel.
- The importance of a target market approach i.e. defining lucrative target markets and inviting tour operators that specialise in particular segments should again be emphasised. Engaging relevant specialised tour wholesalers and retailers is an important component of executing and effective target market strategy.
- A balance should be sought between exposing channel partners to generic attractions and information and exposing them to purchase-able offers that they can take back and present to their home bases. This will require strong partnerships between the DMO and suppliers on the ground.
- Linked to the above, the programme should ideally consist of a mix of technical visits to experience the various destination attractions and facilities, social networking opportunities and organised meetings with product suppliers where specific product issues and prices can be discussed.
- Mini workshops can be arranged where attendees can meet with suppliers in a programme of round-robin one-on-one meetings, similar to trade workshops explained above.

- For larger travel academies theme workshops could be arranged at a central venue or even at the individual venues, where experts can do presentations at a generic destination level on various generic destination themes such as e.g. golf, adventure, culture, heritage, wine, nature and a range of other suitable topics that are in accordance with the marketing plan.
- As has been stressed before one of the most important value-adding aspects of organised trade events is the establishment of sustainable client relations. The implementation of an excellent customer relationship management system and database including regular and ongoing communication with attendees of familiarisation trips is of utmost importance.
- Every familiarisation visit should be thoroughly evaluated using questionnaires and personal interviews with attendees. Many lessons will be learnt to improve future opportunities.
- A close working relationship should be established with the partner operators to measure the results (i.e. increases in sales volumes and receipts) achieved following the visit.

### 4.5.3 Special Promotions

DMO's could play a major role in coordinating the efforts of public and private sector partners in support of special, tactical promotion. Such promotions could range from:

- Ad hoc promotional drives focused around specific themes (e.g. wine, golf, ecotourism, adventure, etc.), which are often linked to high-profile events that take place in the destination e.g. natural events (animal migrations and breeding cycles, wind and weather patters, botanical splendour, etc), cultural events (e.g. musical festivals, historical dates, film launches, etc.), seasonality (e.g. low season special offers), sport events (e.g. world championships or series, etc.).
- Full blown, integrated tactical promotion campaigns that contain all or most of the elements of the marketing and promotional mix.

The following issues should be considered when planning and executing special promotions:

- Destination promotions imply a strong public-private sector partnership as it should normally contain both generic and product sales messages and contact details, e.g. an invitation to experience the destination at a special promotional rate that can be booked through participating tour operators and travel agencies. It will thus be a combination of a strong destination message, plus a price proposition, plus a call to action plus booking channel to fulfill the purchase. This means that participating private sector operators should ascribe to promotional and pricing principles and should be able to service and fulfil requests that come in. Promotions could be purely generic, e.g. special promotions to heighten destination awareness during specific times of the year or to emphasise particular theme experiences.
- The planning of the promotion should take into account the capacity of tour operators and ground handlers to deliver at the particular time and should tie in with tour operators time cycles for producing and distributing promotional collateral, to ensure maximum market awareness.
- Operators, travel agencies and other parties that agree to be part of the sales, distribution and fulfilment channel for the promotion should be well-versed in the destination and to ensure first hand knowledge they should be invited to information seminars and preferably be hosted for a familiarisation visit prior to the launch of the promotion.
- Special promotions could be publicised through various methods and media including consumer advertising, PR, direct mail to operator and DMO databases and viral internet-based drives, e.g. a competition running on various internet portals where the internet user's email details as well as the details of friends and relatives are captured and they are in turn sent the promotional email and so it continues.

- The more targeted the promotion, the greater the chances of success and promotions aimed at special interest clubs, associations, etc. could be very useful e.g. a golf promotion to golf clubs, a wine-tourism promotion aimed at wine-tasting clubs, a special birding experience for members of birding clubs, etc.
- In establishing marketing partnerships with travel trade partners and pooling financial and other resources, a joint marketing agreement should be formulated to formalise the arrangement. Such agreement should express:
  - The obligations and responsibilities of each party;
  - Each party's investment in the promotional initiative (in cash and/or in kind);
  - The exact role(s) of each party in the agreement.
  - A cooperative promotional plan that spells out:
    - Objectives of the promotion;
    - Activities to be undertaken;
    - Time frames and deadlines;
    - How the results will be evaluated and reported.

#### 4.5.4 Promoting Events

While the promotional aspects described above are all largely relevant to the marketing of major events in the destination, the concentrated nature and potential media value achieved during events could provide the destination with major promotional value. Various promotional issues are of importance when marketing events including:

- Balancing the generic destination message with the messages of key sponsors could be challenging and sponsors and the DMO should work closely with event organisers to ensure a synergy between sponsor coverage and destination coverage. This may have an effect on the overall branding of the event (e.g. destination brand versus corporate brand identities and the communication messages going out to the market).
- Sponsors and event managers should be regarded as partners in implementing the destination marketing strategy and should be canvassed to consider the destination image and marketing strategy in the promotion of their specific events.
- Strategic choices should be made regarding support for specific events that could add significant value to the destination marketing strategy. The promotion of these strategic events should be tied in and synergised with the overall destination strategy and promotional programme so it adds value to the overall marketing effort and does not become an isolated occurrence.
- The DMO's support for events marketing could range from a brand endorsement, to in-kind support (e.g. coverage in DMO marketing efforts and materials to financial support and sponsorship).
- Given the long media lead times and specific event dates, events promotion should be planned in advance to ensure adequate coverage prior to the event – last minute promotions a few weeks before major events are generally less effective than a promotional build-up in advance.
- A focused promotions and communication programme should be devised, targeting specific media that specialise in the theme of the event e.g. in advance of a major golf event the DMO, the event sponsors and other interested parties could conduct a promotions drive in specialised golf magazines, web-pages, television programmes, etc.

- Once again the return on investment achieved through event promotions should be monitored. A balance should be sought between the short and longer term returns, as events are often built up over longer time periods with the major visitor returns being experienced during the third and fourth years of staging the event.

#### 4.5.5 Public Relations and Communication

One of the most cost-effective ways of promoting the destination brand and product offering is through effective media communication, i.e. providing the various printed and electronic media with interesting and newsworthy stories about the destination, which could then be included as editorial content in the various media. In addition to the obvious cost advantages associated with editorial coverage versus PR, stories about the destination in editorial format carries more credibility as it is the objective view of the writer and not advertising that is designed to influence.

Communication and PR could be promoted with various objectives in mind including:

- Continuous image and brand building, which could include stories, releases and other messages including:
  - Selective media host programmes where travel writers and producers are invited and hosted by the DMO and its private sector partners. The challenge being the selection of the most appropriate and potentially valuable media who could provide the best possible return on investment.
  - Publicising positive news stories with strong emotional pull and impact.
  - Publicising visits by celebrities and know personalities and arranging interviews with them.
  - Sending out regular destination e-newsletters and product updates.
  - Coverage and releases regarding special interest niches and topics.
  - Destination storyline links to other related sectors e.g. film production, manufacturing industry achievements, etc.).
- Tactical Campaign PR – This includes communication in support of specific campaign messages, events, personalities, special promotions, etc.
- Image defense and crisis management. Communication and public relations are key methods of reducing the potentially negative impacts of crisis events in the destination e.g. criminality, terrorism, natural disasters, health scares, etc.

Some pointers to consider in making the best of communication opportunities are the following:

- Destination marketing communication and PR should be distinguished from corporate communications. While the objective with corporate communication and PR is to communicate and publicise the vision, achievements and actions of the DMO among its key stakeholders destination communication is a key component of the destination promotion mix, with the objective of attracting more visitors to the destination.
- Given the importance of communication and PR in the destination promotion mix it should be given a suitably senior status in the DMO – all too often PR and communication is a junior portfolio that focuses on corporate communication issues only.
- The DMO staff responsible for destination communication should have a good knowledge of the relevant media in source and target markets and should be able to match media with target markets to achieve the maximum impact.

- The DMO should check on and monitor the credibility of media hosted, by following through on media coverage resulting from hosted visits and tracking the production and publishing records of especially freelance writers.
- While the focus should be on foreign/external travel media it should be acknowledged that political and current affairs writers and media could also have a major effect on destination tourism image and these should be monitored and targeted for communication where relevant.
- Good local media relations are extremely important as i) the media will have a substantial influence over the tourism buy-in and support for the DMO's activities ii) stories produced by local media are often catalysts for foreign media coverage or are directly taken over by foreign media. The DMO should do its best to establish and maintain good relationships with local media.
- One of the most important and often neglected aspects of media communication is to monitor and evaluate the returns achieved when media are hosted. This can only be done once stories on the destination are published and given the long lead times between media visits and actual publishing or flighting of stories a good tracking system is essential.
- Media relations should be continuously managed and nurtured – as with trade relations, good media relations are about personal attention and personal relationships.

Concerning media familiarisation trips:

- The hosted media and journalists should be carefully selected to compliment the strategy and objectives of the DMO, fit the target market profiles and have a track record of destination writing.
- The DMO should establish and maintain a data base of media that have visited the destination, what they have produced and other relevant comments.
- The itinerary and programme should be carefully crafted in co-operation with private sector partners to ensure optimal coverage but also adequate flexibility.
- Support materials such as press releases, fact sheets and photographs should be readily available to journalists.
- Aspects such as the number of articles resulting from a hosted trip, value of articles produced and an assessment of the positive vs. negative images published should be monitored and evaluated.

#### 4.5.6 Communication and PR in Times of Crisis

During recent years many leading and emerging tourism destinations have been hit by a number of major human and natural disasters that have thrust their tourism industries into serious crises. These included tsunamis, the spread of deadly viruses, terrorist attacks, tourist crime and other events that could scare tourists away from the destination. While there is little DMOs can do to control any of these events, they could play a major role to lessen the short and long term damage of such happenings.

One of the most important reasons why many destinations do not deal well with crises is the lack of good advanced planning. This normally results in role confusion, politicking and a lack of coordinated action among the many role-players involved in dealing with tourism crises.

Figure 18 outlines the guidelines when planning and preparing for potential crises:

**Figure 18 Planning and preparing for potential crises**



#### Rules for dealing with a crisis <sup>4</sup>

1. Define the key problem areas, both short and long term. While the immediate challenges resulting from a crisis (e.g. dealing with victims, affected parties and crisis communication) will receive priority, the long term implications e.g. brand and image management, sustained tourism access, environmental and aesthetic qualities, etc. should be factored in when dealing with a crisis. The outcome to strive for in the long run should be to show that the event is not the norm and that the destination remains open for business.
2. Plan for a worst case. Assume the worst when planning for a crisis – in the case of catastrophes the death toll is usually greater than originally anticipated and if you are prepared for the worst you will be able to handle any event.
3. Accept and admit the things you cannot change. In disasters you have got to admit that there will be a negative impact in the short term and denying it will reduce your credibility. The main message should be that you are urgently working on making the crisis shorter and lighter and that the destination should be back to normal soon.
4. Do not rely on one individual to handle everything. While the crisis team should have a leader and spokesperson tasks and duties should be spread among members in accordance with their strengths and there should always be someone available as backup in the event that the key person responsible is unavailable.
5. Remove crisis teams from normal business. Members of the crisis team should be able to give it their full attention, especially at the beginning of the crisis. Crisis team members should not be allowed to wander in and out and attend to other duties when the situation is critical.
6. Maintain a list of everyone to whom you should be communicating (both media and key stakeholders) and the kind of information they should receive.

<sup>4</sup> World Tourism Organization (1998), 'Crisis Management: How to Prepare for the Worst and Handle it the Best' in UNWTO (1998), *Shining in the Media Spotlight*, UNWTO, Madrid.

7. Centralise communication. All information should flow as fact to a single coordinator or spokesperson and all information outflows should be managed by a single source. Where tourism persons are not in control of communication (e.g. in the case of a security or health incident or breach) it is essential that those dealing with communication should understand the tourism implications of the crisis. This once again underscores the need for a multi-disciplinary crisis team to build relationships in advance of any crisis.

Lastly, when dealing with the media crisis managers should put themselves in the shoes of journalists and ask what they would want to know if they were the journalist. Questions like what happened, where and when did it happen, who is responsible, what is expected to happen next, what is being done to ensure it does not happen again are to be expected. Journalists will write the story with or without your help and with good media relations, careful planning and intelligent actions during the crisis the impact of a critical event can be minimised for the good of your destination.

#### VisitLondon: Recovering from crisis <sup>5</sup>

On 7 July 2005, terrorist bombs exploded on three London Underground trains and on one public bus. Fifty-two people were killed and more than 770 were injured. Following the attacks VisitLondon launched a campaign to help London recover, and demonstrate 'business as usual'. The recovery campaign did not claim that London was 100% safe, but focused on the positive aspects of London. They took the following steps:

- Face-to-face research in 13 cities across seven countries to determine views of how people felt about visiting London.
- Launched 'London in September' campaign with over 100 events promoted these through mini-guides placed in national broadsheet newspapers and the London paper, the Evening Standard.
- VisitLondon teamed up with the GLA and Transport for London to launch 'Everyone's London' in September 2005 to urge local residents to explore their city.

Visit London, VisitBritain and other members of the Tourism Industry Response Group (TIER) won 2006's PR Week Award for Best Crisis Communications. The Award follows the tourism industry's co-ordinated response to the London bombings in July 2005. TIER was formed to bring together key organisations from the industry to agree communication messages and share intelligence about the impact of any potential crises facing the visitor economy.

### 4.5.7 Producing Promotional Materials

Key considerations in producing destination promotion materials include the following:

- The aim of each item should be clarified, i.e. is it motivational (aimed at motivating potential clients to visit the destination) or is it informative (aimed at providing clients whose interest has already been canvassed on what to do and see)?
- The "architecture" of the promotion materials portfolio should be clearly specified and planned upfront:
  - What types of materials will be required throughout the customer journey, i.e. interest and motivation, sales, trip planning, in-destination, post visit etc.?
  - How should the destination brand be represented and reflected on marketing materials, e.g. logo-branding and co-branding, the tone of voice, colours, fonts, images and photographic angles, etc.?

<sup>5</sup> Robertson, S. (2006) 'London's Tourism Revival Post 7/7', *PR Week*, 7 July 2006.

- What “umbrella” design imagery should span across all marketing materials to ensure brand recognition and consistency. All too often destination marketing materials present a fragmented image with a lacking design consistency and brand image?
- How are marketing materials coordinated with other destination brand tiers such as country/regional/provincial materials through an effective brand architecture that provides for co-branding and promotes synergy and coordination?
- Where and how travel themes (e.g. culture, nature, ecotourism, health tourism, etc.) and routes (wine route, Route 66, etc.) are represented in the portfolio of marketing materials, without leading to a proliferation of marketing tools?
- A suitable language strategy should be clarified to ensure that marketing materials appeal to target markets, while taking cost of production and distribution into account.
- The print runs should be planned carefully. Materials are very costly and overproduction could lead to a substantial waste of expenditure. At the same time a shortage of marketing materials during costly promotional exercises, trade fairs etc. could be considered the cardinal sin.
- The quality, size and thickness of paper used should be carefully considered and a balance should be found, since freight and distribution costs (especially in long-haul markets) can be a major liability.
- Use electronic promotional materials where relevant. They are usually not as costly to produce; distribution is easy and low cost; and they can be easily updated on a regular basis. Websites, e-newsletters and e-magazines are examples of practical e-marketing materials. The DMO should obtain appropriate technology and design expertise to ensure fast and efficient downloading of exciting images, easy search and navigation capabilities, etc.

A possible DMO portfolio of promotional materials following the stages of the customer journey could be represented as follows:

**Table 9 A portfolio of promotional materials**

Stage in customer journey	Dream	Plan	Book	Experience	Dream again
<b>Communication objective</b>	Awareness	Interest	Demand	Satisfaction	Recollection
DMO promotion collateral	Destination (“teaser”) promotion brochure Destination video clips and footage Posters, window displays, leaflets pamphlets, Webpage motivation images/content Give-aways/merchandise (T-shirts, caps, etc.) Consumer and trade exhibition displays and materials Consumer and trade newsletters	Image bank/library Travel guide Trade Directory Travel map Theme brochures (e.g. nature, culture, golf, shopping, etc) Video clips and footage Webpage information content (where to go, what to see, do, what’s on, where to sleep, eat, etc.)	DMO online reservation engine or open platform; or links to suppliers or booking sites Trade directory Travel Card/Pass	“What’s on” guide and/or events calendar Travel guide Travel map Travel Card/Pass Theme brochures (e.g. nature, culture, golf, shopping, etc) Video clips and footage Webpage information content (where to go, what to see, do, what’s on, where to sleep, eat, etc.)	Electronic and paper newsletters/news-flashes Email information and events calendar Direct mail promotion

## 4.6 The Distribution System for Leisure Tourism

### 4.6.1 Introduction

It is of critical importance that DMO marketers should have a very good grasp of the key players in the travel channel. They need to know how travel is sold, the role of the various agents and intermediaries in the various source markets, their business and market focus, and their criteria for promoting destinations, etc. The following questions require attention:

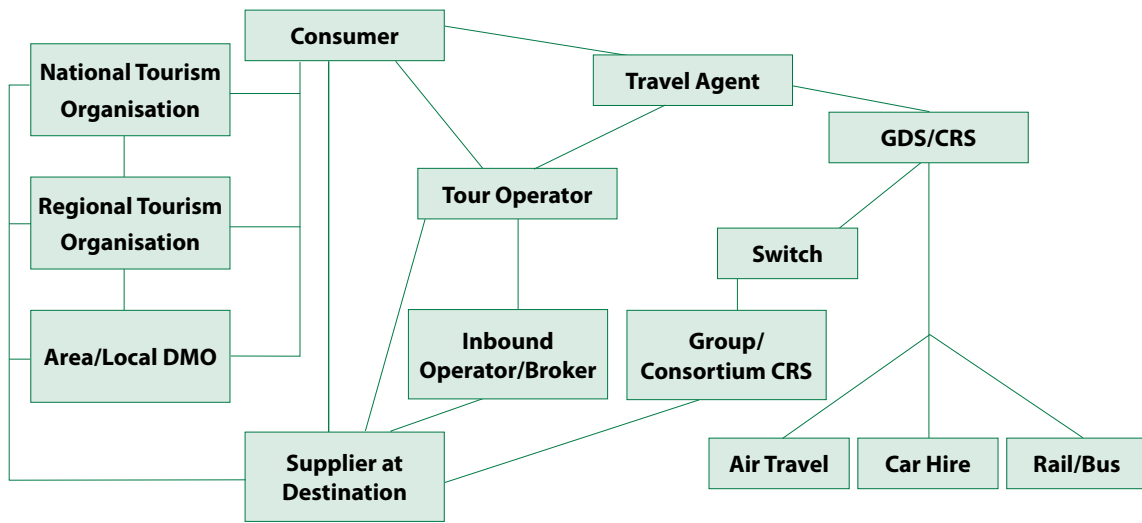
- How does the market purchase – what is the (changing) role of the different travel channels (wholesalers, retailers, online travel agents, direct sell online, etc.)?
- Who are the main intermediaries (tours operators, agents) servicing your destination and targets markets?
- What are the pricing and commission structures?
- How are the travel trade in target markets and inbound operators linked, i.e. do the key international wholesale operators have their own representative offices in your destination and, if not, who are their preferred inbound partners?
- Is the destination represented in operator brochures and if it is, what products and experiences are included?
- How wide is the retail distribution channel of foreign wholesalers, i.e. through how many and which agencies is the product distributed?
- Who are the key personalities and decision makers in the channel and do you have effective working relationships with them?

### 4.6.2 The Traditional Travel Distribution System

As can be seen from the Figure 19 below the traditional travel distribution system consists of a network of channels, including:

- Direct consumer to supplier channel;
- The DMO playing a facilitating channel role through carrying product information in brochures, information offices, webpages, etc.;
- Intermediaries including travel agents, wholesale tour operators and inbound tour brokers;
- Dedicated technology distribution systems such as Global Distribution Systems (Amadeus, Galileo, Sabre, etc.) and Central Reservation Systems.

**Figure 19 Traditional travel distribution systems**

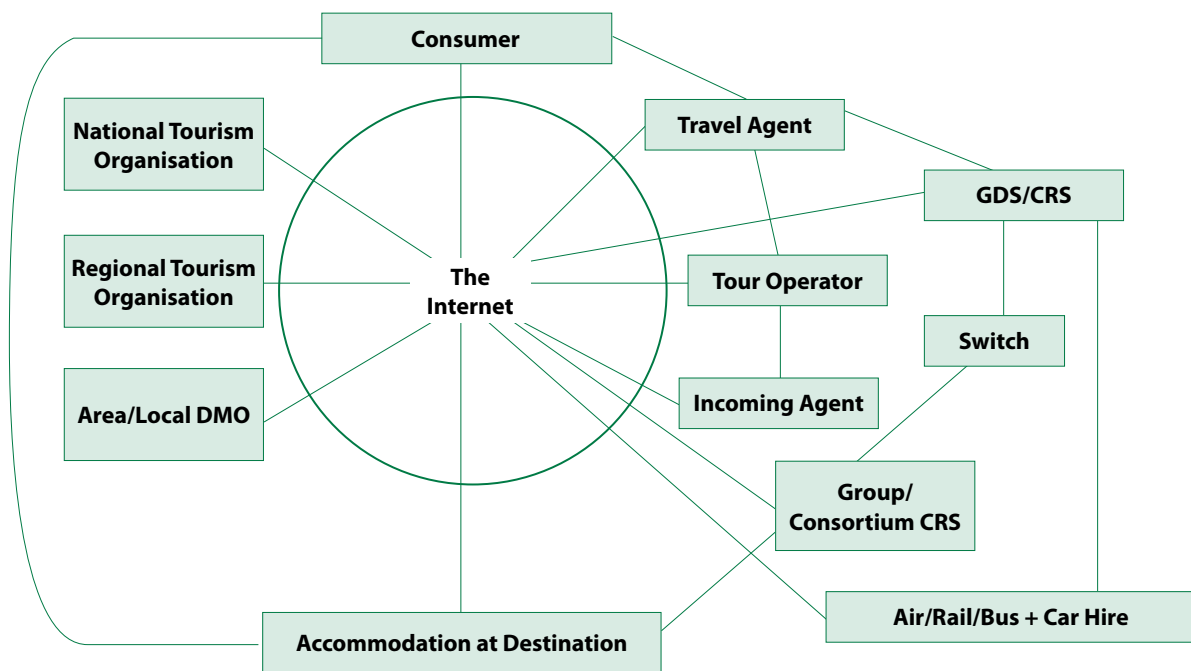


© TEAM Adapted from Wethner and Ebner

### 4.6.3 The Emerging Distribution Net

The advent of the Internet as a shared electronic information and transaction channel has brought about major changes in travel distribution, with all players now having access to and being able to plug into an integrated information distribution platform. Consumers, in particular now have access to a wide range of information and reservations channels. This obviously poses a substantial challenge for intermediaries to prove the value they are able to provide. Figure 20 below provides an indication of the emerging distribution net.

**Figure 20 The emerging distribution net**

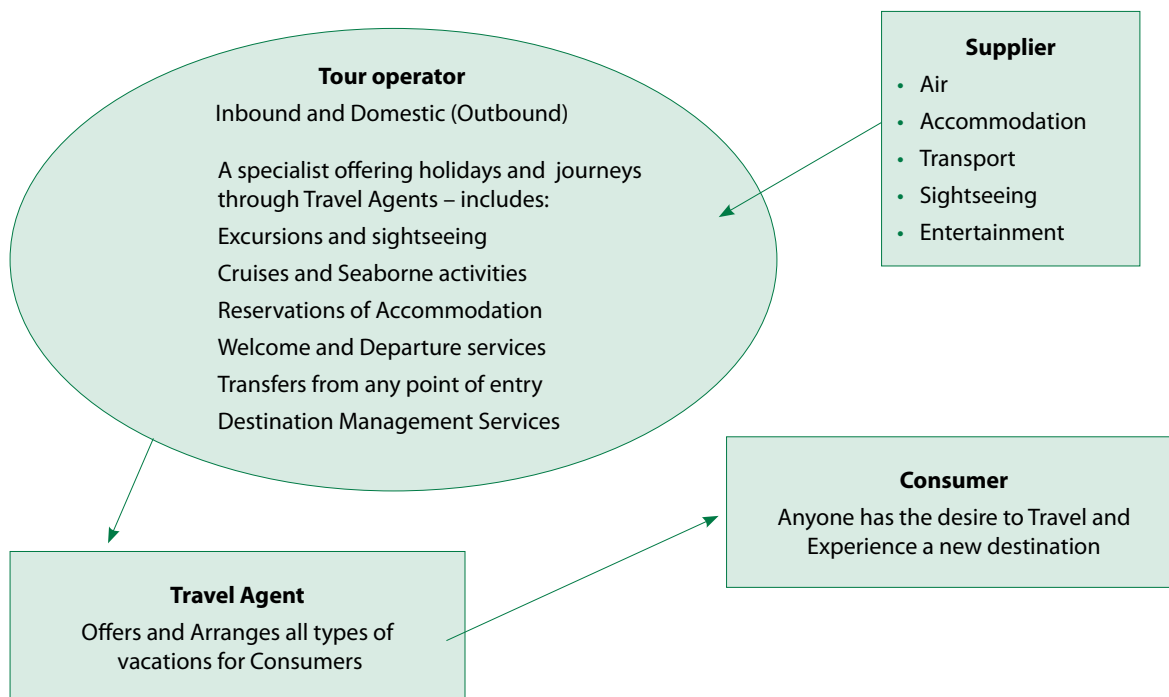


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### 4.6.4 Working with the Travel Trade Channel

Similar to other industries the tourism product is distributed through a variety of wholesale and retail intermediaries. These include outbound wholesale tour operators, inbound tour brokers and handlers and travel agents, as described below in Figure 21.

**Figure 21 Working with the travel trade channels**



While the Internet is fast gaining ground as a distribution channel, tour operators still offer suppliers and DMOs many advantages, including:

- Operators work through a wide network of travel agents and offer an extensive sales network.
- They send out regular communications to agents and clients databases including Internet promotions, electronic newsletters, etc.
- Most operators conduct extensive year-round marketing through brochures, advertising, flyers, promotions and PR/media programmes.
- They offer national and international reservations channels and sales offices and representatives.
- Many have a loyal customer following and offer customers expert advice and peace of mind.
- They attend trade shows and workshops where they promote the products on offer.

In summary, the operator acts as an extended sales, marketing and reservations team for suppliers.

**Figure 22 Trade rates and cost structures**

Rack Rate:	Rate at which Supplier sells directly to public or TA
STO Rate:	Rate to sell to travel agent (STO 1), wholesale tour operator (STO 2) or inbound operator (STO 3).
Domestic Rate:	Rate to sell to Domestic Tour Operator
Example:	Rack = US\$ 100
	STO 1 direct to travel agent = Rack – 10% = US\$ 90 net
	STO 2 direct to wholesaler who sells to agent = Rack – 20% = US\$ 80 net
	STO 3 direct to inbound operator who on-sells to wholesaler who on- sells to travel agent = Rack – 25% to 30% = US\$ 70 – US\$ 75
Difference between rack and STO (net) rates split as follows (example with Inbound operator):	
B&B	← J's Tours (Inbound) ← ABC Tours (UK) ← Pentravel(UK) ← Smith Family (UK)
Rack	STO 1 5% Com      STO 2 10% Com      STO 3 10% Com
Gets US\$ 75	Takes US\$ 5      Takes US\$ 10      Takes US\$ 10      Pays US\$ 100
The commission split will differ if any one of the intermediaries is excluded from the channel.	

To maximise the relationship operators require the following from DMOs and suppliers:

- Fact Sheets regarding the destination or product characteristics and selling features;
- High resolution images for use in brochures, websites, etc.;
- Negotiable and competitive pricing that allows the operator a feasible margin;
- A guaranteed allocation of rooms on a year round basis at STO Rates;
- Clear Terms and Conditions;
- Credit facilities where possible;
- Manned reservation or enquiry facility – by telephone, e-mail or fax;
- Educational visits and familiarisation trips for travel consultants who will be selling the product;
- Regular product updates and descriptions.

## 4.7 Destination Promotion for Business Tourism

### 4.7.1 Segments

There are 3 main sectors involved in business tourism or the MICE sector:

**Associations.** Can be national (domestic), regional or international, depending on where their members are based. They generally choose the destination for their events through a bid process: the city that would like to be considered needs to present a proposal on behalf of all the players in the destination

who will provide facilities and services. International association meetings are particularly important because they represent a high-yield market, with customers spending on average 2-3 times more than leisure visitors. The total market of association meetings which rotate between at least three different countries, are organised on a regular basis and are attended by at least 50 participants was estimated to be worth US\$ 7 billion in 2004 (ICCA Statistics Report 2004).

**Corporates.** Use business events for internal marketing, sales and human resource objectives, as well as to launch new products, publicise new information (such as financial reports or mergers and acquisitions) and to create opportunities for face-to-face communication with customers.

**Government departments.** Arrange meetings and information events for domestic stakeholders such as employees and national residents as well as intergovernmental conferences such as the G8 summits. The United Nations and the European Union are also frequent users of multinational congresses.

Corporates and governments normally choose destinations and venues themselves or through the services of specialised agencies, the so-called Destination Management Companies, (DMCs), Incentive Houses or Professional Conference Organisers (PCOs).

### 4.7.2 Working with Destination Ambassadors

In general, associations will only consider a congress destination whose bid was supported by active local members of their association.

Destinations throughout the world have therefore set up “Ambassador” programmes which operate along the following lines:

- The city researches relevant industry, business, academic and scientific sectors and the respective international associations that hold regular meetings.
- Convention Bureau (CB) staff then identify prominent members of these associations who live locally.
- These association representatives are invited to become Ambassadors for the city within their association.
- CB staff organise regular mailings and meetings/social events to establish and maintain the relationship with their Ambassadors.
- Once an Ambassador has decided that he/she would like to bid for their association event to come to the city, the CB will support them with information, marketing material, active preparation of bids, presence at the bid presentation and, at times, a financial subsidy.

### 4.7.3 Bidding

The majority of conferences and meetings take place in cities, so most buyers think in terms of city destinations, not regions or countries; it is the city they are buying.

Associations have to be invited to come to the city. The bid is usually fairly formal and follows certain rules and regulations, which will have to be respected for the initial proposal to be short listed.

Here are some common features of international association bids:

- Bid preparation starts between 4 and 12 years in advance of the actual date of the event;
- Bid documents generally stipulate a detailed list of information to be included in the proposal, from the conference venue to a variety of accommodation offered by the city, access and budget.;

- The bid document specifies clear submission deadlines;
- In the majority of cases, short listed candidates will be invited to present their proposal to members of the association;
- Final decision on the winning destination is taken by the Executive Council of the association or voted on by the General Assembly of members at a previous congress.

International associations favour capital cities and attractive destinations that have:

- A range of hotels and serviced accommodation and transport services, including airport with international links;
- Venue with appropriate combination of facilities, including IT and technical staff;
- Shopping and entertainment for delegates;
- Security;
- Active members of their association 'on the ground';
- Professional conference organisers (PCOs) and support services in the city;
- Estimate of budget;
- Subvention.

Destinations should ensure that they response to bids is quick, accurate and comprehensive.

#### **Turismo Valencia Convention Bureau: Enhancing governance of MICE tourism**

Turismo Valencia Convention Bureau, in the city of Valencia has recently been awarded UNWTO. Sbest Certification. Valencia developed their MICE tourism sector to position Valencia as a reference for business tourism in Spain. The city provides a comprehensive range of facilities such as accommodation, conference venues, good transport links, leisure and shopping, and translation and interpretation services. Details of these are well sign-posted on their website. Turismo Valenci also offer packaged corporate incentives including cultural, sports, leisure, adventure, arts and crafts and business programmes.

See: [www.turisvalencia.es/index.aspx](http://www.turisvalencia.es/index.aspx)

#### **4.7.4 Support to Clients**

Most cities and towns that are involved in the MICE market run specialised departments, generally known as Convention Bureaux (CB).

Client support is one of the main functions of CBs, who help in various ways:

- Give accurate, up to date and detailed information of the city and its access and transport infrastructure and conference products and services;
- Provide marketing material such as tourism leaflets, videos in different formats and Internet links and gateway sites;
- Receive sales enquiries and disseminate these to the most relevant city products and services;
- Prepare bids for international conferences – this involves coordinating local business tourism suppliers' responses and ensuring availability of required venue space and accommodation.

### 4.7.5 Subvention Funding

National and/or local destination management organisations may make financial support available to organisers, especially to large-scale events.

This may take the form of a contribution to clients' bidding and, if successful, subsequent expenses for event marketing. The value to the client is that this type of support then frees up part of the budget to be spent on the organisation of the event.

Some destinations also underwrite the actual operational expenses of eligible events, along strict selection criteria.

### 4.7.6 Working with Convention Centres

Most major cities have medium to large convention centres offering purpose-built conference venue and exhibition space. These are generally co-financed by local or national government and play an important role in attracting potential events to the destination.

While convention centres take an active part in sales and marketing of the destination and may at times head the search for suitable large scale events for the destinations, it is the CB that represents and markets on behalf of the city as a whole. Nevertheless, CBs of successful conference destinations work in very close collaboration with their convention centre(s).

#### Glasgow: Offering a range for services to support MICE tourism

Glasgow is one of the world's leading conference destinations. Glasgow's Convention Bureau provides a free and impartial one-stop shop for conference organisers and meeting planners and carries out a range of national and international activity. The website is the primary tool for conference organisers when planning their meeting and offers the following services:

Segment	Services offered
Convention and congress organisers	Wide range of free and impartial services including help with bidding, finding venues and hotels, accommodation booking service etc.
Corporate and incentive planners	Wide range of free and impartial services including help with finding venues and hotels, planning unique events, communication tools and social programme ideas.
Delegates	Tools to assist in trip planning with information on flights, maps, things to do when not in meeting, ideas for making stay a vacation and the inside guide to Glasgow: Scotland with style.
Conference ambassadors	Free, impartial service for ambassadors wishing to attract conferences, with access to toolkits and support in the bidding process.
Member and partners	Membership benefits

See: [www.seeglasgow.com/convention-bureau](http://www.seeglasgow.com/convention-bureau)

### 4.7.7 Key Industry Players

Specialised meeting and incentive agencies are a key characteristic of the business tourism industry. These range from the Professional Conference Organiser companies (PCOs) to incentive houses and event planning agencies in different geographic markets.

CBs promote their destinations to these important intermediaries through a variety of marketing activities, notably assistance at trade fairs such as EIBTM, IMEX and Confex in Europe, the Motivation Show in the USA or AIME in Australia.

See: 'Sources and references' for website URLs of the most important MICE trade associations for DMOs.

## 4.8 Seeking Promotional Synergies With Other Sectors

### 4.8.1 Introduction

In addition to being attractive to leisure visitors and conference delegates, many tourism destinations are also centres for manufacturing of lifestyle goods, agricultural produce and creative industries such as film production. While these sectors are often promoted by dedicated agencies, such as trade and investment promotion councils, film commissions and agriculture export agencies a strong relationship between tourism and these sectors could be lucrative and advantageous for the destination. One of the DMO's basic goals is to attract more visitors to the destination and to entice visitors to spend more and stay longer. In this quest the relationship between tourism and other sectors of the economy should be maximised.

### 4.8.2 Benefits of Synergistic Relationships

There are several benefits to developing synergistic relationships with other sectors including:

- Coordinated strengthening and re-enforcement of the destination brand. The most important advantage of a synergistic relationship between tourism and other sectors is the coordinated strengthening and re-enforcement of the destination brand. Lifestyle production sectors such as film making, wine production, fashion, hi-technology etc. are strongly related to leisure tourism and represent an enjoyable and recreational lifestyle. The promotion of destination lifestyle brands such as famous film titles, wines of origin, fruit of origin, famous clothing and technology brands, etc. increases the celebrity value of the destination and adds substantial destination visibility in the marketplace. It is acknowledged that famous films that display local settings, landmarks, cultures and heritage such as Crocodile Dundee, Lord of the Rings, Harry Potter, Braveheart, etc. have acted as tourism brand promoters and "boosters" for the destinations where they were produced.

#### **Film tourism, New Zealand: Maximising the success of Lord of the Rings**

The Lord of the Rings trilogy, filmed on location in New Zealand, has acted as free advertising for New Zealand, reaching a worldwide audience and raising awareness of the country. The tourism industry has made the most of this opportunity with regards to marketing and product development:

- Tourism NZ placed a full page back cover advertisement in the LA Times Oscar supplement around Oscars time to reinforce the connection between the films and New Zealand.

- The capital city, Wellington, is also maximising its connections with the film and highlights its celebrity associations with the visiting cast (see [www.newzealand.com/travel/about-nz/culture/lotr-2003/wellington.cfm](http://www.newzealand.com/travel/about-nz/culture/lotr-2003/wellington.cfm)).
- The tourism industry offers many Lord of the Rings themed tours visiting film locations.

See: [www.tourism.net.nz/tours/film-and-theme-tours/](http://www.tourism.net.nz/tours/film-and-theme-tours/) and [www.nzembassy.com/info.cfm?c=19&l=61&CFID=6689&CFTOKEN=11787322&s=to&p=61421](http://www.nzembassy.com/info.cfm?c=19&l=61&CFID=6689&CFTOKEN=11787322&s=to&p=61421)

- Positive spin-offs for tourism and other sectors. A sought-after *destination brand* can have very positive spin-offs for tourism and other sectors. By embarking on a coordinated branding effort and projecting similar destination brand images the promotional reach is substantially increased and a global, multifaceted destination brand is established and re-enforced. An integrated brand strategy also attracts celebrities such as film stars, business leaders, etc. thereby enhancing the celebrity appeal of the destination.
- A coordinated promotions strategy has various direct tourism benefits for the destination. The success of other sectors brings increasing number of business visitors to the destination. Visitors such as film production crews, importers and exporters and investors are high spenders that travel throughout the year, thus moderating seasonality and improving tourism yield. Tourism accommodation and transport facilities can also derive major spin-offs by providing specialised services to businesspeople, trade delegations and production teams.

### 4.8.3 Ways of Promoting Synergies

In advancing the promotional synergies of tourism and other economic sectors, the DMO could cooperate with other sectors in various ways, including:

- Engaging in a joint brand development process, the aim being the development of a brand image and architecture that can be adopted and applied across sectors. The ideal is to use the associated logo derivatives, design styles, tones of voice and key messages when promoting the destination for various purposes.
- Co-branding – exchanging trademarks in promotional materials, e.g. adding the tourism destination logo to wine labels, fruit packaging, product advertising etc. and promoting other sector images and logos in tourism promotional materials.
- Exchanging marketing materials, images and footage – e.g. carrying and displaying tourism literature and video images at trade and investment conferences and exhibitions, delegation missions, workshops and conferences.
- Links and content exchange on web-pages of the various promotional agencies.
- Cooperative media and PR programmes – e.g. inviting lifestyle and business journalists and exposing them to various lifestyle and leisure aspects of the destination and including cross-sector messages when producing press releases, media statements, speeches, etc.

To facilitate practical coordination of efforts among the various sectors a **destination brand and promotion work group or committee** should be established consisting of representatives of the sector promotion organisations, e.g. tourism bodies, film office, trade promotions office, investment promotions office, chamber of commerce or industry.

### Generation Kanada and Logona: A synergistic relationship <sup>6</sup>

To help promote their *Generation Kanada* campaign in Germany, the Canadian Tourism Commission (CTC) relies on non-traditional partnerships with firms like Logona. Logona manufactures natural skin care products and is ranked fourth in terms of organic, natural skin care products sales in Germany. The company has invented a new product line for the CTC promotion, called the Nordic line and, under the suggestion of CTC, this product will contain Canadian cranberries, rich in Vitamin C. There are plans to unveil four different products with cranberry ingredients at Biofach 2007 in Nuremberg, the most important European show for organic products. Logona will print the *Generation Kanada* logo on the labels. CTC-Germany hopes this will effectively support the *Generation Kanada* initiative and the tactics it uses.

See: [www.generation-kanada.de](http://www.generation-kanada.de)

## 4.9 Pricing

Pricing is clearly one of the key components of the destination marketing mix, but the pricing strategy falls largely outside of the domain of the DMO as transactions are conducted between suppliers and clients. An important departure point is the acceptance that pricing is primarily a factor of market forces (supply and demand) and that the DMO should be careful not to interfere with market forces.

However, the DMO should consider a pricing facilitation role in the event of market failure:

- Macro-economic events such as currency fluctuations disturb the price structure, consistency and value proposition of the destination. The DMO could act as an independent price monitor and alert the industry with regard to price fluctuations and threats.
- Global events and seasonal travel patterns can result in sharp fluctuations in demand. The DMO could support special, price-driven promotions in partnership with private operators to stimulate demand, e.g. collective winter season campaigns with suppliers offering special discounts on the back of a DMO-led generic promotion and advertising campaign.
- Abnormal demand such as during global sport events, super-size conferences, etc. where supply capacity is fully utilised and where price elasticity is substantially reduced or eliminated the DMO could act as a voice on behalf of the destination to monitor and moderate price policies and avoid irresponsible pricing practices.

To fulfil a strategic role with regard to destination pricing the DMO could develop a *destination price index or barometer* to measure and track price fluctuations of a basket of popular tourist purchases over time. The results could then be used to establish price trends and also as a basis for comparing prices with competitors. This should be done in close partnership with the industry and the results should be used as a strategic planning tool.

### The weakening of the South African Rand: DMO intervention

The weakening of the South African Rand during 2001 resulted in bargain travel prices for visitors travelling with hard currencies. The reaction of many private suppliers (hotels, restaurants, retailers, golf courses, etc.) was to increase their prices substantially to achieve price parity relative to previous years. This had the positive effect of increased profit margins, but from a destination perspective it caused various problems including:

- A sharp inflationary effect on domestic recreation and travel, especially in the accommodation and catering sectors.

<sup>6</sup> Canadian Tourism Commission (no date), 'CTC-Germany Takes Generational Market Segmentation to New Heights', press release at <http://www.tourismexchange.com/exchange/en/cobrand/ctc/getArticle.jsp?articleID=2521&languageID=1>

- Currency gains were not passed on to consumers and created the impression of a “rip-off” destination resulting in substantial negative publicity.

When the currency strengthened many suppliers had out-priced themselves. This made the destination relatively expensive and reduced the historical “good value-for-money” brand proposition. It took a considerable “stabilisation” period of suppliers freezing prices and the currency returning to stable levels before this fluctuation had been “flushed out” of the market. One of the key lessons learnt was that the DMO could act as a facilitator by tracking economic events and projections, conveying these to industry partners and bodies, establishing industry discussion forums and creating an awareness of the dangers of over-capitalisation on abnormal economic events.

# Developing Destination Products

As has already been stated the “product” is a key element of the destination marketing mix and refers to the attractions, experiences, facilities and amenities offered to potential travellers. The concept “product development” in destination terms implies a variety of actions by the destination management organisation, including:

- Creating planning frameworks and strategies for the development and improvement of new attractions, experiences, facilities and amenities by the public and private sector.
- Actual development and improvement of public attractions, experiences, facilities and amenities.
- Promoting and facilitating private sector investment in tourism attractions, experiences, facilities and amenities.
- Promoting and facilitating the establishment and improvement of Small, Medium and Micro Enterprises (SMME’s) in tourism to ensure that tourism ownership is spread as widely as possible.
- Packaging and presentation of tourism attractions, experiences, facilities and amenities to ensure easy planning and enjoyment of these by travellers.

The following chapter touches on these issues.

## 5.1 Product Strategies

### 5.1.1 Introduction

A number of key factors relating to product development have been identified in earlier sections of this report:

- The destination “product” is the combination of elements that creates the total experience which can be offered to potential customers.
- The tourism experience extends throughout the value chain, e.g. when the tourist “buys” an adventure experience, this includes investigating it, booking it, access to it, the actual activity, on-site facilities, environmental integrity of the area, safety features, adventure instructors and guides, feedback afterwards, etc.
- The on-the-ground destination experiences include intangible features (unique happenings, sights and scenes, environmental quality, service levels, people friendliness, etc.) as well as tangible aspects such as public infrastructure, private products and services, public attractions and services, community lifestyles, attractions and services.
- One weak element in the combination of product components is capable of reducing overall customer satisfaction significantly. A seamless approach to delivering quality is essential.

### 5.1.2 Implications for Product Strategy

The implications of these factors for the DMO are substantial and include the following:

- The entire destination could be regarded as a “tourism factory”, creating an overall tourism experience, consisting of a variety of ingredients, packaged together seamlessly.
- In essence the DMO could be regarded as the “factory coordinator”, with the following key responsibilities:
  - Providing leadership and instilling a destination vision among stakeholders.
  - Planning for the development and promotion of the destination.
  - Promoting the destination in association with other public and private partners and being the destination brand “custodian”.
  - Initiating joint mechanisms and tools (e.g. organisation structures, collective brand identity, financial assistance, co-op marketing, destination collateral, new technologies, etc.) to ensure that all the ingredients come together for an optimal experience.
- However, the DMO most often does not own any of the components that make up the tourism experience – neither the “plant” (accommodation, vehicles, theme parks, etc.), nor the raw materials (natural features, cultural features) and the labour involved in producing it.

The following product-related questions need to be addressed by destination management organisations:

- How can the DMO identify, guide and direct the main components of the region’s product mix?
- How can the DMO work with partner organisations and interest groups to improve the product strategy in a co-coordinated, market-oriented way?
- How can the DMO effectively assist and participate in launching new tourism products?
- What variations in marketing strategies are called for to address the consumer at different stages in the destination product life cycle(s)?

### 5.1.3 Product-related Goals of the DMO

Some of the product-related goals of the DMO could include:

- Delivering an exceptional tourism experience to chosen market segments, based on their particular expectations, demands and requirements.
- Delivering on the brand promise – there is nothing worse for the destination band than the actual experience not living up to expectations.
- “Gearing” the experience to deliver in accordance with the DMO’s targets and objectives e.g. increasing length of stay, extracting spend, spreading tourism, smoothing out seasonality, etc.

## 5.2 Managing the Destination Product Life Cycle

### 5.2.1 Introduction

A destination's tourism product mix comprises all those product lines and product items that are made available to tourists in the region <sup>1</sup>.

A tourism product line is a group of tourism products that are closely related, either because they offer the same benefits or are positioned to the same target markets, e.g. cultural products (historic buildings, museums, monuments), outdoor-related products (hiking, fishing, scuba diving), entertainment-related products (casinos, nightclubs and theme parks), etc.

A product item is a distinct unit within a product line that is distinguishable by size, appearance or other attributes (e.g. Table Mountain).

Tourism product lines and product items, like manufactured products, pass through life stages that progress from birth to death. The tourism product is launched, grows to maturity, levels off and then gradually declines. If identified in time, refurbishing and re-introducing the product under another guise, or with a fresh injection of publicity may avert the decline.

### 5.2.2 Extending the Product Life Cycle

The life cycle could be extended by:

- Promoting more frequent use of the tourism offerings in the destination among current tourists which often requires targeted sales and promotion drive.
- Developing and promoting more varied uses of products among current markets by packaging existing products more effectively – new features, experiences, etc. (market penetration).

#### **Farm tourism experience, Peru**

In the northern highland department of Cajamarca, the inhabitants of the Granja Porcón farm offer an agro-tourist program where visitors can live with members of the community, giving them a window into their lifestyle, traditions and daily activities including sowing and harvesting potatoes, and milking cows by hand. Guests can also visit a plant nursery and participate in the pine wood rehabilitation and management program. Farm tourism is seen globally as a valuable contributor to rural economies and provides opportunities for rural diversification and protection and enhancement of rural heritage.

See: [www.peru.info](http://www.peru.info)

- Creating new uses and experiences by developing new attractions or redeveloping existing experiences (product development).

<sup>1</sup> Heath, E.T. and Hall, G., (1992), *Marketing Tourism Destinations*, John Wiley and Sons, USA.

### Thermal tourism, Turkey

Turkish tourism is mainly dependent on international tourists who visit in the summer for sun and sea. However, Turkey is responding to recent tourism trends favouring health and wellbeing and balancing its over-reliance on sea and sand tourism by developing several new products, one of which is thermal tourism. Turkey has 1,365 sources of thermal water and has the seventh largest thermal resource in the world. However, thermal tourism currently only constitutes 1 percent of Turkish tourism revenue. Six regions have been identified to develop thermal tourism, hoping to attract health tourists from Europe year round. These six regions will increase and update their accommodation and roads will be widened to facilitate access. There are also plans to build an international airport at the point where three of the regions meet. The Pamukkale Thermal Cure Center is the lead project for the regions and is a joint venture of the Government of Turkey, and the Government of France with the financial contribution of the Mayor of Denizli, the Mayor of Karahayit and Pamukkale Thermal Hotels Union, PATERO.

- Finding new tourists by expanding the market and keeping track of new emerging market segments and their needs (market development). This may require a focused approach by the government authorities and tourism bodies to encourage the development of specific product niches to cater for growing segments and effective market research in order to gain an improved understanding of market requirements and growth trends.

### Innovative tourism products, India <sup>2</sup>

The Ministry of Tourism, India are promoting several innovative differentiated tourism products and opportunities to enhance the profile of a tourism destination. Some examples are:

- Karnataka region is becoming well established as a provider of medical tourism, from Ayurvedic and spa resorts offering holistic treatment and body rejuvenation to modern medicine specialising in cardiac care, neurology, cancer care, orthopaedics, sports medicine, paediatrics, dentistry and neo-natal care.
- The Kolkata Shopping Festival is a 10 day event, marketed nationally and internationally to build a brand image of the state of West Bengal and its tourism. The festival includes cultural events held at different shopping malls, crafts exhibitions, food and drinks festival and a midnight bazaar.
- Overhauling of older attractions, together with the development of new combinations – modify existing product offering and range to appeal to new market segments, e.g. tourism routes, themes and niche products (product diversification).

### Grand Pacific Drive

Grand Pacific Drive is a coastal drive just 1 hour south of Sydney. The drive is 140 km drive and runs from the Royal National Park to Shoalhaven Heads and features the 665 metre long Sea Cliff Bridge at Stanwell Park. Long regarded by locals as one of the world's great ocean drives, the new bridge has provided the focal point to start promoting the route and the region it serves to the rest of Australia and the world. The route is promoted on the website, which includes links to maps, drive footage and an online accommodation booker.

See: [www.grandpacificdrive.com.au](http://www.grandpacificdrive.com.au)

<sup>2</sup> India Ministry of Tourism (2005), *Documentation of Best Practices Adopted by the State Governments for the Development of Tourism*, Volume II, States Profile and Tourism Development, Final Report, ICT, India.

## 5.3 Product Portfolios and New Product Development

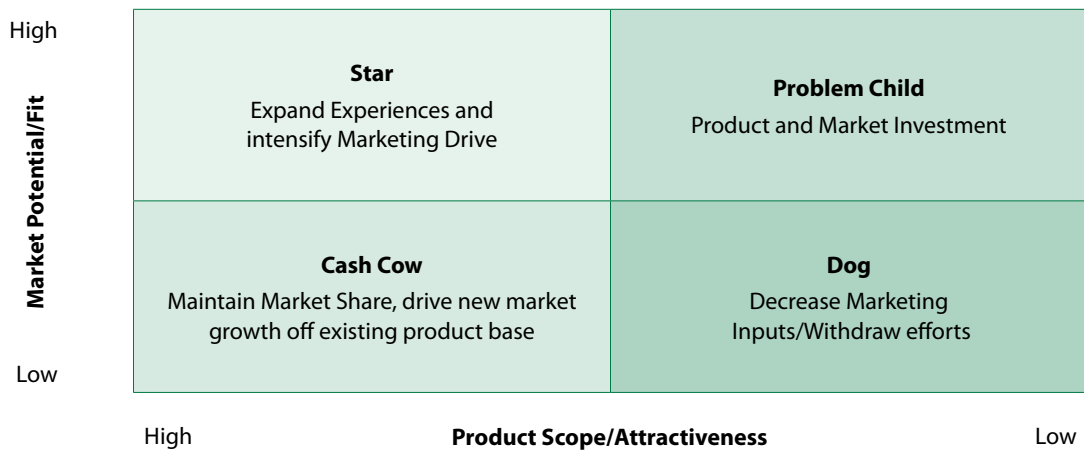
### 5.3.1 Process for Developing a Product Portfolio

The destination product is a key element of the destination market mix (product, promotion, price and place), which is built around selected target markets. The goal with devising a destination product portfolio is to develop, expand and improve those experiences that appeal to the selected destination target markets.

In devising product portfolios the following process may be followed:

- Segmenting the destination experiences based on one or more characteristics e.g:
  - Physical and intangible features e.g. adventure, eco, culture, themes and entertainment, etc.
  - Relative uniqueness and attractiveness e.g. key attractions segmented as unique/one of a kind, exceptional etc.
  - Product length (extent of experiences) and depth (intensity of experiences) e.g. adventure experiences graded by difficulty, extent of activities, etc.
  - Scope to accommodate tourists (including quality of infrastructure and services) e.g. high volume to low volume.
  - Quality and performance e.g. star grading, customer grading etc.
- The segmentation could be used to create experience clusters that appeal to a similar target market e.g. water-based adventure and to rate such experiences and cluster as flagship experiences, core experiences, ancillary experiences, etc.
- Using the product and market segmentation profiles to construct an experience-market-matrix which evaluates the extent to which experience segments match the needs of target market segments, e.g. by using a 5-point scale with 1 = little/no appeal to market segment and 5 = exceptional appeal to market segment.
- The matrix could also be used to identify gaps in experiences and capabilities to satisfy market requirements and to identify market opportunities to maximise product potential.
- Based on product analysis and segmentation, product portfolio models could provide guidance regarding which experiences to invest in, which to adapt, etc. A portfolio based on the principles of Boston Consulting Group's growth-share matrix (see Figure 23) could identify products or product clusters that display:
  - High share of the available market, with high growth in demand for product = "Star" – strategy: Invest and grow.
  - High share of the available market, with low growth in demand for product = "Cow" – strategy: "Milk" and harvest.
  - Low share of the available market, with high growth in demand for product = "Question mark" – strategy: Analyse and Investigate to see whether they can become stars.
  - Low share of the available market, with Low growth in demand for product = "Dog" – strategy: Divest and withdraw.

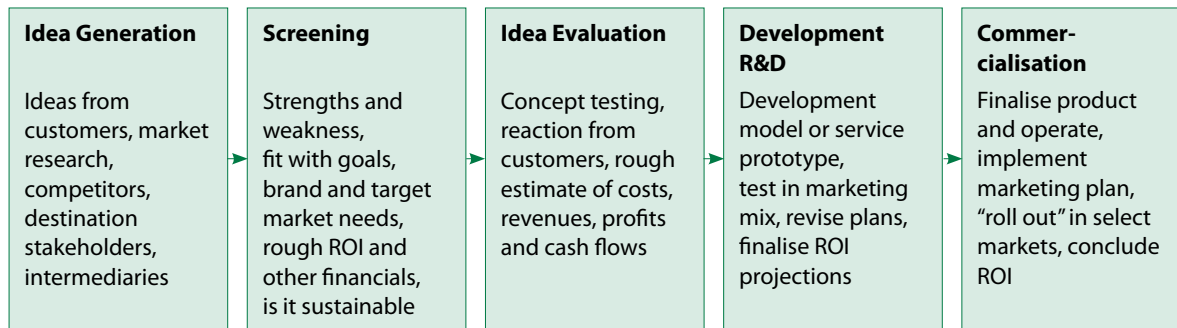
**Figure 23 Destination product portfolio matrix (adapted from Boston Consulting Group)**



### 5.3.2 New Product Development Process

Figure 24 below presents the basic process for developing new products, starting with generating the idea, screening it for baseline feasibility, evaluating it by testing the concept with potential customers and conducting more detailed financial analysis, developing a concept prototype, testing it in the marketplace and adapting it where necessary and then fully commercialising and implementing it.

**Figure 24 New product development process**



#### **Destination Rotorua: Identifying and assisting in the development of new products**

Rotorua is a well-established destination in New Zealand offering a diverse range of products from geothermal formations, spa, adventure and Maori and colonial cultural tourism. Destination Rotorua (NZ) is the destination’s marketing body, according to Destination Rotorua’s strategy plan 2005-2014 there are several areas where they can assist in product development:

- Identify priority business partners through Qualmark assessment;
- Training opportunities, engage graduates for one year executive training;
- Identify relevant R&D needs and gaps with industry research;
- Provide advice and marketing support for new visitor attractions and commissionable products particularly those that align with Rotorua’s core brand strengths of culture, spa, heritage and natural environment;

- Further develop events which enhance the shoulder period;
- Develop quality spa product for Rotorua through industry research;
- Develop and provide business management tools for small/medium businesses;
- Measure and monitor Rotorua’s position compared to competitor destinations.

## 5.4 Promoting Tourism SMME Development

### 5.4.1 Introduction

One of the common characteristics and advantages of the tourism sector is that it supports a relatively large number of small and medium enterprises. Table 11 below attempts to summarise the range of “typical” tourism-focused small and micro-enterprises, with the list to be expanded based on local circumstances in particular destinations.

Worldwide experience with small enterprises and their critical role in developing economies suggests that these firms can only play a dynamic, growth-inducing role if basic SMME-support mechanisms are in operation (i.e. the necessary business-development services are provided). These services are usually viewed in generic terms – the supply of improved “access to” information, finance, markets, training, know-how, etc. Yet, looking at the needs in a more careful, sector-focused way it becomes clear that these needs differ widely between various economic sectors, with the tourism sector one of those who require very specific business-development services.

**Table 11 Some examples of small and micro-enterprises represented in the tourism sector**

<b>Includes single-person enterprises, partnerships, co-operative ventures and other legal forms as well as informal-business activities.</b>		
B+B	Restaurant	Craft producer
Guest house, backpacker owner	Room catering	Craft/souvenir trader
Home-stay facility	Corner pub, bar	Busker, entertainer
Self-catering facility	Take-away facility	Horse/pony trek operator
<i>Ad hoc</i> room letting	Street-selling of food	Tourist equipment service and repair
Masseuse, hair braider, etc.	Events caterer	Sports equipment, gear lease
Letting of camping space	Upmarket caterer (e.g. at a golf estate)	Taxi operator
Caravan park	Catering transport	Car-repair facility
Tour operator	Medical services (nurse and first aid)	Security guard (resort, parking)
Child-minder	Cleaning service	Tour guide or facilitator

## 5.4.2 Support Areas for Tourism

Table 12 below summarises ten different support areas with respect to which tourism SMMEs may need some support.

**Table 12 Some relevant support areas for small tourism enterprises**<sup>3</sup>

Access to information, advice and mentoring	<ul style="list-style-type: none"> <li>• Up-to-date general statistics</li> <li>• Destination-focused statistics</li> <li>• Information on support programmes</li> <li>• “How to start your tourism business” information</li> <li>• Elementary self-training material</li> <li>• Contact address list</li> <li>• Individual and group advice facilities</li> <li>• Tourism information points</li> <li>• Mentoring facilities</li> </ul>
Access to markets	<ul style="list-style-type: none"> <li>• Feedback from marketing campaigns and other efforts</li> <li>• Inclusion in national, sectoral and local marketing material</li> <li>• Sharing of marketing platforms</li> <li>• Overflow booking links</li> <li>• Opportunities for self-presentation to markets</li> </ul>
Access to land for business premises	<ul style="list-style-type: none"> <li>• Facilitation of land use, lease and ownership arrangements for local as well as foreign entrepreneurs with respect to business premises (and, if necessary, also residential premises)</li> <li>• Facilitation of long-term leases</li> </ul>
Access to capital	<ul style="list-style-type: none"> <li>• Facilitation of access to kinship, co-operative and bank as well as venture finance</li> </ul>
Regulatory flexibility	<ul style="list-style-type: none"> <li>• Ease of registration, licensing processes and taxation issues</li> <li>• Guidance for employment issues, immigration and staff-health matters, forex dealings, etc.</li> <li>• Help with respect to local-authority controls and regulations</li> </ul>
Access to business networking and sector associations	<ul style="list-style-type: none"> <li>• Support for national sector associations related to tourism</li> <li>• Encourage co-operation between tourism and other sector associations</li> </ul>
Access to skills training and management sensitising	<ul style="list-style-type: none"> <li>• Push for more appropriate tourism-related education and vocational skills training</li> <li>• Encouragement of in-service training and learnerships</li> <li>• Facilitation of external and local studies in tourism</li> </ul>
Access to industry-focused research and development	<ul style="list-style-type: none"> <li>• Promotion of local research capacity in the tourism field</li> <li>• Development of close links with national and international tourism research bodies</li> <li>• Dissemination of relevant research results to SMMEs in an accessible way</li> </ul>
Access to government and corporate outsourcing and SMME procurement	<ul style="list-style-type: none"> <li>• Negotiation of preferential outsourcing and procurement schemes for local tourism operators</li> <li>• Support for SMMEs interested in outsourcing (e.g. accommodation for travelling civil servants)</li> </ul>
Adequate infrastructure facilities	<ul style="list-style-type: none"> <li>• Upgrading of basic telecommunications, road, electricity and water supplies in “attractive tourism areas”</li> <li>• Improved sanitation and sewage removal in small towns</li> <li>• Improved street signage and street lighting</li> </ul>

<sup>3</sup> Source for table, Thomas (2006), ‘Promoting Private Sector Development in Lesotho’, in UNWTO *Support to Institutional and Capacity Strengthening of the Tourism Sector in Lesotho*, Government of Lesotho and UNWTO, Madrid.

In the light of the evolving SMME-support paradigm in developing countries the following observations may be appropriate in order to stress the relevance of these strategy elements.

- Not all categories of support needs are relevant to all tourism operators. The list is meant to sensitise policy shapers and support providers to the full range rather than what has to be done immediately.
- Closer scrutiny of the list may explain why so many small and start-up enterprises fail soon after their establishment or at a later stage. There are just too many factors which can go wrong and/or about which small-business leaders have too little knowledge or leverage to get them out of the way. It cannot be expected that any single institution addresses all the support areas.

### 5.4.3 Support Organisations

It would be ideal to be able to identify one organisation which is willing and able to address most of these support areas. Yet, this may be unrealistic as the task is huge and a variety of role-players should play their part. These could include:

Small-business development agencies, NGO's with a business development focus, Ministry of Tourism and/or the DMO, tourism business chambers, inter-company support (larger tourism companies linking up with SMMEs'), SMME co-operatives and external donors and development agencies.

Since tourism is one of many SMME sectors supported by the majority of these organisations the DMO, as a dedicated tourism agency, should play a strong policy leadership and coordination role to ensure a coordinated and well-directed effort in providing the widest possible range of support services to tourism SMME's.

#### Canadian Tourism Commission's Product Club

The product club aims to increase the range and quality of tourism products in Canada; build business networks to increase the exchange of information; and encourage co-operative ventures and partnerships.

Product-based "clubs" enable SMMEs to present a united front in addressing issues of concern and to come together in partnering alliances to achieve common goals. If various sectors of industry can create a critical mass through a Product Club, then they may be able to participate more effectively in CTC marketing programs. Product Clubs may offer strategies for improving the marketability of a product and they may offer practical methods for improving the competitiveness of a sector. They normally involve businesses getting together to develop a new tourism product.

### 5.4.4 Some Ideas for Special SMME Support Initiatives

A few more specific initiatives can be mentioned here as an indication that action in the SMME-support area in the tourism sector is both challenging and potentially rewarding.

#### Tourism incubators

Based on the worldwide revival of small-enterprise incubators (or hives) it could be argued that awareness about the different activities related to this sector might be strengthened by bringing together a cluster of tourism-related small enterprises within a particular building. This could include a travel agency, one or more tour operators' offices, booking offices for accommodation, a number of self-catering accommodation units, a craft outlet, a restaurant, a sports- or tour-equipment retailer, an Internet café and a tourism-information point. Ideally such a cluster would also attract one or more small-enterprise consultants and/or private training facilities (including the hospitality sector) and possibly even a financial institution (in the near vicinity).

In line with the incubator principles one would hope that the proximity of these establishments and certain business services would help individual tenants to draw on a support network and share and exchange services to reduce costs and improve efficiency.

Ideally, the infrastructure for such a project and some of its managerial nucleus would (initially) be funded via foreign donor aid or mixed corporate-donor sponsorships.

### Tourism-information network or help desks

The establishment of a tourism-Information network as a set of multipurpose marketing, information and advice centres established in a cost-effective decentralised way across destinations could provide easier access to business support services and advice for cash-strapped entrepreneurs. If properly funded and managed the grid might effectively address several of the SMME-support issues and also help local communities to market their attractions to visitors. It could also help to spread information among visiting foreigners who might want to become investors in local (joint) ventures.

### Preferential procurement

The preferential involvement and contracting of SMME's to provide services to major events, conferences and exhibitions may offer smaller companies an excellent effort of entering the market, while offering cost advantages to organisers.

Similarly it should be recognised that the Government is usually a major consumer of travel services. The DMO could advance an initiative for government departments and agencies to procure travel and tourism services from registered SMME's.

### Involvement of local communities in tourism efforts

The DMO should place great emphasis on the involvement of local communities in the planning of new tourism facilities and their involvement in subsequent add-on activities like the supply of craft products, transport services, the establishment of camping places or caravan parks in the area or the supply of home-stay facilities.

#### **Batu Puteh, Sabah, Malaysia: Miso Walai Homestay**

Miso Walai Homestay is a community owned and operated ecotourism homestay project organised by MESCOT (Model Ecologically Sustainable Community Tourism Project). MESCOT is a group of about 30 individuals from the different villages of Batu Puteh to promote ecotourism and is supported by the partnership of WWF for Nature Malaysia (Sabah), the Ministry of Tourism, Culture and Environment and Sabah Forestry Department. The MESCOT group also run the village boat service, guide services, a culture group, and Tulun Tokou Handicrafts.

- The group specifically focuses on training local youths in planning and related business skills to help the local community develop sustainable community based tourism.
- Community based ecotourism activities create alternative sources of income, alleviate local poverty and unemployment, and create benefits for local people from the established protected area.
- The experience gained in the MESCOT program can be transferred to other communities in need throughout the State of Sabah.

See: [www.misowalahomestay.com](http://www.misowalahomestay.com)

In terms of the approach presented in this section these efforts are very important and call for effective steps as part of the full spectrum of SMME support. Existing or new support suppliers should liaise closely with local communities to fully understand opportunities, obstacles and feasible approaches, and they should then design creative policies to facilitate these processes.

## Destination and product clusters

Tourism businesses can also be clustered together by similar technology or geographic concentration, or products linked by specialist supply chains, training, finance and research facilities. Destination clusters should encourage co-operation among a range of providers across the value chain, including both the attractions and activities that bring tourists to the destination (such as food and drink providers, accommodation providers, retail, transport and the inbound tour agencies) as well as the foundation elements on which the sector is built (such as the public sector, conservation, the physical infrastructure, workforce development, business skills and facilities and finance institutions).

SMMEs rather than viewing like businesses as competition can benefit significantly from clustering, by networking and sharing information. Clustering provides SMMEs with benefits that would be unavailable or only available at greater cost to non-clustering members thereby giving SMMEs similarly competitive advantages as those accessible to larger firms. Tourism businesses can build on the coordination of complementary assets at the destination and cooperatively manage their resources and marketing. Benefits include:

- Providing access to research or contribution to market data;
- Effective for lobbying and collective action for trade-focused activity;
- Better business opportunities;
- Marketing support.

### The Toucan Trail, Belize: Co-operative marketing

The Toucan Trail is a cooperative marketing effort of over 100 small hotels in Belize which offer rooms for US\$ 60 per night or less. The program is fully supported by the Belize Tourism Board in an effort to promote socially-responsible, environmentally-sound, sustainable tourism of benefit to local communities and the visitors who go there. The hotels have to meet specific criteria set by the Belize Tourism Board and sign a pledge of good business practice in order to be included and also receive ongoing support and assistance to improve their hotel product. Toucan Trail properties are located throughout the country from the cities to small communities off the popular routes. The website gives information about the accommodation and also gives details of the uniqueness of the communities along the trail.

See: [www.toucantrail.com](http://www.toucantrail.com)

## Focused centres of excellence

Focussed centres of excellence are hubs for research, technology, training, teaching and development. They offer business the benefits of a skilled workforce and provide ongoing training for those wishing to upgrade their skills. This skilled workforce in turns attracts more business, providing more jobs.

### Bridgewater College, Tourism and Hospitality Centre of Excellence

Bridgewater College is an example of a Centre of Vocational Excellence (CoVE), and is a partnership of Bridgewater College, Somerset College of Arts and Technology and Yeovil College. They offer specialist full and part-time courses for those embarking on careers in the industry and those already working in the sector wanting to upgrade their skills. The college fosters links with local and national employers to ensure that their qualifications match the needs of business, are vocationally focused and industry-specific.

See: [www.bridgewater.ac.uk/pages/sites/centresOfExcellence/tourism/index.asp](http://www.bridgewater.ac.uk/pages/sites/centresOfExcellence/tourism/index.asp)

### 5.4.5 Women's Employment and Participation in Tourism <sup>4</sup>

The tourism sector provides various entry points for women's employment and opportunities for creating self-employment in small and medium sized income generating activities, thus creating paths towards the elimination of poverty of women and local communities in developing countries. However, there are a number of conditions under which this potential can be used more effectively. This requires collaboration of all stakeholders – governments and intergovernmental bodies, local government, industry, trade unions, local communities and their different member groups, NGOs, community based tourism initiatives, etc.

Community based tourism initiatives, particular of local women's groups and co-operatives, can be an accessible and suitable entry point for women into the paid workforce. They seem to generate more long-term motivation than initiatives from outside. There are numerous examples where women and women's groups have started income generating activities on their own. These activities help to create financial independence for local women and challenge them to develop the necessary skills and improve their education. Research has shown that financial independence and good education lead to improved self-esteem of women and more equitable relationships in families and communities.

Marketing seems to be a key constraint for the expansion of community based tourism. Independent initiatives need more information about markets and potential customers. Tourists need to be provided with more information about the benefits of buying locally and using local services. Creating opportunities for income generating activities as well as effective marketing depend upon access to information about tourism related planning and decision-making in a community area. Access to information is provided at best by involving all stakeholders in planning and decision-making. In addition, gender specific information about tourists' needs and interests helps to serve women customers.

## 5.5 Events as Major Potential Tourism Stimulators

### 5.5.1 Introduction

Sport, culture and other events can play a critical role in implementing the strategic product development directives. Events can fulfil the following important tourism functions:

**Events as brand builders.** Major events could play a vital role in building and re-enforcing the destination brand. The fact that the destination is capable of bidding for and hosting major events is an indicator of the destination's capability and provides global exposure via print and televised media. By investing in an appropriate portfolio of events that compliment the brand image, the destination can re-enforce the brand in the marketplace.

**Events as indirect stimulators of business growth.** Carefully selecting and supporting a portfolio of appropriate events in accordance with the economic growth strategy of the destination, events could act as stimulants for sectoral business growth. An example of this is the opportunities for boat building that could arise from stopovers of major ocean races. Similarly major film or fashion events could stimulate the development and expansion of these market sectors.

**Events as tactical levers, e.g. to offset seasonality.** Events that are appropriately positioned could act as catalysts to offset fluctuations in demand due to seasonality and other factors. In addition they could serve as magnets for tactical marketing drives – e.g. a Whale Festival as lever for a whale-watching package, flower festival, as levers for botanical travel packages, etc.

**Events as direct generators of tourism business.** A portfolio of major events could draw substantial numbers of new visitors to a destination. Each visitor that attends an event spends a considerable

4 United Nations Environment and Development UK Committee (UNED-UK) Project Report (1999), Gender and Tourism: Women's Employment and Participation in Tourism, edited by Minu Hemmati, UNED-UK, London

amount in the destination and such expenditure permeates through the local economy resulting in indirect and induced economic benefits.

**Events as vehicles for local pride and community building.** Local events can provide opportunities for rallying community pride and ensure enjoyment and involvement of local citizens.

**Hokitika WildFoods Festival, New Zealand**

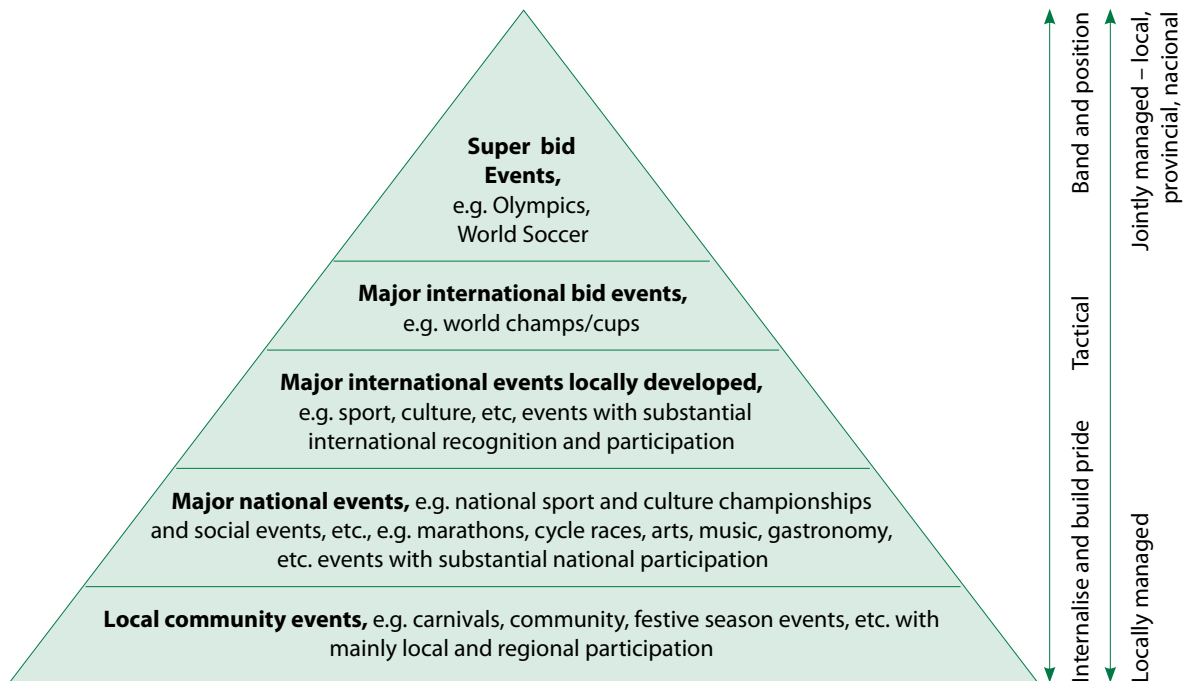
Held each year in Hokitika, on the West Coast of New Zealand the Hokitika Wildfoods Festival celebrates the West Coast's distinctive natural food sources including huhu grubs, gorse flower wine, spagnum moss candy floss, high protein earthworms, blue fin tuna, scallops, whisky sausages, mussels, possum burgers and Westcargots (a local snail cooked in white wine). As well as the food and drink there are cooking demonstrations from a wide range of experts and home brew competitions. The festival is run by the Westland District Council, with support from major corporate sponsors. The event attracts up to 18,000 visitors. Benefits of the event are to extend the season into the New Zealand shoulder season and to increase a sense of pride in the local community.

See: [www.wildfoods.co.nz](http://www.wildfoods.co.nz)

### 5.5.2 Destination Events Strategy

Figure 25 presents a strategic events pyramid as brand framework for a destination events strategy:

**Figure 25 Strategic events pyramid (Adapted from Göthenburg & Co presentation)**



The key principles underpinning the framework could be summarised as follows:

- From a brand building and positioning perspective, it is important for the DMO to prioritise a tight portfolio of *super and major international and national events* over a 5-10 year time period. The complexity and scale of staging such events imply that super events would be staggered over multiple years, e.g. one event every 4-5 years, and that major events would be staggered over 2-year periods.

- A specialised events facilitation facility should be created within the DMO to accommodate and support unsolicited approaches by organisers of major events such as world championships in various disciplines.
- It would be appropriate to identify and initiate major “*home-grown*” (locally initiated) events with the potential to take on an international stature, in accordance with the brand identity, unique features and seasonality strategy.
- A focused approach to attracting *major national sports and/or culture events* could also act as a major stimulus for converting travel to the destination. Such a portfolio of events needs to be clearly prioritised and focused.
- Of major importance are clear plans of action to support *local events that promote community pride and participation*. Such plans should be developed at the local level, by LTB’s, Chambers of Commerce and local municipalities. Many such events already exist throughout the province and local authorities are encouraged to support the further expansion and enhancement of community festivals, sport events, etc. in order to build community spirit and ownership.

The challenge that often faces DMOs is finding an equitable approach to supporting events. Staging of events is costly and often relies on substantial sponsorships and events organisers could regard the DMO as an important source of financial and in-kind support. It speaks for itself that the DMO will not be in a position to finance all events in the destination, nor will it be able to provide financial support for all .

### 5.5.3 Devising a DMO Portfolio of Events

The following outline classification may be of value in devising a DMO portfolio of events:

**DMO-led events.** The DMO may regard a particular event(s) as so important to their strategies that they are prepared to be a primary sponsor in the establishment and/or continuation of the event. In such cases the DMO should agree and exercise particular rights to ensure the closest possible tie to the destination strategy, e.g. having naming rights, ensuring that the destination brand has a direct bearing on the event brand, and play an active part in the planning and execution of the event.

**DMO-supported events.** Some events could be of major value in supporting the DMO strategy, but the DMO may have neither the resources, nor the inclination to play a primary role in staging them. In such cases the DMO may decide to support a portfolio of key events that are of strategic importance to the destination strategy. Such support could be in the form of a cash contribution (sponsorship) or in kind (trade-exchange format). The rules and agreements for supporting such events should be set up-front, e.g. the time frame for support, DMO branding and other rights, DMO participation in the event, guest invitations, etc.

**DMO-promoted events.** While various other events may not be of such strategic value that the DMO prioritises them as having DMO-led or supported status, events are an important component of the destination product portfolio and DMOs should provide mechanisms and channels for publicising and promoting the broad spectrum of events occurring in the destination. This could be done through including the events in the DMO’s events calendar to be promoted on the DMO website, at travel fairs, through the DMO visitor information offices, in DMO media and PR programmes, etc.

The following criteria could be considered for establishing, evaluating and supporting major events in accordance with the strategy:

- Events of a world scale, e.g. world championships in sport and cultural disciplines should be considered for support and should be evaluated based on their branding value, financial implications and potential return on investment.

- The strategic relevance and investment in national and local events could be evaluated according to the following criteria: potential return on investment, job-creation, visitor spend, media exposure, etc.
- The following should also be considered:
  - To what extent the event compliments the unique attractions of the destination and is in accordance with the product and attractions portfolio.
  - Whether the event falls within low-season periods.
  - Whether the event supports and compliments a year-round calendar of events.
  - The community benefits associated with the event and potential spread of economic benefits to disadvantaged areas and the hinterland.
- A multi-year (5-10 years) events strategy and action plan should be formulated to clearly identify proposed events, DMO resources required and the marketing implications associated with their development.

### Göteborg & Co: Event Collaboration

Göteborg & Co, jointly owned by the City of Göteborg and industry, aims to make Göteborg one of Europe's leading event cities. Their events collaboration department promotes a rich, varied range of events by attracting and encouraging new events; supporting and developing regular fixtures; assisting and collaborating with arena owners and organisers in connection with event organisation; and providing services such as project management. Göteborg & Co acts has implemented the following systems:

- "Evert" – a new planning system which gathers data about confirmed and prospective events up until 2020.
- "Evsamvärdet" – an evaluation model which clarifies the value of the event for Göteborg and the region and facilitates comparisons between various kinds of events.

See: [www.goteborg.com](http://www.goteborg.com)

## 5.6 Packaging Experiences

While destination managers are not primarily in the business of packaging and selling commercial travel products the growing sophistication and diversity of consumer segments and demand patterns require of destination managers to present experiences in a user-friendly format.

- **Route packaging.** Given the growing trend towards independent and experiential travel, the development and packaging of tour routes (e.g. Route 66, Silk Route, Inka Route, etc.) coordinate experiences along a travel circuits and provide visitors with achievable and easily accessible travel experiences. Routes may be developed for touring by car, hiking/trekking, cycling, pony-trekking and other forms of transport.
 

Route developments are excellent mechanisms of bringing together experiences that compliment the destination positioning, e.g. its unique cultural, natural, lifestyle and other experiences.
- **Theme packaging.** To capitalise on unique experiences and appeal to special interest segments special travel themes can also be presented in a coordinated manners e.g. birding opportunities, golf, culture and heritage, outdoor and adventure, etc.

The route and theme concepts can also be merged by packaging theme routes e.g. flower route, whale route, wine route, castles route, etc.

## 5.7 Tourism Management of Natural, Cultural and Indigenous Heritage

### 5.7.1 What is Heritage?

“Heritage is our legacy from the past, what we live with today, and what we pass on to future generations. Our cultural and natural heritage are both irreplaceable sources of life and inspiration. Places as unique and diverse as the wilds of East Africa’s Serengeti, the Pyramids of Egypt, the Great Barrier Reef in Australia and the Baroque cathedrals of Latin America make up our world’s heritage.”

UNESCO World Heritage Centre [www.whc.unesco.org](http://www.whc.unesco.org)

The term heritage then covers both natural and cultural sites and could equally be applied to a built site such as the Taj Mahal, or a natural one, such as the Galapagos Islands.

As for indigenous people; these are the original people of the land such as the Aborigines in Australia or the Quechua Indian in South America. Indigenous heritage refers to all aspects of traditional lifestyle, from things which are made such as arts and handicrafts, to things which can be experienced like dance or ritual, to the beliefs and values held by the people.

Though the specifics may be different, the management of these different types of heritage has overlap and is discussed in this section.

### 5.7.2 Why Manage a Heritage Site?

Heritage resources are often the main motivators for stimulating travel to destinations. The world’s most visited attractions are natural features, national parks, World Heritage Sites and other heritage resources. In theory, treating such assets as products for tourism consumption is reasonable and logical, in practice, however, this may be hard to achieve in a responsible manner.

Unlike products specifically developed for tourism, most heritage attractions were not originally intended for tourist use and therefore require sympathetic product development and management strategies. Managers of heritage sites must meet the requirements of conserving and maintaining the area within the limitations of financial resources as well as providing the service of visitor access. Sites must be managed to protect them from over-use, misuse and wear and tear from visitor footfall.

If heritage sites are poorly managed and interpreted then there will be a loss in quality of both the heritage resource and the visitor’s experience. Visitors, who are increasingly discerning, may stop coming.

Indigenous tourism in particular can be criticised for turning culture into a commodity and native people should be involved and consulted as to which parts of their culture they are willing to share. As for the demand, tourists are increasingly looking for ‘authentic’ experiences, or those which are genuine and meaningful. The success of tourism based on indigenous heritage will be dependent upon the ongoing support of the community and maintaining the integrity and cultural property rights while meeting the expectation of the visitors with a quality and repeatedly reliable experience, easily identified within the market as unique.

Many significant heritage sites throughout the world are designated World Heritage Sites by UNESCO – raising awareness of the site and fostering conservation. However, sites that are not designated still require careful management.

### Windsor Castle, UK

Windsor Castle is the world's largest inhabited castle and the official home of The Queen. It welcomes in excess of a million visitors a year. Built in the 11th century, it has some structural challenges for visitor management and access, the majority of which it has managed to overcome. It employs the following to manage visitors:

- A new admissions and ticketing building within the castle walls which prevents extensive queues, provides under cover waiting areas for groups, includes high level efficient security measures, offers guided and multi-lingual audio tours, has ample toilet facilities and provides for those travellers with special needs.
- Packaging with local hotels to encourage longer visitor stays and packaging with the train service to encourage arrival by public transport.
- Provision of a leaflet with a map and explanatory notes for every visitor to better plan their time within the Castle walls.
- Opening of additional rooms whilst keeping the admission price constant in the traditionally off-peak season which 'flattens' visitor peaks and troughs.

See: <http://www.windsor.gov.uk/education/vms.htm>

Developing heritage sites for tourism can be beneficial. It can raise awareness of the value and significance of the site and increase local pride and protection of the area. Visitors may also provide some income for the maintenance of the site and make further economic contributions by purchasing gifts, food and drink, transport and accommodation. Developing indigenous heritage for tourism can also promote pride in traditional ways and tourist interest in aspects of indigenous lifestyle can ensure that certain practices do not die out.

### 5.7.3 Managing a Heritage Site

Visitor management of heritage sites should be based on principles of sustainability and commercial viability. While conservation and protection should be the primary objective, economic contributions ensure the continuity of commercial services and employment in the area (e.g. accommodation, tour guides, restaurants, shops, taxis etc.). In addition infrastructure should be developed to ensure ease of access, effective interpretation and environmental management. There also needs to be visitor facilities and services such as interpretation centres, ablution facilities, water and sanitation and restaurants or cafes.

The vital ingredient to successful management of heritage is to have good relationships between all the stakeholders at and around the site:

- Those who provide the infrastructure (usually the local, provincial or national government).
- Those who manage the attractions (usually government, religious groups, voluntary organisations or commercial companies).
- Those who manage the supporting infrastructure services (e.g. tourist police, waste disposal, street cleaning, health services, communications transmitters) and the range of commercial operations (e.g. accommodation providers, shops, restaurants, tour operators, guides, taxi drivers).

### Santiago de Compostela, Spain: Managing an historic city

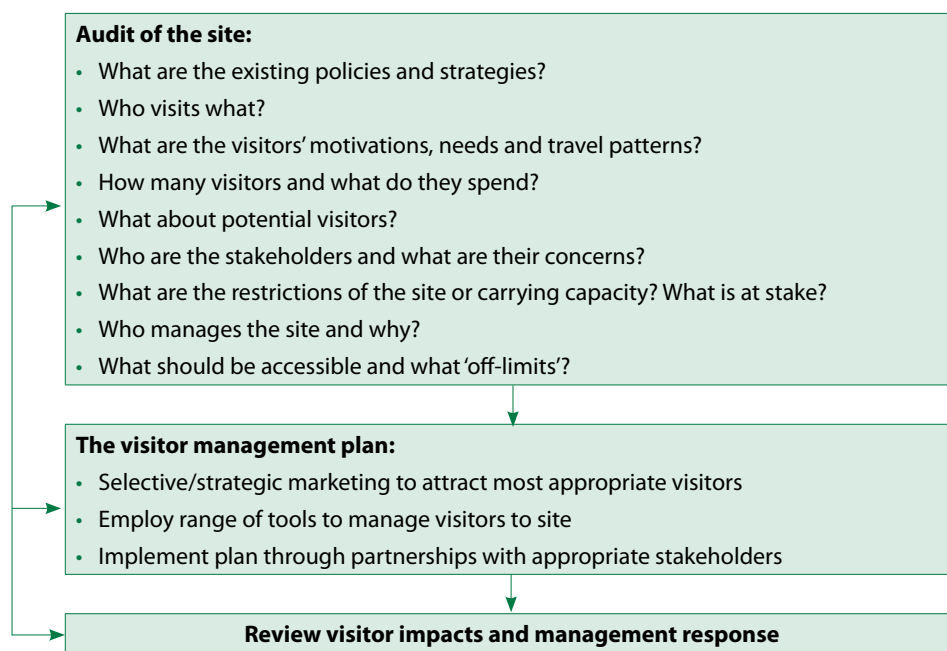
Santiago de Compostela, the capital of Galicia, is an historic city that has established itself as one of Spain's most important cultural destinations. Santiago's potential for attracting tourists is centred on its old town, declared a World Heritage Site by UNESCO in 1985. Tourism success in an historic city such as Santiago de Compostela depends on the coordination of urban policies such as town planning, transport, culture and safety, as well as the formulation of tourist policies. Therefore, as well as specific tourism development strategies and marketing plans, tourism has been integrated and underpinned by a general urban strategy that considers tourism as one more activity sector within the complex urban fabric. Some elements of this approach include:

- The General Plan of Urban Regulation, in which the old town is integrated into the city while maintaining its multifunctional nature, along with a diverse economy.
- The Special Plan for Old Town Protection and Rehabilitation, to conserve and restore the buildings and urban structures making up the old town.
- The construction of the city's ring roads, easing traffic congestion and improving access to the old town.
- The implementation of important tourist-reception infrastructures such as the Xoán XXIII Coach Terminus, an extensive network of car parks near the city centre and important residential complexes.
- The creation of facilities to supplement the old town's tourist appeal, placing it clearly within the field of cultural tourism (Galician Contemporary Art Centre, Congress and Exhibition Hall, Auditorium of Galicia).

A further aspect was the creation of the City of Santiago Consortium, encompassing the Spanish State, the Autonomous Region of Galicia and Santiago de Compostela City Council. The Consortium is in charge of old town conservation policies and the development strategy for cultural infrastructures.

In terms of the attraction itself, there are some positive steps which can be taken. In particular the visitor management process as outlined in Figure 26 can be used to identify the objectives of the destination and ensure all stakeholder requirements are met.

**Figure 26** Visitor management process



### 5.7.4 Managing Visitor Behaviour

There are many tools available to managers of sensitive sites to guide and control visitor behaviour. These are summarised in Table 13.

**Table 13 Managing visitors at heritage sites**<sup>5</sup>

Technique	Example
Selective marketing	Promotion of one site over a neighbouring one to ease the load on a site Aim promotion at specific and most desirable markets
Selective provision of strategic information	Information omits certain sites/areas Information omits certain experiences at a site
Information	Educate users and provide interpretation regarding appropriate behaviour Interpretation boards at the site entrance and around the site can be used to explain the meaning of the site and to explain and promote environmental or conservation aims
Implementation and enforcement of regulations	Limit length of stay or overall numbers per day Use timed ticketing Ban certain activities detrimental to the resource such as camping or lighting fires (natural sites) or taking photographs (heritage sites) Impose fines Issue permits
Pricing and funding	Limit access through pricing Charge different fees by zone or season Have tiered pricing system to facilitate access by local community Donations can be encouraged at the site or through websites
Access	Restrict access to vulnerable areas by physical means such as zoning, fencing, natural barriers and clearly defined paths Work out the best route to reduce concentrations in certain areas (e.g. a one-way walk) Improve, or not, parking, by road and paths. This can be used to facilitate access or to limit numbers Harden (with walkways or paving) certain parts of the site
Selective maintenance	Allow site to fall into disrepair Maintain one site at higher standard than other

In addition there are numerous congestion strategies focussing on managing demand at both the destination and the sites. At the level of site management this includes<sup>6</sup>:

- Establishing administrative responsibility for congestion management;
- Establishing consultative mechanisms for tourism congestion issues;
- Introducing a comprehensive communications policy;
- Improving responsive measures for peak periods;
- Developing tourism operator licences;

<sup>5</sup> Adapted from Hall, C. and McArthur, S. (1993), *Heritage Management in New Zealand and Australia*, Oxford University Press, Oxford and Manning, R. E. (1999), *Studies in Outdoor Recreation*, Oregon State University Press, Oregon.

<sup>6</sup> World Tourism Organization (2004), *Tourism Congestion Management at Natural and Cultural Site*, UNWTO, Madrid.

- Including congestion issues in the management plan;
- Improving coordination of arriving groups;
- Introducing different options for site entry;
- Improving site entry Management;
- Improving tour guide management on site;
- Controlling the numbers of visitors in certain areas;
- Managing the movement of visitors in sensitive areas;
- Managing crowds;
- Introducing special modes of travel on site;
- Controlling aerial tours over large scale sites;
- Improving site access, arrivals and departure area;
- Improving the entry precinct;
- Improving visitor movement patterns around site;
- Minimising difficult access routes;
- Improving access for the physically impaired;
- Improving visitor movement past viewing locations;
- Minimising disruption from retail and food outlets;
- Improving visitor facilities and facilities management.

At the level of destination this includes <sup>7</sup>:

- Establishing administrative responsibility for congestion management;
- Improving local traffic management;
- Improving peak activity management of special events;
- Improving physical capacity of local road systems;
- Improving directional signage and information;
- Improving physical capacity of local infrastructure.

More information on the above can be found in the 2004 UNWTO publication *Tourism Congestion Management at Natural and Cultural Site*.

### 5.7.5 Interpretation

Interpretation is the art of communicating with visitors which explains the meaning or significance of a place; an experience; or the people. Good interpretation has the following benefits:

- It can enrich the visitor's stay by making it more meaningful and enjoyable and can enhance the

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<sup>7</sup> World Tourism Organization (2004), *Tourism Congestion Management at Natural and Cultural Site*, UNWTO, Madrid.

visitor's appreciation and understanding of what they see.

- For certain cultures and sites which may have sensitivities regarding particular behaviours, interpretation can explain to the visitor things which they should, and should not be doing. For example some types of clothing and behaviour may be considered inappropriate and offensive when visiting places of worship or certain behaviours can damage vulnerable environments. It is important to inform the tourist of these requirements, both for the benefit of the visitor and out of respect for the community, or place being visited.
- Finally interpretation can accomplish management objectives and can promote public understanding of heritage management organisations and their programmes.

Interpretation can be delivered through personal interaction or non-personal communication:

- Personal interaction would include guided walks, talks and story telling, staffed stations, drama or music or interactive learning experiences in which tourists can participate.
- Non-personal communication would include publications, brochures and leaflets, signs, displays, self-guided activities using written or audio guides, artwork and visitor centres.

The choice of which of these is used will depend on available resources and the number of visitors. The important thing is to consult widely with relevant stakeholders to identify the key messages and deliver these consistently to the visitor. For example, Aborigines in Australia want to interpret the significance of a Dreaming place to ensure culturally appropriate behaviour of visitors. This message can be reinforced through several of the media mentioned above.

### **Interpretation in Australia: Old Wilpena Station**

The award winning 'Living with Land' interpretation at the Old Wilpena Station Heritage Site is an example of successful interpretation. The interpretation was developed in co-operation between Natural and Cultural Heritage, Regional Conservation, the Adnyamatyhanha community and the local pastoral community.

Its success is the result of a number of factors: a thorough planning process, regular consultation with all stakeholders, a creative interpretation team and supportive management.

The overarching theme of 'Living with Land' is supported by sub-themes of self-sufficiency, survival, adaptation and improvisation. The key message for visitors to take home is that life for both indigenous and non-indigenous people on the remote and isolated pastoral runs of the Flinders Ranges required ingenuity and resilience. The interpretation signs and booklets tell powerful stories of the site and the people that live here, evoking respect for both.

See: [www.interpretationaustralia.asn.au/news.htm](http://www.interpretationaustralia.asn.au/news.htm)

## **5.8 Visitor Stewardship**

### **5.8.1 Introduction**

Visitor stewardship schemes engage the tourist in achieving the destination's strategy and maintaining a quality experience for present and future residents and visitors. Tourists are often only seen in terms of the problems they create whilst the positive contributions they can make to the environment or communities they visit may be overlooked and untapped. It is also often presumed that visitors are not particularly interested in their destinations beyond having an enjoyable vacation. However, recent research has shown that tourists do take an active and responsible interest in their destinations for

example:

A Tearfund survey of UK vacationers reports <sup>8</sup>:

- 52% would be more likely to book a vacation with a company that had a written code of conduct to guarantee good working conditions, protect the environment and support local charities.
- 65% would like information on how to support the local economy, preserve the environment and behave responsibly when they go on vacation.

## 5.8.2 Fostering Visitor Stewardship

Ways in which visitor stewardship can be fostered are presented here.

### Volunteer tourism

Activity vacations with hands-on involvement have recently been identified by the European Travel Commission as a developing trend. Rather than passively passing through places, tourists increasingly want to become involved with the community and assist with local projects. DMOs can play a role by facilitating links between local conservation or cultural organisations and operators that provide volunteer tourism.

### Information for visitors

Information can make the visitor aware of the values and goals of the destination and can be significant in guiding appropriate visitor behaviour. Information can be delivered in a number of ways, e.g. leaflets, codes of conduct and interpretation and these can be placed in visitor information centres, visitor attractions and public buildings/places or with accommodation providers. Chosen themes or messages should be consistently delivered pre visit on the website and during the visit throughout the destination.

### Visitor Payback Schemes <sup>9</sup>

Visitor payback schemes give the tourists the opportunity to make a direct financial contribution to the communities and environment they visit to raise revenue for specified environmental or community projects. There are several ways in which such funds can be collected:

**Supplements.** This involves adding a nominal supplement voluntarily paid by the tourist to the cost of a tourism service, such as accommodation or visitor attraction. For example the Angsana Resort in Bintan, Indonesia, adds USD1 per night of stay to every bill which goes towards its environmental charity.

**Percentage of fees.** This is similar to supplements, however the percentage is automatically set in the cost of the product and the business donates a certain percentage to a specified fund.

**Collections.** Collections provide opportunities for tourists to make a donation using collection boxes or donation envelopes.

**Membership.** Visitors may be persuaded to contribute through membership fees to support a given cause.

The drawback of these schemes is the administration required for them may in itself be costly and time consuming.

8 Tearfund (2001), *Putting Ethics into Practice: A Report on the Responsible Business Practices of 65 UK-based Tour Operators*, Tearfund, London.

9 From English Tourist Board and Tourism Management Institute (2003), *Destination Management Handbook*.

### **Shinta Mani Hotel: Community investment**

As part of an ongoing commitment to the local community, Shinta Mani Hotel and Institute of Hospitality offers guests an opportunity to participate in local community support projects such as house building, establishing wells and contributing to school uniforms. Guests are able to meet the families who will be affected by the contributions.

## **5.9 Stimulating Tourism Investment**

### **5.9.1 Introduction**

Attracting foreign direct investment (FDI) and, by implication, gaining experienced tourism entrepreneurs to help expand, diversify, deepen and upgrade the tourism sector is a major challenge for developing tourism destinations. While the investment promotion focus is most often on attracting foreign investors it should also be directed at local (larger) investors and most investment incentives should apply to foreign as well as domestic enterprises.

While the concept of FDI implies attracting “investors” to the destination, various types of foreign involvement could be distinguished including:

- The sourcing and attracting of foreign investment or capital.
- The attraction of experienced and motivated entrepreneurs or hospitality and travel managers.
- The attraction of international hotel, hospitality, touring or other chains or franchises so that the destination’s attractions can be properly marketed and developed in the global tourism context.

In practice it is the latter two of these three approaches which need the main focus, whereas the search for capital may be more of a challenge for local entrepreneurs who are newly entering the sector or want to expand their activities.

Experience clearly shows that global investors searching for “the best returns on investments in new markets” are very sensitive about the business environment in new areas. In contrast, investors already acquainted with the business scene in countries or regions may be far better able to see and appreciate positive developments in destinations.

Thus, while determined efforts to improve the investment climate (and establish significant incentive packages) cannot be over emphasised, the background of investors and their past links to the destination should not be underrated as factors in this process.

### **5.9.2 Investment Incentives**

Investment-promotion activities often include specific tax and other types of incentives as an important component. This practice is based on two assumptions:

- Investors compare profitability levels in different countries or areas, often giving preference to those with highest returns, which are influenced by the nature and level of the incentives.
- In order to ease or facilitate the process of project investment and development, specific incentives may sometimes be of considerable help to entrepreneurs.

Incentive packages usually contain a range of elements, with tax reductions, low-interest loans, rebates on import duties and accelerated depreciation often the key elements. In designing these incentives it is important:

- Not to make the loss of government revenue too high, thereby hampering the fiscal balance of a country.
- Not to make the administration of the system too difficult or leave scope for fraudulent practices for arbitrary decisions of bureaucrats.
- To use incentive packages to cluster investment momentum (for example in special development areas, demarcated for tourism development).
- Not to discriminate unduly against local investors who may actually need more support due to their lack of experience and a poorer capital base.
- To limit the time frame for incentives, i.e. formulate incentives to apply during the start-up (market-failure) years of new investments and not to continue as artificial “crutches” after a reasonable start-up period when the business should be operating feasibly and in a market driven manner.

It should be noted that while investment incentives are important, it is yet more important to ensure that the overall “investment climate” of a country or region is attractive. The risks and negative cost elements of problems related to political instability, public-sector corruption, high crime levels, poor residential, commercial and industrial infrastructure facilities, erratic ICT links and bureaucratic delays can be serious. Thus, while incentives may be effective “as the cherry on the top” of negotiated projects it should not be expected that they can perform miracles if the other preconditions (“the investment climate”) are not right or not addressed in an open and determined way.

Table 10 presents a summary of possible incentives that could be considered for promoting investment in tourism

**Table 10 Some possible investment incentives for medium and larger tourism-related ventures**<sup>10</sup>

Nature of incentives
Free repatriation of profits and funds
Duty-free importing of capital goods, equipment and inputs, except for imports of goods also produced in the country
Training grant for locally employed staff covering e.g. up to x% of the cost of approved programmes
Loan guarantee for smaller enterprises with at least x% local share-ownership
Assistance with long-term lease of business property
Double-tax deduction of marketing and promotional costs
Reduced income-tax rate in priority tourism development areas
Three-year tax breaks for investments in priority tourism development areas
Accelerated investment allowance (e.g. 33 $\frac{1}{3}$ % p.a.) in priority tourism development areas
Low-interest investment co-funding through a special tourism investment fund, conditional to e.g. at least 30% local shareholding and x size project in priority tourism development areas

<sup>10</sup> Source for table: Thomas (2006), ‘Promoting Private Sector Development in Lesotho’, in UNWTO *Support to Institutional and Capacity Strengthening of the Tourism Sector in Lesotho*, Government of Lesotho and UNWTO, Madrid.

### 5.9.3 Administering Incentives

A major part of the perceived success and impact of any incentive package lies in its implementation and the effectiveness and impartiality of its administration. To achieve this:

- It is crucial that the organisation responsible for implementing incentives establishes and maintains the staff and administrative capacity to sift applications, prepare for decisions, administer (or supervise) the implementation of the incentives and monitor their effectiveness.
- Since much will depend on the learning process evolving around the implementation of incentives, there should be regular (half-yearly) monitoring of the process and the actual impact of the incentives, with a report (by the secretariat) discussed by a technical task team and with inputs requested from other stakeholders like business and (sub-) sector associations active in the field.
- Clarity should be obtained regarding the types of activities covered by incentives, their level of turnover and which markets they target.
- It is important for the creation of agglomeration effects in tourism destinations that developments are encouraged to cluster in certain priority tourism development areas (TDAs). Criteria for selecting such TDAs may include un(der)developed tourism potential, socio-economic needs, new market expansion, etc. Special incentives could stimulate the development of tourism in these areas.
- The packaging, promotion and facilitation of investment opportunities is a challenging task that often requires innovative approaches. If incentives are implemented they have to become a central part of the overall marketing of tourism-development opportunities in the destination.

### 5.9.4 Packaging and Promoting Investment Opportunities

Public authorities such as the DMO or an investment agency are expected to package and present investment opportunities in an easily digestible format, often at special investor conferences. In the case of developing destinations this approach may cause a number of challenges:

- Given the limited strategic significance of many developing countries they have little hope of really attracting significant numbers of potential investors to such conferences.
- Tourism opportunities are mostly diverse and individually adjustable and standard project proposals are often of limited value. The destination's tourism potential becomes persuasive via the actual contact between potential investors, entrepreneurs or operators and the scenes of the venture.
- Since the close interaction between an (external) investor and local communities (or local small enterprises) is so crucial for new tourism enterprise development, such "neutral", packaged documents cannot really bridge the human gap between investor and community.

An alternative approach, which is challenging but may be a lot less costly, is the preparation of a broad range of business opportunities, combined with plenty of photos and reflections on the local communities and their interaction with outsiders. These profiles should not pretend to clarify rates of return and investment risks but rather lure investors to look for themselves and to prepare their own version of a wide range of possible project permutations, while coming up with their own solutions to local risk factors or infrastructure gaps.

Effective and efficient communication channels are important to disseminate investment opportunities to potential investors.

In general three channels can be distinguished.

- Inclusion of investment opportunities in the DMO's portfolio of marketing collateral, web-pages and media fact sheets. References to investment opportunities should address the business climate and socio-political stability issues.

- Supplying existing tourism operators with information about the DMO's investment strategy and proper steps to start further enterprises.
- Using conventional investment-marketing channels like tourism trade fairs, trade journals and investment consultants. Here again it may be more important to address the potential and flexibility of projects (and the pragmatism of local and government authorities) rather than to present firm project proposals.
- Once investors have been "hooked" on a project it is important that some public authority (e.g. the DMO or investment agency) or local business advisors/partners help the external investor manoeuvre through the complexity of local business regulations, restrictions, traditions and other potential obstacles.

At the same time stronger emphasis on the need to combine local and foreign business partners in new ventures may help to solve many of the practical problems in the FDI sphere.

# Ensuring the Quality of the Visitors' Experience

## 6.1 Ensuring Quality and Standards

### 6.1.1 Introduction

Many research studies have demonstrated that the satisfied customer is the best form of promotion, through the powerful effect of 'word of mouth'. In the age of 'social networking', this is truer than ever. It is equally the case that dissatisfied customers can cause great harm to a tourism business or a destination as a whole; indeed, they are likely to tell far more people about their experiences than satisfied customer. It follows that quality management and assurance systems are fundamental to a healthy and growing tourism industry.

Quality assurance of tourism facilities and services must be market orientated and involve the private sector in maintaining standards as well as being flexible in terms of market requirements.

### 6.1.2 'Lookers' to 'Bookers'

Quality begins with the start of the visitor journey. When people are planning travel they need information that matches their needs as far as possible, allied to images which (honestly) sell the appeal of the destination. The more that is known about customer needs, the better destinations can provide the right services for them, so the increased likelihood of converting interest into a decision to visit increases.

A pre-requisite of confirming the decision to visit will be finding suitable accommodation that matches customer needs in terms of location, accommodation type, price and *quality*. Here, recognised quality assurance schemes are invaluable. These should be internationally recognisable (e.g. Michelin) or be administered by the national tourist board. Such schemes have credibility and reassurance that locally or privately-run schemes will find difficult to match. The focus of this scheme should be on the quality of facilities and service, rather than the quantity of the facilities provided.

#### **National Quality Assurance Standards, UK**

The National Quality Assurance Standards scheme, run by VisitBritain, is a quality assurance rating for accommodation and visitor attractions based on a star system from 1-5 Stars. At each level of star rating minimum criteria are clearly identified:

- 1 star Simple, practical, no frills;
- 2 star Well presented and well run;
- 3 star Good level of quality and comfort;
- 4 star Excellent standard throughout;
- 5 star Exceptional with a degree of luxury.

The quality assessment is independently carried out to benchmarks set by VisitBritain and the rating system gives the visitor some indication of what they can expect. There are various schemes to cover different types of accommodation such as hotels, guest accommodation, hostels, holiday parks, self-catering, university campuses and water based accommodation as well as scheme for visitor attractions.

See: [www.qualityintourism.com](http://www.qualityintourism.com)

Ease of booking the accommodation is an important aspect of quality. In this case customer choice is important in that both central booking and booking direct with the accommodation operator should be easily available to the consumer. Sometimes, national agencies will provide the central booking agency but this can interfere with the broader role of the national agency and its relationship with the tourism community as a whole. In addition, many visitors may need to talk to the accommodation provider, even after extensively using the Internet in narrowing down the choice of accommodation. Barriers should not be placed in the way of this direct communication.

### 6.1.3 At the Destination

Official accreditation schemes may not be enough to ensure the whole experience is positive. It is of primary importance to ensure the overall quality of the destination (the public realm) – the quality and availability of public toilets, clean and safe streets and a clean environment. The quality of natural resources and cultural resources as well as the host communities can be sustained and enhanced by programmes such as Geotourism.

Tourism business operators can play their part in ensuring overall quality of destination experience for their guests. For example, they can operate informal networks between quality providers to ensure that guests are guided towards facilities or services of a consistently high standard. Thus an accommodation provider may provide guests with a list of recommended tourist attractions and a tour operator may recommend cafés or restaurants that they know serve consistently high quality food.

#### Geotourism: Enhancing and sustaining destinations

Geotourism is defined as tourism that sustains or enhances the geographical character of a place – its environment, culture, aesthetics, heritage, and the well-being of its residents. Geotourism incorporates the concept of sustainable tourism while allowing for enhancement that protects the destination. Geotourism adopts a principle from ecotourism, that tourism revenue can promote conservation, and extends that principle beyond nature travel to encompass all distinctive assets of a place.

Governments and allied organisations can sign the Geotourism Charter as a first step in adopting a geotourism strategy. Signatories agree to support the principles of geotourism in a number of areas including enhancing the integrity of place; adhering to international codes; market selectivity; market diversity; ensuring tourist satisfaction; community involvement; community benefit; protection and enhancement of destination appeal; appropriate land use; conservation of resources; planning; interactive interpretation; and evaluation. After committing to the geotourism strategy, signatories are then expected to work with local communities to determine their geotourism goals.

See: [http://www.nationalgeographic.com/travel/sustainable/about\\_geotourism.html](http://www.nationalgeographic.com/travel/sustainable/about_geotourism.html)

Transport providers such as taxis, tuk tuks and ferry drivers must also be considered. These are often the visitor's first and last impression of the destination. Some destinations have training schemes to ensure that drivers are welcoming and knowledgeable about the destination. Staff retention and morale has also been improved through schemes such as the Fair Trade in Tourism South Africa certification programme.

### **Fair Trade in Tourism South Africa: Certification programme**

Fair Trade in Tourism South Africa (FTTSA) is a non-profit company that promotes sustainable and equitable tourism development. This is achieved primarily through awareness raising and the facilitation of a voluntary certification programme that awards a special Trademark or label to tourism enterprises that meet specific quantifiable criteria, including:

- Fair wages and working conditions;
- Fair operations and purchasing;
- Fair distribution of benefits;
- Ethical business practice;
- Respect for human rights, culture and environment.

Benefits of participating in the programme include:

- Use of FTTSA brand;
- FTTSA is a sounding board, advocate, facilitator;
- Human Resources development – staff training, improved staff morale, staff retention;
- Being part of a network of likeminded businesses: mutual support, product packaging, joint marketing;
- Benchmarking to achieve best practice;
- FTTSA provides guidelines, documentation, feedback.

See: <http://www.fairtourisma.org.za>

It is important for visitors that the quality of food and drink establishments is assured, with inspection covering factors such as hygiene and safety, as well as quality of food and service.

### **6.1.4 Benchmarking**

Measurement of customer satisfaction is vital. Results should be benchmarked within and between destinations to provide a consistent driver of quality improvement and a general raising of standards as more and more of the poorer providers are frozen out of the numerous quality networks that will be created – examples of best practice should be promoted to stimulate operators' thinking.

This process needs to be facilitated by the DMO: it simply will not happen if left to the industry on its own. Individual operators will tend naturally to focus only on their own businesses rather than the wider destination. If effective co-ordination with and between operators can be achieved, the DMO should then play a leading role in ensuring that all of the businesses involved in the 'quality network' benefit from special marketing support and business-to-business referral arrangements.

## **6.2 Workforce Development**

### **6.2.1 Introduction**

Within the destination, the essentially local nature of the tourism industry comes to the fore. It is about face-to-face interactions between a customer and the person providing a service. Tourists come

into contact with a range of service providers and their staff at the 'frontline' of the tourism industry; at accommodation, attractions, shops, restaurants, taxis and information centres. These individual encounters will be many and unique to each tourist and will colour the tourist's opinion of their stay and of the destination, affecting both repeat visits and word of mouth recommendations. Action to ensure that they are of a consistently high standard represents a major training challenge.

It is important that staff understand the profound importance of customer satisfaction and are encouraged to exceed the expectations of the visitors they serve. A skilled workforce is valuable in building quality tourism businesses and, though the tourist may never see the 'back-stage' staff, (e.g. kitchen staff, housekeepers), their contribution in terms of quality delivery is nevertheless an important one. Training can also be instrumental in achieving the overall business goals and objectives of the destination.

Tourism businesses are typically SMMEs who may be too under-resourced to focus on staff training or may not appreciate its importance. DMOs can play a role by emphasising the importance of staff training and promoting and facilitating such training and business development to SMMEs. DMOs can also provide strategic direction to ensure consistent, quality training is ongoing. It may be particularly relevant for communities heavily reliant on tourism to ensure that training and education about the importance of tourism is offered in schools and colleges. Apprenticeships and work shadowing can also be useful.

## 6.2.2 Considerations for Training and Skills

With regards to training and skills development the following should be considered:

- *Special skills training and education initiatives* are required to ensure that the workforce is equipped to provide tourists with the services required. The establishment of a range of qualifications standards, from lower level skills through to management development, is crucial to ensuring consistency in service quality.
- Appropriate *personnel management practices* with incentives and career development planning are vital to the positioning of tourism as a career opportunity for participants in the industry. Consistency of service quality levels is severely disrupted by high staff turnover and migration to other sectors of the economy. It is important that tourism is regarded as a career option and not as a stopgap during pre-career periods. *Staff development and overall staff stability* are important outcomes of such practices.
- *Customer care and hospitality* are strongly linked to the notion of tourism awareness. While customer care and hospitality in the tourism industry is often fairly well developed, services on the periphery of the industry such as immigration, transport, retail, etc. often lag behind in this respect and require special attention if the destination aims are becoming a global tourism force.
- *Labour relations and negotiations* are of major relevance to the tourism industry. Suppliers in the industry value chain often require workers to work long and unsocial hours. The seasonality of the industry and the itinerant nature of part of the workforce creates a particular challenge to ensuring appropriate employment contracts and conditions.
- The labour intensive nature of the industry means that it is regarded as a primary mechanism for *fast tracking job creation*, especially in countries with unemployment problems. While special action can be taken to increase the employment offered by the industry to local people, it is important for governments to recognise that because tourism is highly market driven, employment growth is largely dependent upon the ability of the destination to grow its market share.

### Caribbean Tourism Human Resource Council (CTHRC): Systematic HR

The Caribbean Tourism Organisation, (CTO) established the Caribbean Tourism Human Resource Council (CTHRC) in 1998. This is a regional body made up of senior representatives from business, labour, government, industry associations and education and tourism related organisations/groups. The Council meet twice annually to collaboratively address the Caribbean's tourism education, training and career development needs and to give direction to the Council's programmes and activities. The Council's mission is to develop and promote a systematic and coordinated approach to human resources planning, research, education and training in Caribbean tourism to meet the demands of a globally competitive tourism environment.

See: [www.onecaribbean.org/information/categorybrowse.php?categoryid=334](http://www.onecaribbean.org/information/categorybrowse.php?categoryid=334)

## 6.2.3 A Workforce Annual Training Plan Cycle

The following is a model outlining a Training Program for organisations.

### 1. Identifying Needs

Organisational Needs are surfaced from the following sources:

**The Annual Strategic Plan.** Here broad issues and direction are defined, often supplemented by Training Initiatives, such as Customer Service for all employees.

**Specific requirements as defined by Department Heads.** Each department will have priorities for smooth operation of their particular function, such as PowerPoint for Sales.

**Staff Performance Evaluations.** Personal and Professional needs will be determined, such as Leadership Training, Complete College Education, Platform Skills, and the like.

**Changing Technology.** Software applications and tools change all the time, and skills must always be upgraded.

**Normal Skills and Managerial/Supervisory upgrade Programs.** Built into your Plan should be ongoing programs aimed at Communication, Problem Resolution, etc.

### 2. Training Plan Matrix

The above Needs are diagrammed into a template, which notes the topic/module and the audience.

The resources to deliver the required training are identified. These could be internal resources or external, such as Consultants, Community resources, such as colleges, or specific Programs available in the marketplace.

The Training Platform Mix is also determined, whether it be classroom, Internet based or a "blend" of both.

Costs proposed and Actual should also be captured throughout the Training period.

### 3. The Training Budget

Each Training Topic/Module has a cost, whether this be time, materials, instructor or training and experience. Through the Budgeting Process, priorities shall be determined.

### 4. Evaluation of the Training Effort

The success of the Training effort is determined by the participants and other organisational means to measure results. Evaluations should follow completion of each Training module.

## 6.3 Working with the Community

### 6.3.1 Introduction

The overall experience of the tourist at the destination is often affected by the attitudes of the local residents towards tourism and tourists. The brief encounters between visitors and the communities that host them can make or break the experience for the visitor and positive interactions are an important part of their overall satisfaction with the destination. The residents themselves, therefore, are part of the marketing promise.

However, if the community are not involved in the management of the destination for visitors, and do not benefit from it economically, they may not understand its importance. They may undervalue the economic contribution of tourism or feel that they are negatively impacted by it. Such attitudes and misunderstandings can cause the community to view tourism as an intrusion. This can result in unfriendly or even aggressive behaviour towards visitors. Developing new destinations where the citizens have generally not participated in travel and tourism represents a particularly big challenge in this regard and many have launched special programmes to instil a “culture” of tourism within the population.

### 6.3.2 Communicating with the Community <sup>1</sup>

One way to maximise a positive local attitude towards tourism is to raise awareness and understanding in the community of the role and function of tourism. The DMO can communicate what a visitor or tourist bureau does, particularly in areas which are not typically seen as leisure tourism destinations. Business tourism in particular may be important to a destination yet this may not be fully realised by the community.

The DMO can highlight attractions or amenities that are sources of local pride and which add to the residents’ quality of life in the following ways:

- Organising special occasions or offers enabling local people to enjoy the tourism facilities and services of the area at advantageous rates;
- Distribution of informative publications giving details of local attractions and amenities and which can be useful for local residents;
- Mailing (or e-mailing) of up-to-date events information (‘What’s On?’) to local people;
- Promotion of things to see and do in the area on local radio, podcasts or on websites.

#### **Greater Lansing Convention and Visitors Bureau (GLCVB), Michigan, USA: “Be a Tourist in Your Own Home Town”**

GLCVB promote the “Be a Tourist in Your Own Home Town” programme to increase tourism’s visibility as an economic development tool and heighten awareness of the city’s tourism assets. The objectives of the programme are to acquaint Greater Lansing residents with GLCVB member attractions and strengthen the bureau’s commitment to co-operatively promote the city. The event works through attractions, hotels, restaurants, and city transportation providers all making special offers including discounted rates, complimentary admissions, or bonus food buys. Residents can purchase a US\$ 1 passport which entitles them to entry into over 40 attractions. Residents who participate in the event become more familiar with the area’s attractions and activities and can act as ambassadors for the area and, if asked, can inform visitors of things to see and do. The one day event has become very successful, attracting 12,000-15,000 local ‘tourists’ in 2007.

See: [www.lansing.org/batytot](http://www.lansing.org/batytot)

<sup>1</sup> Source: Harrill, R. (2003), *Guide to Best Practices in Tourism and Destination Management*, Educational Institute of the American Hotel and Lodging Association, Michigan, USA.

Raising awareness of tourism has a number of benefits:

- It can heighten the community's appreciation of various resources supported by tourism spending, such as natural or cultural attractions, and can increase their sense of ownership and stewardship towards these resources.
- It can make the community aware of the significant economic contribution of tourism.
- This in turn, can help develop the community's sense of pride in the area's resources, increase support in general for tourism and improve the relationship between tourists and the wider community.
- Residents can become informal ambassadors for the destination.

### Malta Tourism Authority: Raising awareness of tourism

As part of the Malta Tourism Authority's Tourism Awareness campaign, bus shelter posters have been installed throughout the island with a message emphasising the economic benefits of tourism. The poster carries the message "Tourism = Lm 350 million + 40,000 jobs. Your role in tourism is vital".

The tourism awareness campaign is part of a nationwide effort which the Ministry for Tourism and the MTA have been leading in order to stress the importance of this industry and the need for ownership by the local community as a whole.

See: [http://www.mta.com.mt/index.pl/november\\_newsletter](http://www.mta.com.mt/index.pl/november_newsletter)

### 6.3.3 Maximising a Community Partnership

Community partnerships which ensure that economic benefits and ownership remain with the community are often fostered through small-scale, locally owned, community-based facilities such as homestays, small hotels or guest houses and catering facilities. Residents should also be involved in decisions regarding the development of tourism in their area and work with other stakeholders to enhance opportunities within the tourism sector.

The work of community partnerships should be driven by regular face-to-face meetings of all the participants. These are beneficial on a number of levels:

- To promote discussion and collective responsibility for the direction of tourism;
- For negotiation and ownership of joint decision making;
- To facilitate the sharing and exchanging of knowledge, experience and other resources.

There are various practical steps which can be taken by the DMO or local authorities to foster community participation<sup>2</sup>, for example:

- Work with local communities, small, medium and micro-enterprises and emerging entrepreneurs to develop new products that provide products that tourism enterprises can give to guests on a complimentary basis.
- Develop partnerships and joint ventures in which communities have a significant stake, and, given appropriate capacity building, a role in management.
- Assist the development of local communities and emergent entrepreneurs with visitor feedback on their products.

<sup>2</sup> From Department of Environmental Affairs and Tourism, Departement Van Omgewingsake En Toerisme (2002), *National Responsible Tourism Development Guidelines for South Africa*, South Africa.

- Facilitate access to training, managerial support and market information.
- Foster the development of community-based tourism products by providing marketing and mentoring support.
- Encourage visitors to spend more money in the local economy, and to visit local bars and restaurants and participate in tours to local areas, bringing business to local communities. Where appropriate treat this as part.
- Sell local crafts and food products through visitor centres and facilitate distribution through mainstream tourism enterprises.
- Encourage tour operators be more innovative in their itineraries, by for example including community run attractions, local museums, arts and craft shops and local ethnic restaurants in their tour itineraries, and by doing so encourage visitor spend.

## 6.4 Getting to the Destination

### 6.4.1 Developing Air Routes

The development of the route networks of the low cost carriers and of new airline alliances and agreements is having a major impact on the development of many tourism destinations, particularly provincial towns and cities, through improved ease of access and highly competitive pricing.

### 6.4.2 Airports

Every airport represents a key gateway for visitors arriving at a tourist destination. Usually, they are the first encounter the tourist has with the destination, hence the need to provide a good impression. Ideally, the airport should achieve the International Civil Aviation Authorities standards (see [www.icao.int](http://www.icao.int)).

International tourists, may arrive at airports with jetlag, without the ability to speak the local language and needing to exchange money. To welcome them effectively, it is crucial to provide the key services in a user friendly way. In order to achieve this, more and more airports are being transformed into shopping and leisure centres for travellers. They provide restaurants and fast-food chains, bookstores, spas and business centres. Some airports, such as Singapore, have a swimming pool, outdoor gardens and a sightseeing tour for transit passengers. Other possibilities are 'meeters and greeters' giving out local maps, sweets or locally made gifts. Official customer service desks offering information, accommodation booking, currency exchange and metered taxi bookings are also vital in helping visitors to prepare themselves for their onward journey. Internet access at point of arrival is increasingly a requirement of visitors.

#### **RioTur, Brazil: Orientation at the airport**

The local tourist organisation of Rio de Janeiro, (RioTur), have made arrangements with the international airport to provide an information centre near the baggage claim area. Placing an information centre within the airport allows RioTur staff to address the high rate of crime affecting tourists leaving the airport. The staff advise tourists to use only official public and taxi transport at the airport. Having an information desk before passengers leave the security area is a way to ensure every passenger receives appropriate orientation in terms of transport and other information about the destination.

See: [www.riodejaneiro-turismo.com.br](http://www.riodejaneiro-turismo.com.br)

Airport authorities around the world have different ownership and management arrangements, ranging from local non-profit organisations (e.g. Vancouver International Airport) to national private entities (like BAA in the UK). Regardless of the situation, DMOs should have a good relationship with them, so that they can encourage and influence good customer service on arrival.

Although airports are the gateways most commonly associated with international tourists arrivals, destinations should also consider the welcome on offer at sea and rail terminals.

### 6.4.3 Immigration Services

Since the events of 11 September 2001, passing through immigration and customs has become one of the most stressful parts of an international trip. Apart from the enforcement of the immigration rules, more and more security procedures have been added in order to enter a country. In some places, notably the USA, the screening programme at passport control can require fingerprinting and posing for a digital photograph employing biometric methods to establish identity. In general, tourists feel very anxious during this part of the trip, especially after so many media stories about travellers who were not allowed to enter a country. Even though DMOs can do little to change this situation, it is always useful to work together with Immigration Authorities to create an environment that is more welcoming for visitors.

Obtaining visas through a consulate in the tourist's home country can be time-consuming, expensive and exasperating – one that can affect the consumer's decision on whether to travel to the destination at all. Obtaining a visa on arrival is easier, although often significant improvements to the process are required, not least because it has to be purchased before passport control, where travellers often do not have the local currency or US dollars. The most user-friendly system is on-line visa purchase e.g. Australia's ETA (electronic travel authority) <http://www.eta.immi.gov.au/>.

## 6.5 Getting Around the Destination

### 6.5.1 Introduction

Tourists may travel about the destination and between destinations by a variety of means using private or hire cars/vans/motorbikes or various means of public transport such as taxis, tuk tuks, public buses, trains, ferries and so on. From a tourism perspective, it is important that the public authorities fulfil properly their responsibility to ensure safety and efficiency of these means of transport and their termini or interchanges, as part of destination management.

### 6.5.2 Roads and Road Signage

The European Travel Commission has reported that more than 70% of tourism trips in industrialised countries are by car<sup>3</sup> – either private or hire. This proportion will vary by market segment, destination type and trip type.

In general, tourists are unfamiliar with the roads they are travelling on and, in many instances, the language and format of basic road signs. An element of improving traffic management, and thus visitor satisfaction, is the development of road signing schemes, specifically for tourists.

<sup>3</sup> European Travel Commission (2006), *Tourism Trends for Europe*, ETC, Belgium.

## Key elements

Key elements of tourism road signing schemes include:

- Development of signs with a brand and colour that is distinctive from normal road traffic signs. The signs will have a consistent format – effectively an “official marque”. Ideally, signs will be as far as possible non-language based and utilise easily recognisable and standardised symbols.
- Signs will include all tourism facilities that are of potential interest to visitors. This will include airports/ferry ports, information centres, attractions, recreational sites, accommodation etc.
- Facilities that are signed should fulfil an agreed set of criteria. These may be based on a number of factors such as facility type, visitor numbers, facility quality, opening times etc. Different criteria may apply for different roads – for example, on primary routes only significant facilities may be signed.
- Schemes need to be easy to follow for the potential visitor and a proliferation of signs avoided. In some instances, this may mean signing to a distinct area (e.g. a ‘quarter’ within a city) or to a parking area, and then directing the visitor on foot. Information boards in car parks, at main rail stations and at key pedestrian concentration points are of equal importance. In other instances it may mean that some concentrated facilities, such as accommodation, are not necessarily signed.
- Administration of tourism signage schemes may vary from area to area. In many destinations, the transport authority may be wholly responsible. Elsewhere, transport and tourism bodies may be responsible jointly, with the tourism organisation responsible for checking the need for signage from the visitor’s perspective (e.g. the scale of demand and the quality of the tourism facility); and the transport authority responsible for assessing need and design from the traffic management perspective.
- Schemes will be partly or wholly self-financing, where the tourism facility or attraction makes a payment for the manufacture, erection and maintenance of ‘its’ signs.

### Road signage Quebec

Established by the Ministry for Tourism and the Ministry for Transport of Québec, Québec’s tourism signage is self-financing and uniform. It guides motorists from the motorway towards tourist information centres, public and private tourist facilities/attractions, historic areas, tourist roads and routes, cycling routes and petrol and services stations on motorways. The objectives of the signage are to facilitate access to Québec tourist products from the road network and to promote them and signpost them to drivers in an efficient, simple and safe manner. The signage follows rules of visibility and readability and is clearly differentiated from other advertising signage thanks to a standard branding.

See: [www.bonjourquebec.com/mto/programmes/signalisation/index.html](http://www.bonjourquebec.com/mto/programmes/signalisation/index.html)

## 6.5.3 Public Transport and Taxi Systems

Public transport systems will differ from one place to another so it is crucial to provide tourists with information explaining how to use the system. There are three types of information required by visitors, preferably in their own language – i.e. relating to:

**The transport network.** To understand routes, locations, transport and interchange options.

**The timetable.** To plan journeys, knowing the arrival and departure times at each stop.

**The fare structure.** To understand the fare structure and the possible methods of payment. Some fare systems can be complicated: for example, the London Underground has several fare zones, whilst buses

in New York do not provide change for passengers. In other destinations like Rome it is compulsory to have a travel card to pay for the bus ride. Special offer tickets, like day-travel card or multiple day cards may also be available.

Tourists generally represent only a small proportion of the traffic using public transport systems, so transport authorities often have limited interest in meeting the special information needs of visitors. In this situation, the DMO has a key role to play, either in providing such information itself or persuading the transport authority to do so.

There are several ways to provide visitors with information about public transport systems. They range from information desks at transport terminals to brochures available at hotels, tourist attractions and tourist information centres. Pocket route maps can be useful to help tourists find their way in a destination. Information provided on the DMO/destination website can also help tourists to plan their trips, at the time of arrival in the destination, or to travel around the destination.

Timetable information is best provided electronically (see, for example, the 'Transport for London' route planner at [http://journeyplanner.tfl.gov.uk/user/XSLT\\_TRIP\\_REQUEST2?language=en](http://journeyplanner.tfl.gov.uk/user/XSLT_TRIP_REQUEST2?language=en)). The destination website should provide a seamless link to the public transport provider site for such information. Such information sources should also be promoted heavily by DMOs to visitors in the destination, for them to access from handheld smart phones or PDAs.

### Taxi systems

In most tourism destinations, tourists represent a significant part of the demand for taxi services, so it is very important that taxi services are encouraged and assisted to fulfil visitor needs in the best possible way. In particular, taxi drivers have an important role in welcoming visitors to the destination. It is essential that the taxi driver can communicate with the visitor and understand where they need to be taken. By providing them with information, product knowledge and customer care training, the DMO can help to ensure that taxi drivers provide a good service and a warm welcome – even to the point of acting as informal tourist guides.

Often it is the role of DMOs to deal with complaints about taxi services, notably over charging. It is important that the DMO should work with taxi owners associations to use such complaints to bring about improvements.

#### **Tourism South East, England, UK: Training for transport employees**

Training for transport employees was developed by Tourism South East, as an extension of their Welcome to Excellence programme. Courses were developed with the help of a trainer who had previously worked as a coach driver. Learning material covered local tourism knowledge using a range of learning activities such as guided walks, talks and presentations on local facilities and services, and discussion sessions on the value of tourism and the role of customer service in boosting business. Initially 15 Portsmouth taxi drivers took part in the three-day programme and they in turn became ambassadors for the programme and for the City of Portsmouth. The programme resulted in much better working between the agencies involved and higher levels of customer service within the city.

See: <http://www.industry.visitsoutheastengland.com/site/skills-and-training>

### The experience from Brazil: Courses for taxi drivers

There are several cities in Brazil that offer courses for taxi drivers. These courses are run by the DMO in partnership with other organisations (the DMOs receive funding from various sponsors and enrol colleges and technical schools to run them). The purpose of the courses is to improve the quality of the service provided by taxi drivers. The course content may include how to treat the taxi passenger, the main tourist attractions, the taxi system regulations, first aid and basic levels of foreign languages (mainly Spanish or English). In the capital city, Brasilia, these courses last for 7 days, with a total of 28 hours of study.

See: [www.setur.df.gov.br](http://www.setur.df.gov.br)

## 6.6 The Role of Visitor Information Centres

### 6.6.1 Introduction

Before and during their visit to a destination, the visitor requires a number of information services. In the more advanced tourism nations these services have traditionally been provided by visitor or tourist information centres. Although the availability of electronic information before and during a visit is having an impact on the use of such centres, there is a continuing need to provide such services in locations of high visitor concentration.

The visitor information centre is the showcase for the destination and must set the standard in terms of quality, integrity and customer care which other industry operators can follow.

### 6.6.2 Key Roles of the Visitor Information Centre

Key roles include:

**Information prior to the visit.** First contact with a visitor information centre is often pre-visit, by phone or e-mail. Visitors research the destination on the website or in a printed brochure and may telephone or e-mail the local centre to ask specific questions about travel, accommodation or events. The service and answers that the centre gives may play a large part in the prospective visitor's decision to visit. However, visitors wish to access different types of information through different channels at different times. It is cheaper to disseminate information electronically than physically through brochures or visitor centres. The Internet also has the advantage of being accessible 24/7. Consequently, there is reducing demand for this type of service.

**Information and welcome at the visitor centre.** Today's destination information centres are more about service during the visit. Visitors arriving in a destination have different levels of knowledge. Many do not know exactly where their accommodation is located, which places they should visit and where they can eat and shop. Most will be seeking some level of 'on the ground' information and the opportunity to meet a friendly local person who can help them. As the primary role of the visitor centre is to provide accurate and up-to-date information, it is essential that staff have local knowledge and the skills to communicate it effectively. In the case of Singapore, multi-lingual options are offered by telephone, via website and in the visitor centres (e.g. [www.visitsingapore.com](http://www.visitsingapore.com)).

**Information and welcome beyond the visitor centre.** There has been a shift in many countries to distribute 'on the ground' information outwards (taking information to the visitors) rather than trying to draw visitors inwards to a single built centre. Common methods include 'meeters and greeters' on the street, information boards or interpretation boards at arrival points and key pedestrian junctions, leaflet racks in accommodation reception areas and at visitor attractions and electronic information kiosks.

Such activity may be complemented in the future by providing digital information via mobile devices, digital guided trails and through channels such as hotel TVs. A number of destinations are now also training people who work in the different sectors of tourism in the destination e.g. hotel staff, attractions admissions staff, taxi drivers, shop assistants and café owners, so that they can offer visitors high quality information as well.

### Windsor Welcomes

Windsor Welcomes is a locally designed course to meet local needs. The course was devised by tourism businesses and is geared specifically to their needs. It covers:

- The local area attractions, shopping and dining;
- Dealing with people with special requirements. This covers visitors with disabilities as well as those with cultural differences and foreign language difficulties;
- Growing your business. This talks about the competitiveness of the industry and includes an exercise about how tourism business operators can encourage visitors to “stay longer, spend more and come back again”.

See: [www.windsor.gov.uk/education/windsor\\_welcomes.htm](http://www.windsor.gov.uk/education/windsor_welcomes.htm)

**Commercial activities.** Because of commercial funding pressures, many visitor centres may become involved in commercial activities for which a commission or fee is charged, such as booking accommodation, selling tickets for events, tours and travel, retailing maps, multi-lingual guide books and local souvenirs, etc. They enhance the information provision service of the centre, as well as providing revenue to the centre. Further services such as providing quality accredited guided tours, bicycle hire, Internet access and luggage storage facilities are other ways for the visitor centre to earn revenue.

**A central point for local stakeholders.** The information centre is often seen as the focal point for local tourism industry stakeholders. It provides them with an opportunity to advertise their products and services and a channel for taking bookings.

**Increase visitor spend.** Many information centres have an overall aim to ‘increase visitor spend and length of stay’ in order to maximise the wider benefit of the centre to the economy of the destination. To achieve this, staff should be trained to quickly understand the visitor’s overall needs, to provide information on how and where those needs can best be met within the area and to proactively sell destination services where the centre is able to do so.

### 6.6.3 Considerations for Visitor Information Centres of the Future

The past decade has seen a revolution in access to information through the Internet, through multiple TV travel channels, travel sections in newspapers, or via phones and other mobile devices. Visitor information centres of the past are not going to be the model for the centres of the future. DMOs around the world are currently reviewing this situation – particularly to ensure that the centres of the future are cost-effective in meeting real visitor needs and have the flexibility to adapt to changing requirements.

Many DMOs are asking themselves the questions such as:

#### What type of visitor centre should the destination have?

Some countries are categorising visitor centres, and identifying the best fit for each of their destinations. For example New South Wales in Australia is developing a 3-tier system with differentiation between the main, central visitor centre; ‘gateway’ visitor centres, and provincial centres. Each tier has a different purpose and differing combination of objectives. Failté Ireland is looking at the potential for a few ‘super tourist information offices’ in key areas and a larger number of seasonal offices, supported by

'technology-only' information points. A number of DMOs in the UK are looking at the 'hub and satellite' model i.e. a strategic hub centre, which is responsible for managing the delivery of visitor services of all types in the surrounding area.

### Who should run the visitor information centre?

There are various options:

- A national level DMO, e.g. Singapore Tourism Board [www.stb.com.sg](http://www.stb.com.sg);
- A mix of national and provincial DMOs, e.g. Tourism British Columbia [www.hellobc.com](http://www.hellobc.com);
- Separate regional, provincial or local DMOs; this type of arrangement appears to be in the majority, more because many NTOs do not consider 'on the ground' information provision to be their job and/or are not willing to fund such provision;
- A public-private sector DMO, of which there are good examples in many countries;
- A company set up specifically for the purpose of operating a network of centres;
- Private sector outsourcing. Such outsourcing should be under a service level agreement with explicit operational criteria and contractual obligations.

It is very important that the visitor centre is seen as objective and independent and may benefit from being part of a public-private sector partnership.

There is a strong advantage in having an integrated network of information centres across a country or region, for three reasons:

- To ensure that services are provided in the most strategic locations according to consistent and rational criteria;
- To more easily implement a single data or knowledge management system;
- To provide consistency in service delivery.

At the same time, it is vital that information centres play a strong role in the local community, are responsive to local needs, have local support, operate entrepreneurially and offer in depth knowledge of the area. Achieving these things within the framework of an integrated national or regional network represents a significant challenge, which is being faced in both Scotland and Ireland where most centres have been brought under the direct control of a national public sector agency. An alternative is for local or area DMOs to work together to form larger networks, perhaps with assistance from national, provincial or regional DMOs.

#### **New Zealand: i-SITE Visitor Centres**

**Visitor Information Network Incorporated (VIN Inc)** is the officially recognised provider of New Zealand information. It is a partnership of Tourism New Zealand (TNZ), Regional Tourism Organisations (RTOs) and Local Government. The VIN Inc is a membership-based organisation to which individual centres belong. The management, administration, and marketing of VIN Inc is funded by TNZ. TNZ have three staff members dedicated to the VIN (they are situated in The Tourism Development team of TNZ). The day to day running of the centres is managed directly by the RTOs, or indirectly via contracts to individuals or organisations.

Most centres are owned and funded by Local Authorities – some larger ones are self-funding. In addition, some government funding is available for training. In 2002, the visitor information network was re-branded to **i-SITE Visitor Centres** to make it easier for visitors to identify official visitor information centres in New Zealand.

See: [www.i-site.org](http://www.i-site.org)

### What should the visitor information centre do?

The range of roles and functions has been addressed within Section 6.6.2. The mix of activity will vary between centres, depending substantially on the type of centre:

- Strategic centres and hubs (national, provincial, regional) are likely to be centres of excellence in service delivery and also to manage the central database, contribute to customer relationship management, administer training programmes and lead on commercial activities.
- Gateway visitor centres will deliver services to specific geographical markets and/or serve particular destination areas within a country.
- Area or local centres will be primarily about provision of local services for visitors and residents alike. Often there may be a large level of use by local resident, leading to the concept of a 'one-stop-shop', which meets the needs of local residents, visitors and smaller local businesses.

Whatever the purpose of the visitor centre, they should all operate in a welcoming, professional and efficient manner which fulfils a focused business plan and positively adds value to the experiences of visitors and to the economy of the destination.

## 6.7 Access for All

The importance of destinations being 'accessible for all' is being recognised increasingly. In a narrow sense, this may mean providing access for visitors with mobility, audio or visual impairments, but destination managers should also think more broadly of the requirements of the elderly and families (particularly single parent families). Extending 'access' within destinations makes sound business sense. It enhances the overall quality of the product on offer, provides facilities which can also be used for the local community, ensures visitor satisfaction and potentially reaches out to a larger market.

Managers should have a clear idea of who they are providing access for and what their specific requirements might be. These requirements should be considered in every aspect of the visitor stay: promotion, transport to and around the destination, attractions and amenities such as accommodation and restaurants. The APEC Best Practices in Tourism Accessibility for Travellers with Restricted Physical Ability<sup>4</sup> report identifies these key areas where accessibility can be supported:

- **Transportation.** To ensure accessible transport at gateways and access points as well as making public transport within the destination more accessible and providing suitable parking spaces.
- **Physical planning and accessibility.** To improve and integrate access and improve and provide facilities at attractions, accommodation, public buildings, public spaces and other amenities such as toilets; and to implement accessibility accreditation programmes for these facilities.
- **Research and development.** To understand the needs and requirements of visitors with access difficulties and to identify what is already available.
- **Information.** To inform visitors, information providers and inbound operators regarding the accessibility of accommodation and attractions; provide information and guidance to tourism operators/providers about how to best cater for tourists with access requirements. Information for visitors should be in a suitable format, Braille, acoustic or written in large print.
- **Staff training.** To create awareness of needs of visitors with access requirements; awareness of available facilities and to develop appropriate knowledge and skills to assist guests.

Responsibility for all of the above points may well be outside the remit of a DMO but it is important that the DMO be an advocate for these issues and to broker partnerships with relevant organisations.

4 Asia Pacific Economic Co-operation (2003), *Best Practices in Tourism Accessibility for Travellers with Restricted Physical Ability*, APEC.

It is also important that access issues be considered in the facilities which are directly provided by the DMO. The following case studies demonstrate how tourist boards are able to facilitate access for all through information, research and training.

#### **Information: Accessing Melbourne, Australia, [www.melbourne.vic.gov.au](http://www.melbourne.vic.gov.au)**

The city of Melbourne has a commitment to making the city accessible to all visitors including those with mobility difficulties. This is well supported by their web site which provides information regarding accessibility and includes a downloadable mobility map with details of wheelchair accessible toilets and telephones; public TTY phones; disability designated car parking spots; accessible off street parking; train stations; accessible pathways; taxi ranks; public seating; and street gradients. The city also produces a download booklet 'Accessing Melbourne'. The book is for people with mobility related impairments and difficulties in negotiating the physical environment and covers the basics of arriving in Melbourne and getting around and gives details of accessible toilets and parking; it lists information about Melbourne's cultural events and attractions; recommends places to eat, drink and shop and lists accessible accommodation.

Melbourne's official DMO Website, uses this information for visitors with access requirements. See: [http://www.visitmelbourne.com/displayobject.cfm/objectid.352BF1FD-3DFE-47D6-9FD308CED51838A8/lk.Left4\\_5/pg.VMelbourne/vvt.vhtml](http://www.visitmelbourne.com/displayobject.cfm/objectid.352BF1FD-3DFE-47D6-9FD308CED51838A8/lk.Left4_5/pg.VMelbourne/vvt.vhtml)

#### **Research and training: Peru – Towards an Accessible Tourism <sup>5</sup>**

Prom Peru, Peru's promotion board, has taken a number of steps to further the development of tourism for people with disabilities. "Peru: Towards an Accessible Tourism", was organised by Prom Peru in co-ordination with Kéroul (Canada), Society for the Advancement of Travel for the Handicapped, SATH (USA), Consejo Nacional de Integración de la Persona con Discapacidad (Conadis) and Confederación Nacional de Instituciones Empresariales Privadas, (Confiep). It was aimed at evaluating the accessibility level of more than one hundred tourist facilities, such as hotels, restaurants, malls, tourist attractions, airports, churches and museums. Provision of training specialists in the tourism sector was an additional aim and one thousand industry representatives attended training workshops with the intention of offering the best service to people with disabilities. A Service Manual for Tourists with Disabilities was produced and participants in the workshops received the manual on CD as well as a diploma.

<sup>5</sup> Isola, J. (2000), *Peru is Turning into an Accessible Tourist Destination*, Disability World, Issue 4, (Online), available at <http://www.disabilityworld.org/Aug-Sept2000/International/peru.htm> (11-04-07)

# Destination E-Business and Information Management

## 7.1 The Market and Technological Context

### 7.1.1 Importance of the Internet

Over the past ten years, the Internet has achieved huge market penetration, with more than a billion users world wide. Travel and tourism are key areas for the application of the Internet in all major markets. The major growth markets for international travel will consist predominantly of Internet users.

The Internet is the primary medium for accessing travel information for planning in all major markets. This requires a complete transformation in the way in which tourism destinations and suppliers do their business.

The importance of the Internet will continue to grow in all major markets, especially in Asia Pacific, with a further billion users worldwide anticipated by 2011. Increasingly access will be wireless. The growth of wireless Internet access, particularly mobile access, has major relevance for travel and tourism in terms of increased use of the Internet by visitors travelling to and within their destination(s). Many destinations and travel media companies such as Fodors are offering downloadable city guides and mapping tools; and Google has positioned itself as a provider of invaluable tools for travellers with its mapping and local geographical search tools.

Whilst growth in the numbers of Internet users may ultimately stabilise at 75-80% of the population in mature markets, the extent and type of usage will continue to change dramatically, particularly amongst middle and older age groups.

Buying online is commonplace, particularly for advance purchase of travel and tourism services. But, whilst many people will research and buy exclusively online, others will choose to use a variety of channels and they must be able to switch seamlessly between them.

### 7.1.2 Information and Knowledge Management

Every destination organisation is, in effect, an 'information broker', gathering information about:

- Tourism resources, products and services for communication to potential customers or to visitors;
- Tourism market opportunities and other 'intelligence' for communication to tourism service providers.

It follows that good information management (IM) is an essential requirement for them. This means adopting an integrated approach to collecting, storing and disseminating information.

There are various aspects to this:

- The ICT systems used to capture, store and distribute data, information and knowledge. Such systems need to be fully integrated and seamless and enable:
  - Efficient origination, storage and publication (electronic and printed) of content;

- Distribution through multiple channels;
- Pooling of knowledge for use by partners and customers.
- The processes relating to the collection, management and quality assurance of product information – i.e. data, content, knowledge. The information must be in a form that it can be distributed through whatever channels customers may wish to use in future. A key policy option is to work with external partners (public or private) who can supply cost-effectively high quality information (relating, for example, to entertainment and events) in electronic form.

### The Finnish Tourist Board: PROMIS database

The Finnish Tourist Board (FTB) is responsible for the promotion of Finland, but also quality and product development. ICT is regarded as a key tool within FTB's operations and central to this has been the development of their PROMIS database. This provides a wide selection of up-to-date tourist information on localities, sights, major events, activities, and opportunities for pursuing various interests in Finland. Included also are accommodation and transport providers, package products, entertainment and event services, and information about major meeting and conference facilities. The information stored in the PROMIS system is used actively by both travellers and travel professionals around the world. A tourism company can obtain a corporate licence from the PROMIS information provider for the local area and enter its own data in the system.

- Capture and use of customer data, within the framework of a CRM programme.
- Intelligence – information and knowledge that enable the destination organisation and the industry to undertake their work with maximum effectiveness and efficiency. Examples include market research and analysis; information on legislation and regulations; and future development projects planned for the destination.

## 7.2 E-Business

E-Business is about realising the ever expanding opportunities of electronic connectivity both externally, through the Internet, and internally, through intranets. It involves use of a variety of tools to obtain, manage, search, analyse, publish and communicate the various types of information noted above.

### 7.2.1 External Dimensions

The external dimension is about transformation of the value chain, linking the tourism supplier (or service provider) to the customer, and of the supply chain, linking the tourism supplier with its own suppliers. This brings in e-marketing, e-commerce and e-procurement:

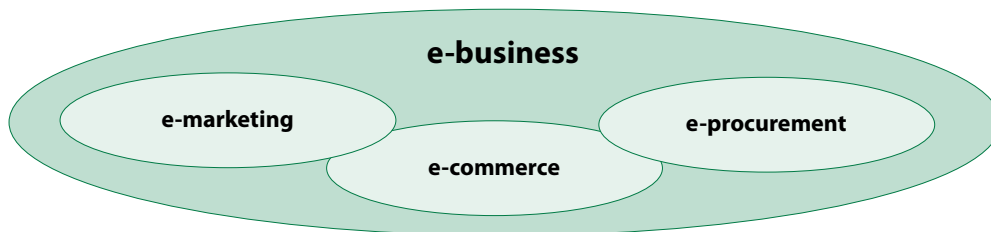
**e-marketing.** Exploits the Internet and other forms of electronic communication to communicate in the most cost-effective ways with target markets and to enable joint working with partner organisations, with whom there is a common interest.

**e-commerce.** Is the sales activity undertaken through electronic distribution channels.

**e-procurement.** Streamlines the purchasing process by allowing a business to tie its inventory and procurement systems into the despatch and billing systems of its suppliers, or vice versa. Not only does this reduce costs through automation, it also facilitates identification of best value sources of supply.

Figure 27 illustrates diagrammatically how these three aspects of external connectivity fit within the envelope of e-business.

**Figure 27 Components of the external dimension of e-business**



### 7.2.2 Internal Dimensions

The internal dimension is about transformation of the way in which the organisation functions, enabling it to work in a fully integrated way, through the use of common systems. The transformed organisation should:

- Be fully networked for internal and external communication;
- Use a common set of tools, protocols and standards;
- Share product and customer data as a common resource;
- Have staff operating as teams, focused on maximising the synergies of sharing resources.

The staff of a DMO or tourism business can work together more effectively, both to compile information and to use it – in effect, pooling knowledge and expertise. The tools (applications) that may be shared include content management, customer relationship management (CRM), financial management systems (sometimes called Enterprise Resource Planning – ERP) and operational control systems.

### 7.2.3 Benefits of E-Business

The internal and external processes are, of course, linked intimately. Most simply, the enhanced internal e-business processes enable the organisation to maximise the benefits of the external opportunities. Also, the boundaries between internal and external business processes become more flexible. Buying services in (or outsourcing) becomes a more practical proposition as external connectivity improves.

Thus the benefits of e-business may be summarised as:

- More cost-effective communication with target markets;
- Making it quicker and easier for the customer to buy and thereby increasing conversion and levels of spending;
- Improved customer service and retention;
- Reduced costs through more efficient internal operations and purchasing processes.

### Tourism KwaZulu-Natal (TKZN)<sup>1</sup>

Tourism KwaZulu-Natal (TKZN) is responsible for the development, promotion and marketing of tourism into and within the province. KwaZulu- Natal's Draft Tourism Strategy 2006 - 2011 focuses TKZN's priorities in five areas. E-business plays an important role in the focus areas. The table below details the five focus areas, highlighting the role and use of e-business.

Focus Area	Action Plan relating e-business
Drive the marketing of KZN as Africa's leading tourism destination	<ul style="list-style-type: none"> <li>• Provide promotional tools and create platforms to market priority destinations</li> <li>• Information and Knowledge Management including the provision of a comprehensive tourism Information Service to consumers and the trade</li> </ul>
Foster demand driven Tourism Development	n/a
Build Strategic Partnerships and Alignment	<ul style="list-style-type: none"> <li>• Create platforms for information sharing between TKZN and trade partners</li> </ul>
Serve as a Catalyst for Transformation	<ul style="list-style-type: none"> <li>• Develop a Black Economic Empowerment BEE database to promote BEE Scorecard compliance</li> </ul>
Create an organisation that provides an enabling environment for delivery against TKZN's objectives	<ul style="list-style-type: none"> <li>• Develop skills and training systems to meet strategic needs of the organisation (e.g.) development of a performance management system that links directly with training and development, organisational performance and the reward system</li> <li>• Identify and develop effective management information technology and systems (e.g.) develop and implement an effective internal operations and communication system and keep abreast with latest innovations</li> </ul>

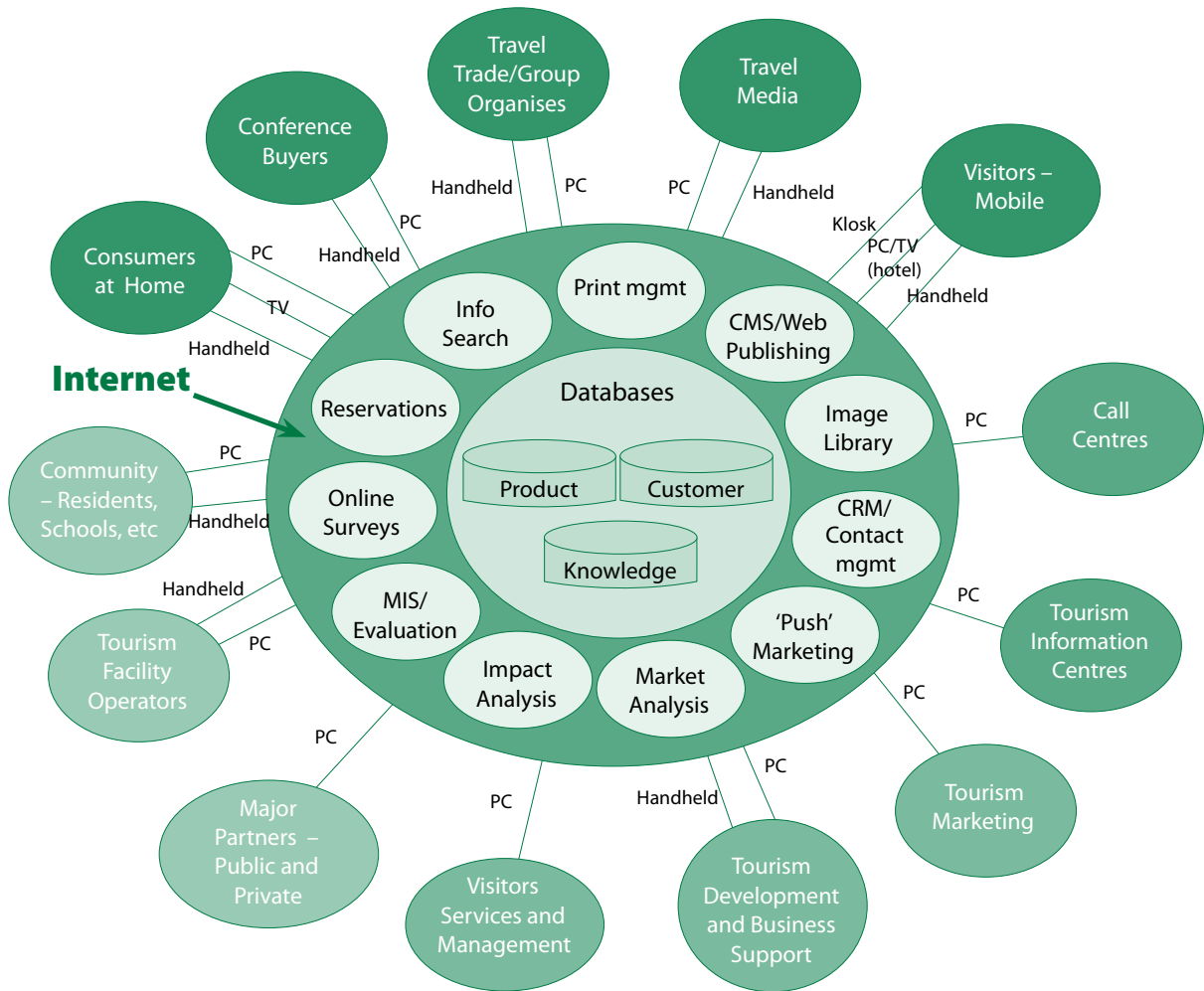
## 7.3 Destination E-Business: Model and Programmes

### 7.3.1 Delivering Services to a Wide Range of Users

ICT and e-business enable destination organisations to develop and implement a wide range of e-business relationships with consumers, product suppliers and market intermediaries. Figure 28 provides a diagrammatic representation of a destination e-business system. It shows (reading from the outer ring towards the centre) different categories of **users**, accessing the system through one or more **channels** (PC, handheld device, interactive TV, kiosks, in-car systems, etc). Having accessed the system, the users may select from a wide variety of **services** (or applications) that will draw, in turn, on the appropriate **database(s)**.

<sup>1</sup> Tourism KwaZulu-Natal (n.d.), *KwaZulu- Natal's Draft Tourism Strategy 2006-2011*, (Online), available: <http://www.kzn.org.za/tkzn/DraftTKZNStrat20062011.doc> (11-04-07)

**Figure 28 Destination e-business systems**



Depending on the requirements of the DMO's marketing plan there will be a requirement for different gateways or interfaces for sub-categories of user – for example, for consumers or travel trade from different geographical or language-based markets; for corporate meetings buyers, separately from international association conference buyers.

The range of potential services available to users through such a platform is very large, more even than is shown on the diagram. The range of services demonstrates how ICT and the Internet can support many aspects of destination management and marketing. Indeed, there is virtually no aspect of destination management that cannot be enhanced and made more efficient in this way.

Whereas, in the past, different departments with a DMO, and different DMOs within a country or region, may have maintained their own separate databases of information regarding tourism services and customers, now they can work together across intranets and the Internet, both to compile high quality information and to use it.

The destination represents the focal point for all the players in tourism whose interests are interdependent – government, residents, suppliers, carriers, major corporations, intermediaries, consumers. A core role for DMOs is to bring together those players to work together in a meaningful way.

The DMO's ICT/e-business systems potentially provide key media for these players to work together in destination management and marketing. They enable the DMO to communicate with all the players – but also, for the players to communicate with each other.

### 7.3.2 Steps Towards IM and E-Business Programme

Given the importance of information management and e-business to any destination organisation and the potential financial and time costs involved, it is important that there is a well thought out, phased approach to defining requirements, analysing the business case and planning implementation.

A possible process, in very simplified form, is as follows:

**Table 14 Steps towards IM and e-business**

Phases	
1.	<ul style="list-style-type: none"> <li>• Review of current position</li> <li>• Research and analysis of channel usage by target markets</li> <li>• Discussions with internal and external stakeholders regarding requirements</li> </ul>
2.	<ul style="list-style-type: none"> <li>• IM/e-Business Strategy Discussion Paper</li> <li>• Workshop for all potential stakeholders</li> <li>• Draft IM/E-Business Strategy and Action Plan</li> <li>• Consultation and final IM/e-Business Strategy and Action Plan</li> </ul>
3.	<ul style="list-style-type: none"> <li>• Specification of User Requirements</li> <li>• Project Scoping Report</li> <li>• Business case analysis</li> </ul>
4.	<ul style="list-style-type: none"> <li>• Procurement of systems</li> </ul>
5.	<ul style="list-style-type: none"> <li>• Implementation planning in conjunction with supplier(s)</li> </ul>

## 7.4 E-Marketing and CRM

### 7.4.1 Benefits of E-Marketing

E-marketing offers DMOs the realistic potential to reach a far wider audience than ever before. It encompasses a wide range of activities, and there are many techniques in use.

There are a number of benefits of e-marketing. Using the Internet is cost-effective – the Web can be used as a mechanism for publishing information and providing a transactional capability for customers; and e-mail, as a means of conveying information and offers directly, cheaply and at short notice to prime prospects. E-marketing must work in harmony with off-line marketing activities so that traffic can be driven in both directions, Web to brochures or telephone, telephone to Web and so on.

A further advantage of e-marketing is the ability for DMOs to engage with customers on a one-to-one basis, but e-marketing can be used also to promote 'one-to-many' activities, where large numbers of potential visitors can be attracted to the DMO Web site(s).

The Internet makes it easy for partners to work together and the extranet or website can be used for sharing market intelligence with the industry; promoting the NTO's marketing opportunities and hosting the product data entry forms. The Internet can also be used with industry partners and advertisers through co-operative marketing schemes.

### 7.4.2 E-Marketing and CRM

The key to the success of e-marketing and CRM is to treat e-marketing as part of the overall marketing activity, not as a separate discipline. To this end accurate and attractive product databases should be

created which can be stored in data fields that match those of the customer preferences stored in the customer relationship management (CRM) system. Attractive websites can also help, but destinations should also distribute information and availability through multiple channels including web, mobile web text and multi-media, contact centres and telephone.

The techniques of e-marketing are fully covered in the 'ETC-UNWTO Handbook for Tourism Destination e-Marketers'.

A summary of e-marketing for leisure markets and how this relates to the customer journey is presented in Table 15 below.

**Table 15 The customer journey and e-marketing**

The Customer Journey	Communications Life Cycle	New media e-Marketing Activity
<b>Dream</b>	Creating awareness, emotional interest, specific ideas	<ul style="list-style-type: none"> <li>E-mail/viral promotions</li> <li>Search engine optimisation/promotion/Where to do what</li> <li>Distribution of information through high profile intermediaries</li> <li>Motivational content</li> <li>Interactive TV</li> </ul>
<b>Plan</b>	Providing 'hard' information	<ul style="list-style-type: none"> <li>Carrier information</li> <li>Excellent planning information and tools on the Web, including market access information, itinerary and route planning, events, etc.</li> <li>Special offers by e-mail</li> </ul>
<b>Book</b>	Enabling booking	<ul style="list-style-type: none"> <li>Product search facility on Web</li> <li>Booking provided on, or facilitated by, destination Web site</li> <li>Shopping mall</li> </ul>
<b>Experience</b>	Visitor services on the ground	<ul style="list-style-type: none"> <li>Dynamic itinerary planner for visitors</li> <li>Use of new media to tell stories – interpretation, recreation</li> <li>Immediate/location-based offers by SMS/email</li> <li>Information and functions for use by information centres and other outlets</li> <li>Distribution to kiosks, mobile devices, etc</li> </ul>
<b>Remember</b>	Maintaining the relationship through research and follow-up action	<ul style="list-style-type: none"> <li>Research on customer behaviour and satisfaction</li> <li>Newsletters – what's new, special offers, recommend-to-friend ideas</li> <li>Special offer e-mail shots</li> <li>Visitor journals derived from itinerary planners</li> </ul>

The task of e-marketing should be shared and it is important to find strategic partners or to consider outsourcing with a number of benefits:

- Meet the trend towards 'total lifestyle service' by working with a group of complementary leisure providers;
- Acquire expertise;
- Spread costs and risks;
- Reach the maximum potential customers.

Within the organisation, marketing and I.T. departments can also work together. Marketing should take the lead on defining requirements while I.T., should advise, organise the systems, and help you spot I.T. trends and opportunities. I.T. projects take time, so have a rolling 3-year business plan.

Finally, plan for ongoing investment in e-business back-office systems to underpin both online and conventional marketing and benchmark and evaluate performance.

### **MySwitzerland.com: Facilitating the 'planning and booking' stages of the customer journey**

Switzerland Tourism is a government agency acting as the national marketing and sales organisation for Switzerland. Its strategy is to promote Switzerland through a full-scale Web-based marketing program. MySwitzerland.com is the official tourism website. The "Offers" section of the website has an offer finder facility allowing users to browse a database of special Destination packages and offers by:

- Date (with possibility to choose the date span) + free search criteria/place;
- Category (Autumn/City/Family/Active/Wellness/Summer/Winter offers);
- Region.

Some packages/offers can be booked online or a reservation request can be made online. Others can be booked by contacting the providers direct (website link and full contact details are provided).

See: [www.myswitzerland.com/en.cfm/holidayoffers](http://www.myswitzerland.com/en.cfm/holidayoffers)

## **7.5 New Methods of Accessing Information**

### **7.5.1 Introduction**

The huge increase in available bandwidth, particularly wireless broadband (along with parallel enhancements in processing power and memory capacity), is facilitating access to the Internet via a variety of media devices. This opens up a 'new frontier' for large scale electronic distribution – to visitors travelling to and within destinations.

Given that the Internet and interactivity is permeating the traditional methods of communicating with customers, the challenge for DMOs is to develop the infrastructure, the skill sets and the content to exploit the new opportunities through multiple channels. If they are unable to do this and to add value in the services they provide, then their marketing and information services will lack credibility.

### **7.5.2 New Media Access Devices**

From the perspective of visitor information provision, the new media access devices of greatest relevance are:

- Mobile Phone/PDA (personal digital assistant) for Internet access by 3G or by WiFi. The advent of WiFi enabled handheld devices, together with wide area WiFi network provision (e.g. across whole cities) will be of particular interest in enabling low cost access to the Internet for information and for voice (VoIP) calls.
- iPod type technology to allow download of 'Podcast' information (city guides, trails, etc) in audio and/or video form.
- In-car devices that combine Internet access and global positioning, to enable local route finding and itinerary planning, relating routes of travel to attractions and facilities. Such facilities will eventually become available on hand-held devices in the medium term.

- Fixed Internet access points within the destination, which will become widespread.

Driven by the ability to access the Internet from multiple ‘media gateways’ the Internet is becoming integral to telecommunications and broadcast/publishing media, so that it will become the primary means by which most visitors will:

- Access information
- Access news – e-papers and magazines, TV and radio news, etc.
- Communicate – e-mail, phone, video mail/conferencing, blogs, etc.

An important related development is the advent of ‘location based services’ using satellite navigation (sat nav). Satnav software can reside on a PDA, a mobile phone, and PC, be installed in a car, or, most commonly at present, be a separate hand-held device. National tourist offices are already making their product data available to the sat nav service providers, allowing users to ‘pull’ tourist information. The next step will be to communicate specific information to people when they are in a particular location – for example, to provide information about a particular place of interest to people when they are in the vicinity. Such services are likely to be available by 2010.

### **Destination Bristol: Using new methods for accessing information**

Destination Bristol is a not for profit partnership between Bristol City Council and Business West and is the destination management partnership for Bristol and South Gloucestershire. New features of their website include an MP3 audio tour inspired by Robert Louis Stevenson’s novel Treasure Island, flash movie headers, a site search facility, advertising banners, a picture viewer and a news archive. Destination Bristol has also developed video tours of attractions, accommodation and attractions.

In partnership with Bristol City Council, Cityspace has established a network of 25 “iPlus Points” street terminals delivering free information. This partnership has also created the UK’s largest outdoor urban wireless broadband network “Hotzone” (the linking of many hotspots) to complement the iPlus Point network and support the ‘Bristol Legible City’ initiative to improve people’s understanding and experience of the city. The Bristol Hotzone provides 24x7 access to visitor guidance and journey navigation services, and free Internet access for everyone on the move within 3km of the heart of the historic city.

See: [www.visitbristol.co.uk](http://www.visitbristol.co.uk) and [www.cityspace.com](http://www.cityspace.com)

## **7.5.3 Best Practice Examples**

The following best practice examples are presented which follow every step of the visitor journey, commencing with vacation ideas and planning through to promoting repeat visits.

### **Best practice example – VACATION IDEAS**

#### **Australia.com**

Ozplanner: users can create their own vacation in 3 easy steps: Explore most popular 2 weeks vacations around Australia/Customise own vacation by selecting a range of activities to suit them/Review completed itinerary and forward to friends. <http://ozplanner.mx00.com/cgi-bin/launcher.pl?v=1>

#### **EnjoyEngland.com**

Blog/Chat: <http://enjoyengland.typepad.com/>

## Best practice example – TRAVEL PLANNERS

### Australia.com

“My Brochure” users can gather web pages into a personalised brochure by clicking on the ‘add to my brochure’ icon which appears on most pages, and then navigate back to this page to view, edit or email their brochure to a friend. [http://www.australia.com/plan\\_your\\_trip/my\\_brochure/BB\\_Main\\_ALL.aust?L=en&C=GB](http://www.australia.com/plan_your_trip/my_brochure/BB_Main_ALL.aust?L=en&C=GB)

### 100% newzealand.com

Travel Planner (Collect/Plan/Share) features include possibility to save pages and items, to add notes, to edit trip into calendar and view as a map and to print trip. Also possibility to send trip to travel agent or airline. <http://www.newzealand.com/travel/travel-planner/my-travel-planner.cfm>

### Ireland.ie

My Ireland.ie: allows user to save information to their own customised page for easy reference. Users can save searches, hotels, offers, events and more. By registering, users can also permanently store their favourite items as well as customise the site for themselves. <http://www.discoverireland.com/us/forms/myireland/>

## Best practice example – TRAVEL PLANNERS DOWNLOADABLE TO PDA

### VisitSingapore.com

Itinerary Planner with 4 simple steps to create a customised itinerary in Singapore: Tell us about your trip/Review recommended itinerary/Search for more activities and drag and drop from search results/Confirm itinerary. Possibility to edit, print, e-mail, save as PDF and save to PDA (as PDF). [http://www.visitsingapore.com/publish/stbportal/en/home/apps/ip\\_cart.html](http://www.visitsingapore.com/publish/stbportal/en/home/apps/ip_cart.html)

## Best practice example – DOWNLOADS TO USE ON THE MOVE

### MySwitzerland.com

Swiss City Guides: podcasts downloadable to MP3, mobile phone or PC. Also RSS feed of MySwitzerland.com news automatically synced to MP3. [http://www.myswitzerland.com/en.cfm/about\\_switzerland/multimedia/page-Tab\\_About-About\\_Service-105045.html](http://www.myswitzerland.com/en.cfm/about_switzerland/multimedia/page-Tab_About-About_Service-105045.html).

### VisitSingapore.com

Downloads: to MP3 and PDA including Beauty and Wellness; F&B Experiences/Dining Precincts; What to see. Possibility to save customised itinerary to PDA as a PDF. [http://www.visitsingapore.com/publish/stbportal/en/home/about\\_singapore/fun\\_stuff/PDA\\_download.html](http://www.visitsingapore.com/publish/stbportal/en/home/about_singapore/fun_stuff/PDA_download.html)

## Best practice example – VACATION ALBUM

### VisitPA (Pennsylvania)

“Play List Central” <http://www.visitpa.com/visitpa/page.svc?page=PlaylistHome>

Users can view ideas, with examples of passions of real people (locals, experts, celebrities) and create their own Playlist, compiling their favourite attractions and events plus their own comment and video. Users can post their Playlist, share it, rate it, and comment on the others they find.

## Best practice example – PROMOTING REPEAT VISITS

### VisitSingapore.com

Ebuzz: customised email update with latest news, happenings, special offers, views and comments relevant to interests ([https://www.mrcampaign.com/wrapper/subscription.jhtml?domain=309746928&user=312277799&form=310544888&wrapper=331046867&action=display\\_new\\_login&scope=DOMAIN](https://www.mrcampaign.com/wrapper/subscription.jhtml?domain=309746928&user=312277799&form=310544888&wrapper=331046867&action=display_new_login&scope=DOMAIN))

## Organising for Destination Management

### 8.1 Roles and Responsibilities in Destination Management and Marketing

There are many different and varied roles and responsibilities in destination management and marketing. These are handled in different ways in different countries, but typically are split between national, provincial/regional and local levels. Normally the national level is responsible for the more strategic roles while the local level will have responsibility for the more operational elements. This is summarised in Table 16 below.

**Table 16 Typical roles and responsibilities – national, provincial/regional and local**

	National	Provincial/ regional	Local
Destination promotion, including branding and image	✓	✓	
Campaigns to drive business, particularly to SMMEs	✓	✓	✓
Unbiased information services	✓	✓	✓
Operation/facilitation of bookings			✓
Destination coordination and management			✓
Visitor information and reservations			✓
Training and education		✓	✓
Business advice		✓	✓
Product “start-ups”		✓	✓
Events development and management			✓
Attractions development and management			✓
Strategy, research and development	✓	✓	✓

### 8.2 Vertical and Horizontal Linkages: The Co-ordinating Role of the Regional DMO

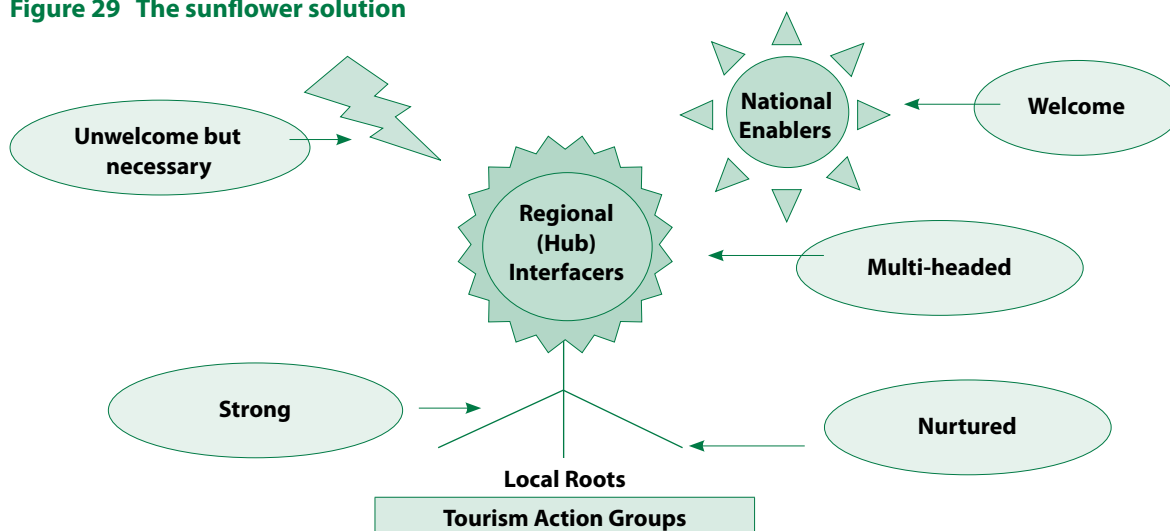
The multi-level nature of the tourism support structure is reflected in Figure 29 below, which we refer to as “*The Sunflower Solution*”.

In the diagram the sun is the national tourism authority, whose “rays” (strategic programmes of activity) are benign. The winds and storms to the top left of the diagram are the competition, unwelcome but equally unavoidable and also necessary if destinations are to remain focussed.

At a regional level, or (in some countries) sub-regional level, the DMO should actively engage all its various stakeholders. The private sector in particular is attracted by the DMO’s marketing role, which

should be a significant one. In performing this role, the DMO will have its own marketing budget but it will also be a bridge between the national agencies and the industry on the ground. This is an important role; whilst the national tourism authority will almost certainly be the single most significant tourism marketer, the collective spend of the industry will be much greater. If the regional DMO can bring together public and private resources so that they are mutually reinforcing within a common strategic approach, much more can be achieved for the same amount of money.

**Figure 29 The sunflower solution**



When the regional DMO fully engages the tourism businesses in its programmes, it is in a position to play a co-ordinating role in tourism activity at the local level. To this end, the DMO will need to develop strong local roots, through the mechanism of local tourism action groups. Such groups should bring together the wide range of organisations that have a role to play in managing the destination to deliver a high quality of experience – see Section 1.2.3.

The regional or sub-regional DMO should co-ordinate and facilitate the work of its partners through preparation of a joint Destination Management Plan and by overseeing implementation of related tourism action plans at a local level. In doing so, the DMO should listen to the views of local stakeholders and embrace them in the planning and implementation process.

The DMO co-ordinating role is therefore about listening and adding value, and establishing the structures to allow a “top-down-bottom-up” equilibrium to be achieved. We refer to this as “listening leadership”. If it is real the DMO will be successful; if it is not the sunflower head is unlikely to bloom to its full potential.

### 8.3 Corporate Governance

There are a number of options for the governance of destination management, as follows:

- Department of single public authority;
- Partnership of public authorities, serviced by partners;
- Partnership of public authorities, serviced by a joint management unit;
- Public authority(ies) outsourcing delivery to private companies;
- Public-private partnership for certain functions – often in the form of a non-profit making company;
- Association or company funded purely by a private sector partnership and/or trading – again for certain functions.

For each type of governance there will be certain strengths and weaknesses and these are outlined in Table 17:

**Table 17 Strengths and weakness of types of governance**

<b>Strengths</b>	
<b>Public sector</b>	<b>Private sector</b>
<ul style="list-style-type: none"> <li>• Long term strategic approach</li> <li>• Destination awareness creation</li> <li>• Public realm management</li> <li>• SMME support</li> <li>• Quality assurance</li> </ul>	<ul style="list-style-type: none"> <li>• Short term tactical approach</li> <li>• Sales focus</li> <li>• Customer relationship management</li> <li>• Focus on market opportunities</li> <li>• Rapid decision making</li> <li>• Entrepreneurial</li> </ul>
<b>Weaknesses</b>	
<b>Public sector</b>	<b>Private sector</b>
<ul style="list-style-type: none"> <li>• Lacks a sharp focus on delivering new business</li> <li>• Poor at generating commercial income</li> <li>• Risk averse</li> <li>• Tolerates poor performance</li> <li>• Slow to take decisions</li> <li>• Distrusts private sector and the profit motive</li> </ul>	<ul style="list-style-type: none"> <li>• Lacks a concern for the wider public good</li> <li>• Limited interest in planning for the longer term</li> <li>• Has inadequate resources</li> <li>• Frustrated by public sector</li> </ul>

Clearly both public and private sectors have much to offer. The public sector provides a holistic and longer term strategic role to ensure quality while the private sector acts swiftly and tactically to develop its business. These strengths and weaknesses emphasise the importance of partnerships and to develop synergies where the whole is greater than the sum of its individual parts.

There are various ways in which the private sector may relate to and support destination management and marketing. These vary according to type of governance, as outlined in Table 18.

**Table 18 Public-private relationships by type of governance**

<b>Form of Governance</b>	<b>Form of private sector engagement with DMO</b>							
	<b>Advisory board</b>	<b>Board of management</b>	<b>Sectoral liaison groups</b>	<b>Joint working with private associations</b>	<b>Membership</b>	<b>Registration</b>	<b>Outsourcing</b>	<b>Customers</b>
Department of single public authority	✓		✓	✓		✓		✓
Partnership of public authorities, serviced by partners	✓		✓	✓		✓		✓
Partnership of public authorities, serviced a joint management unit	✓	✓	✓	✓		✓		✓
Public authority(ies) outsourcing delivery to private companies					✓		✓	✓
Public-private partnership – for some functions – often a non-profit making company		✓	✓	✓	✓			✓
Association or company funded purely by a private sector partnership and/or trading		✓			✓			✓

Though the functions of destination management and marketing extend well beyond the role of the DMO, the DMO has a crucial leadership role. A holistic approach to destination management and marketing requires partnerships between different levels of government; between different organisations within the public sector; and between public and private sectors.

This can provide challenges in that the DMO on one level will need to be local enough to allow its tourism stakeholders to identify with its aims and purposes but large enough to be effective in the market place through being able to call upon a reasonable collective budget. The organisation structure may therefore require to be multi-dimensional – one that is effective in the market-place, but with more locally based action groups which are responsible for delivery of consistency quality of experience “on the ground”.

### **Montréal: Tourism Leadership**

Following a downturn in 1984, Montréal has achieved a major turnaround in its tourism performance over the past 20 years. The first step to this turnaround was establishing a new organisation structure. This comprised of a Decision-making Forum (7 members) and a Board of Directors (15 members):

The Decision-making Forum was chaired by the Mayor of Montréal with other members including:

- Minister of Tourism in the province;
- Minister responsible for the Montréal region;
- President of the Hotel Association of Greater Montréal;
- President of the Board of Trade of Metropolitan Montréal;
- Chairman of the Board and President and Chief Executive Officer of Tourisme Montréal.

The role of the forum is to oversee major issues relating to metropolitan tourism and to appoint the members of the Board of Directors.

The make-up of Tourisme Montréal’s Board of Directors was revised in 1990 to exclude all sector-based associations. 13 of the 15 members of the Board must come from businesses in the private sector. 2 members come from the public sector (including 1 from the City of Montréal). This make-up therefore avoided having representatives of sector-based groups (hotel/restaurant associations representing tourist districts) whose main interest was in lobbying and not in the destination itself.

The new structure helped to achieve the implantation of a new hotel tax in Montréal. Since April 1997, all the revenue from a new hotel tax goes to Tourisme Montréal for tourism promotion.

See: <http://www.tourisme-montreal.org/AboutTM/00/default.asp>

The following case study outlines the roles and responsibilities of an emerging destination management organisation.

### Gorenjska, Slovenia: The development of a regional destination organisation model

Gorenjska is a traditional tourist region of Slovenia. The province is one of the most visited regions in the country and tourists come from around Europe for the ski resorts and to visit the picturesque towns of Bled and Bohinj. Tourism has been recognised as one of the most important developmental opportunities of the region. In 2007-2013 major investments and new jobs are predicted to be implemented in the field of tourism. Such a development cycle requires efficient organisation, therefore since 2006, a new tourism organisation model for Gorenjska has been developed. It is based on the principles of public-private partnership and links private tourism suppliers, the public sector and non-governmental tourism organisations.

A new tourism organisation model for Gorenjska came into existence in 2006. It is based on the principles of public-private partnership and links private tourism suppliers, the public sector and non-governmental tourism organisations.

The roles within the organisation model are as follows:

**The Council of Representatives** of the Regional Tourism Organisation has members who are representatives of all interest groups in the area of tourism, such as tourism economy, municipalities, Local Tourist Organisations (LTOs) and non-governmental organisations in the field of tourism. The tasks of the Council are to provide strategic; supervise the work of the RDMO; lobby to support Gorenjska tourism outside the region and synchronise tourism projects within the region.

**The Regional Destination Management Organisation (RDMO GORENJSKE)** occupies the core of the organisation model for tourism. It has taken over the tasks of management, organising and coordinating development in tourism and implementation of prearranged tasks for management of tourist destinations at the regional level. These tasks include destination development, marketing and representation. Particular tasks are those of development, which include development-planning, preparation of projects in the area of tourism, as well as counselling and support for small tourism suppliers in developing their businesses.

**Local Tourist Organisations** have taken the role of managing individual tourist destinations in the Gorenjska region. LTOs have responsibility for the fundamental tasks of managing tourist destinations at the local level such as promotion and market communication and also including planning, development, distribution to tourism intermediaries, administration of central reservation systems, administration of the public tourism infrastructure, providing guests with information and activities. Particular tasks are those of development, which include development-planning, preparation of projects in the area of tourism, as well as counselling and support for small tourism suppliers in developing their businesses. It is characteristic of LTOs that their activity be restricted to a specific municipality. It is characteristic of LTOs that their activity is restricted to a specific municipality which is likely to be changed with the new networking model.

**Tourist information centres** have taken the role of providing information to tourists. Twenty-three TICs are planned to be connected in a network, with set quality standards offering information about the whole destination of Gorenjska.

## 8.4 Delivering the Strategy and the Destination Management Plan

In the most general sense, the DMO's main role should be to oversee the development and implementation of the agreed tourism strategy. This role requires it to enable the public, private and third sector players to work together through the whole process.

Sections 1.2.3 introduced the concept of the Destination Management Plan as a key mechanism for joint planning and budgeting. This plan should be the primary output of the strategy – a joint plan for action by all the organisations involved, over a three to five year period.

There will be a need for a partnership mechanism, involving all such organisations, public and private, to develop and deliver both the strategy and the destination management plan. This might be called, for example, a 'Tourism Planning and Development Group'.

## 8.5 Business Planning and Budgeting

The tourism strategy and destination management plan provide the starting point and framework for the DMO's Business Plan. As noted above, the functions of destination management and marketing extend well beyond the role of the DMO, but the DMO has a crucial leadership role to play in achieving a holistic approach and it has a key role to play in implementation of activities, as summarised in Section 8.1.

The Business Plan should answer the standard business planning questions:

- Where are we now?
- Where do we want to get to?
- How will we get there?
- How will we know when we have arrived?

Public sector enabling agencies normally contribute core funding for the DMO. In some cases, they seek an "exit route", after which the DMO is expected to be self-sustaining in financial terms. Such an expectation is generally both unrealistic and unreasonable.

Whilst it is entirely reasonable to expect the private sector to pay for destination marketing activities, the DMO's broader strategic and enabling role – driving the long term development of tourism and helping the private and public sectors to deliver a consistently excellent visitor experience at all stages of the visitor journey – is totally appropriate for public sector funding. One approach is for the public sector to meet the basic establishment costs of the organisation – i.e. core staff and office costs.

Those activities designed to benefit the private sector directly should be paid for through contributions towards marketing activities (advertising in Web and in publications, attendance at exhibitions, etc), commercial activities (including commission/fees for bookings) and membership fees, where a membership structure is considered appropriate.

Agreement on basic principles of this type should underpin the DMO business planning and budgeting process. Provided the establishment costs are met by the public sector in return for strategically important activity – which should be clearly defined in a Service Level Agreement – the DMO should be able to concentrate on delivering the required service rather than constantly being hampered by searching for money – which is the fate of many tourism organisations.

The DMO should be enabled and encouraged to ensure that it is itself soundly managed and that it not only meets its Service Level Agreement targets but also "delivers" the strategy and action plan for the destination through effectively engaging with all its tourism communities, to their ultimate benefit and the benefit of their visitors.

### **Sonoma County, California: Funding from BIDs <sup>1</sup>**

Following federal and state fiscal cuts, many DMOs in the USA are pursuing non-traditional funding such as Business Improvement Districts (BIDs). BIDs are public/private sector partnerships in which property and business owners of a defined area elect to make a collective contribution to the maintenance, development and marketing/promotion of their commercial district. These can specifically be set up to fund tourism promotion and marketing.

<sup>1</sup> See: [www.destinationmarketing.org/web\\_images/DMAspecialreport2006.pdf](http://www.destinationmarketing.org/web_images/DMAspecialreport2006.pdf)

In Sonoma County, California, The Sonoma County Lodging Association (SCLA) took the lead to organise and advocate the development of a new “business improvement area” promoting the concept to its members, community leaders, public officials and tourism-related organisations. In November 2004, the Sonoma County Tourism Business Improvement Area (SCTBIA) was established and has created a dedicated revenue stream for tourism promotion. The SCTBIA is funded by a 2% lodging assessment on hotels and other lodging establishments with more than US\$ 350,000 per year in gross room revenues. The assessment raises more than US\$ 2 million annually and partly funds the Sonoma County Tourism Bureau (SCTB), the official destination marketing organisation for Sonoma County.

See: [http://www.sonomacounty.com/about\\_overview.aspx](http://www.sonomacounty.com/about_overview.aspx)

## 8.6 Standards for Governance

DMOs can be accredited to assure standards for different aspects of their operations. For example, Destination Marketing Association International (DMAI) has established universal standards for DMO operations through their Destination Marketing Accreditation Program (DMAP). DMAP is an international accreditation program which provides a platform for official destination marketing organisations to assure their stakeholders that they have achieved certain standards. (See: <http://www.destinationmarketing.org/page.asp?pid=114>).

Similarly, the UNWTO.Sbest Certification of Excellence focuses on models of good governance in tourism and provides benchmarking examples of tourism governance institutions at local, regional and national level. By meeting the rigorous UNWTO.Sbest standards, certified governance institutions can take their place as leaders in excellence worldwide, with the consequent branding enhancement.

Tourism as a tool for development is a key aspect of the UNWTO.Sbest Certification. The overall objective of this certification scheme is to assist tourism governance institutions in achieving and promoting good practices in governance. Improvement in good practices in tourism can have a positive effect on how national tourism administrations operate, and indeed can also serve as a model for other areas of government. Good governance practices also have a positive impact on the private sector and civil society. To ensure that tourism governance institutions meet the UNWTO.Sbest standards of excellence, an audit is carried out by independent organisations. The audit process checks for quality gaps in different areas of governance such as:

- The institution’s relationship with civil society;
- Its relationship with key stakeholders;
- Strategic and corporate management;
- Programme development and implementation;
- Human resource management;
- Other resources (financial and infrastructural).

### **UNWTO.Sbest Certification granted to six governance institutions**

The first Tourism Governance Organisations to achieve certification under the UNWTO.Sbest scheme are the Blackstone River Valley (USA), the State of Tabasco (Mexico), San Martín de los Andes (Argentina), KwaZulu-Natal (South Africa), the City of Valencia (Spain) and Cancun (Mexico). These organisations have achieved the award amongst other things, for:

- Enhancing sustainable tourism;
- Self improvement and development projects;
- Promoting active involvement with all stakeholders;
- Involving the local community;
- Good practices in terms of financial resources and infrastructure management;
- Investment in human capital and training.

## **8.7 Monitoring and Evaluation**

Evaluation of past activities is important to learn the lessons by adjusting future action. Evaluations should be positive: they should help projects being assessed to develop rather than simply being critical appraisals of historical activities.

Being positive is essential to the evaluation process. Evaluations which are positive will be seen by those being evaluated both as less threatening and helpful to their efforts to improve their projects. As a consequence their co-operation will be given to the evaluator which is extremely important if the evaluation is to be successfully completed.

The evaluation, of course, must also be objective. Given this, it will inevitably be critical – and if necessary very critical – of projects or particular parts of them. If the process is positive and transparent, however, it is likely that fair criticisms will be accepted and absorbed by the project sponsors.

The evaluation process should be applied by the DMO in not only assessing its own programmes but also those of its stakeholders. If applied positively, evaluation can clearly be beneficial to all concerned and help the DMO to establish itself at the centre of the whole destination management process, which is why, after all, it was established in the first place.

## List of Acronyms

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CB	Convention Bureau
CLC	Communication Life Cycle
CRM	Customer Relationship Management
CRS	Central Reservation Systems
DMAP	Marketing Accreditation Program
DMAI	Destination Marketing Association International
DMC	Destination Management Company
DMO	Destination Management Organisation
DMP	Destination Management Plan
ERP	Enterprise Resource Planning
ETC	European Travel Commission
FDI	Foreign Direct Investment
GDS	Global Distribution Systems
ICCA	International Congress and Convention Association
ICT	Information Communication and Technology
ICLEI	International Council for Local Environmental Initiatives
IM	Information Management
ITTFA	International Tourism Trade Fairs Association
LA21	Local Agenda 21
MICE	Meetings, Incentives, Conventions and Exhibitions
MPI	Meeting Professionals International
NTO	National Tourism Organisation
OECD	Organisation for Economic Cooperation and Development
PATA	Pacific Asian Tourism Association
PCO	Professional Conference Organisers
RoI	Return on Investment
RTO	Regional Tourism Organisation
TAG	Tourism Action Group
TSA	Tourism Satellite Account
SITE	Society of Travel and Incentive Executives
SMME	Small Medium and Micro Enterprises
SSP	Special Selling Proposition
UEP	Unique Emotional Proposition
UESP	Unique Experiential Selling Propositions
UNWTO	World Tourism Organization
USP	Unique Selling Proposition
VFR	Visiting Friends and Relatives
WTTC	World Travel and Tourism Council

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## Useful Websites

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**www.businesspartnership.com** The Business Tourism Partnership represents the leading trade associations and government agencies involved in conferences, exhibitions, meetings and incentives. It exists to lead the way in supporting a competitive, high quality and more profitable business tourism sector in Britain. It also provides up-to-date information on all aspects of the industry, its value and volume, trends and forecasts.

**www.destinationwebwatch.org** The World Tourism Organization (UNWTO) Destination Web Watch scheme is intended to help DMOs maximise their spend in the area of website development and online marketing.

**www.destinationworld.info** Destination World is a free e-newsletter, published 6 times a year, designed for tourism destination professionals around the world i.e. people working for or with tourism destination organisations at local, regional, provincial/state, national and international levels. Its aim is to provide a source of information about best practice, expert knowledge on issues of common concern, new research reports, special events and industry news.

**www.etcnewmedia.com/review** ETC New Media Review is managed by the European Travel Commission. It provides one of the most comprehensive and succinct sources of intelligence regarding use of the Internet and e-commerce by the travel industry, with an emphasis on country-by-country deployment of information technologies.

**www.ettfa.org** The International Tourism Trade Fairs Association (ITTFA) develops educational projects to ensure tourism industry professionals get the most out of the fairs they attended. The association's latest publication is a booklet called 'Guidelines for Exhibitors' that has been produced with the help of the World Tourism Organization. Website lists a calendar of trade fairs and advice for exhibitors.

**www.greenglobe.org** Green Globe is the global Benchmarking, Certification and improvement system for sustainable travel and tourism based on Agenda 21 principles. The Green Globe program provides companies and communities with a path to sustainable travel and tourism

**www.iacvb.org** or **www.destinationmarketing.org** a reliable resource for official destination marketing organisations, Destination Marketing Association International is dedicated to improving the effectiveness destination marketing organisations in more than 25 countries.

**www.iccaworld.net** International Congress and Convention Association (ICCA) represents the main specialists in handling, transporting and accommodating international events and comprises with 800 member companies and organisation in 80 countries worldwide. The website is designed to meet the needs of both ICCA members and international meeting planners.

**www.ifitt.org** IFITT is a leading independent global community for the discussion, exchange and development of knowledge about the use and impact of new information and communication technologies (ICTs) in the travel and tourism industry. IFITT is a not-for-profit organisation which aims to promote international discussion about information technologies in the field of tourism.

**www.mpiweb.org** Meeting Professionals International (MPI), was formed to prepare meeting professionals for the future and fund and develop innovative solutions. MPI's mission is to elevate meeting planning into a recognised profession, and make meetings a critical component of every organisation's strategic success.

**www.m-travel.com** m-travel.com provides news about mobile and wireless applications in travel.

**www.nationalgeographic.com/travel/sustainable/about\_csd.html** part of the Research, Conservation, and Exploration division of National Geographic Mission Programs, the Center for Sustainable Destinations (CSD) is dedicated to protecting all the world's distinctive places through wisely managed tourism and enlightened destination stewardship

**www.nielsen-netratings.com** NetRatings, Inc. provides the industry's global standard for Internet and digital media measurement and analysis, offering technology-driven Internet information solutions for media, advertising, ecommerce and financial companies.

**www.oecd.org/statisticsdata** the Organisation for Economic Cooperation and Development (OECD) consists of 30 leading countries that are committed to democratic government and a market economy. Tourism falls under the broad heading of Enterprise, Industry and Services and the OECD. The OECD is valuable source of tourism statistics and website provides excellent lists and links of country research sites.

**www.pata.org/** Pacific Asian Travel Association (PATA) is a leading authority, advocate and catalyst for the responsible development of Asia Pacific's travel and tourism industry. PATA provides a range of market research and statistical studies at affordable rates.

**www.site-intl.org** Society of Travel and Incentive (SITE) is the only international, not-for-profit, professional association devoted to the pursuit of excellence in incentives. SITE provides educational seminars and information services to those who design, develop, promote, sell, administer, and operate motivational programs as an incentive to increase productivity in business.

**www.tetrad.com/demographics/usa/ags/agsmosaic.html** (link to MOSAIC). MOSAIC is a geodemographic segmentation system developed by Experian and marketed in over twenty countries worldwide.

**www.tourmis.info** the European Travel Commission (ETC) is the organisation responsible for the promotion of Europe as a tourist destination. ETC is a comprehensive source of tourism market and competitor research and statistics and its TOURMIS system provides comprehensive information.

**www.travelresearchbureau.com** Travel Research Bureau publishes "Travel Distribution Report", the publication of record for travel distribution business, technology and change for over ten years. Travel Research Bureau is a leading provider of business intelligence to travel professionals around the world.

**www.unwto.org** the World Tourism Organization is the leader in global tourism statistics and information about global tourism trends and destinations. Membership of the UNWTO is by country government, but DMOs can join the UNWTO network as Affiliate Members for a limited fee, giving them access to UNWTO information and resources at discounted rates.

**www.unwto.org/sustainable/publications.htm** lists UNWTO publications relating to sustainable tourism development.

**www.wttc.org** the World Travel and Tourism Council (WTTTC) is a private sector organisation comprised of the top 100 global tourism companies. The WTTTC focuses on key global issues for private sector success and has done substantial work in quantifying the value of tourism to local economies.

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