



Destination management in developing and emerging countries

Handbook and guidelines for building
sustainable destination management organizations

Tourism can be an important catalyst for sustainable regional development in developing and emerging countries (DECs). Accessing the existing potential requires effective organizations that can advance the destination's tourism-related development in a sustainable way. This handbook is a practice-oriented tool for implementing sustainable, effective destination management organizations (DMOs) in DECs.

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Contents

1	Introduction	7
1.1	Why destination management?	8
1.2	A special challenge in DECIs.	9
1.3	Objectives and structure of the handbook	10
2	Destination management: What you need to know	11
2.1	The destination as a competitive unit.	12
2.2	The destination as a service package	13
2.3	The customer journey as a management tool.	14
2.4	Stakeholder system for the destination	15
2.5	Destination management and DMOs.	16
2.6	Sustainability as a guiding principle	17
2.7	Digitization and destination management.	21
3	Destination management: Main tasks	23
3.1	Strategic planning	26
3.2	Developing infrastructures.	28
3.3	Professionalization & quality management.	31
3.4	Product development & brand experiences	32
3.5	Communication & sales	34
3.6	Stakeholder management.	36
4	Destination management: How is it implemented?	39
4.1	Side note: Breaking free from the traditional destination life cycle	40
4.2	Typical features of a sustainable DMO.	44
4.3	Funding DMOs.	45
4.4	Organizational form of destination management	46
4.5	Organization of the DMO.	48
5	Guidelines: The path to a DMO	51
	Step 1: Beginning the process	52
	Step 2: Analyzing competitiveness.	54
	Step 3: Establishing a destination strategy	56
	Step 4: Developing a destination management concept	58
	Step 5: Creating a detailed DMO concept.	59
	Step 6: Implementing and controlling the DMO	60

Introduction

1



Almost no other industry is developing as dynamically as tourism. Driven by the increasing mobility of broad sections of the population, tourism-related demand has grown quickly in the past few years. Even megatrends like ongoing digital networking and the individualization and greening of our society are permanently changing market structures and travel needs. In the target areas, tourism is shaping entire regions and changing societies at a rapid pace. For developing and emerging countries (DECs), this poses both opportunities and risks.

Tourism can be a source of foreign currency, a job engine and a catalyst for sustainable regional development, but it can also have a negative impact. In order to access its inherent potential, tourism needs to be managed with foresight. Managing destinations plays a key role here. Because of their market relevance and size, destinations have the potential to be developed and marketed from a sustainable perspective. That requires effective destination management organizations (DMOs), which can manage the destination and coordinate various tourism-related stakeholders.

1.1 Why destination management?

Professional destination management is extremely important, particularly in DECs, for the following reasons:

Effective tourism development requires target-oriented management.

To make tourism as effective as possible, sustainable tourism-related development targets (see Ch. 2.6) must be the benchmark for all activities at the destination. Sustainable destination management anchors these targets in the destination's target system, controls the target achievement and manages the development in the long term.

Intense competition requires professional management.

Tourism destinations worldwide are trying to increase their market share by diversifying their offerings, making quality improvements, and implementing extensive marketing. At the same time, new providers are constantly joining the market. This is counterbalanced by growing, but increasingly sophisticated demand. The pressure on providers is enormous, and it is expressed by

a continuous professionalization of the offerings. This results in much higher standards for marketing and managing destinations.

Small-scale structures require coordination and professionalization.

Especially in destinations that are being newly positioned, tourism offerings are often strongly shaped by the coexistence of small enterprises with clear quality differences. In order to generate high-quality products from the wide array of offerings, a coordinating organization is needed that can provide guidance for professionalizing the enterprises (see Ch. 3.3).

The work of development cooperation (DC) institutions is stabilizing.

One serious challenge for international development cooperation is that the work continues even after the end of the project. From this perspective, professional DMOs are tools that can be used to permanently anchor processes, thereby giving the intervention a sustainable impact.

1.2 A special challenge in DEC's

The starting situations for creating professional destination management can vary greatly in different DEC's. Overall, the road to effective destination management still seems to be fairly long in most DEC's. The following are some common problems and challenges:

➔ **Increased crisis potential**

Implementing long-term, professional destination management requires a minimum level of stability and safety as well as functioning state institutions. In this regard, the increased crisis potential due to poverty, religious conflicts and lacking democratic structures poses an enormous barrier to tourism-related development.

➔ **Low efficiency of tourism structures**

Responsibilities and competences are often not clearly defined in the area of tourism, which leads to confusion and conflicts of competence. Synergy potentials are not exhausted. In addition, there is too little communication between the various institutions that are involved in tourism. Furthermore, there is often insufficient cooperation or even active competition among the actors.

➔ **One-sided growth orientation**

Because many DEC's hope that tourism can jump-start the country's economic development, their national tourism strategy is often one-sidedly focused on economic growth. The ecological and sociocultural burdens of tourism are thus sometimes accepted as part and parcel.

➔ **Lacking capital resources**

There are not enough financial resources to sustainably develop and expand tourism offerings. As a result, tourism-related development in many places is strongly shaped by international investors. This can have negative impacts on the ecological and sociocultural system if it is inadequately controlled by rules, concepts or laws.

➔ **Lack of awareness about destination management**

Tourism organizations are still frequently seen as marketing organizations in DEC's. Tourism-related actors often lack an awareness of the opportunities and potential offered by integrated destination management.

➔ **Too few financial resources for professional destination management**

Because of their economic situation, most DEC's have trouble financing the creation of professional destination management structures, even if they are aware of the need for these.

➔ **Inadequate education**

In addition, significantly lower educational opportunities – particularly in more rural DEC's – pose a large problem for creating professional destination management. In particular, implementing the demanding tasks requires highly qualified managers as well as a pool of experts to address specific challenges.

1.3 Objectives and structure of the handbook

Despite the great challenges and hurdles in creating professional destination management, initial examples show how effective DMOs can be if they are well-positioned and strategically active. At various points in this handbook, we refer to a series of good examples in partner countries where German development cooperation work is taking place.

The objective of the present handbook is to make it easier for tourism locations in DECAs to achieve professional destination management. Specifically, the handbook is intended to provide practical help with:

- ➔ building awareness for the need of sustainable destination management among key tourism actors;
- ➔ defining customized destination management strategies;
- ➔ creating effective organizational structures and ensuring financing for them; and
- ➔ managing the destination in such a way that current challenges are taken into account.

It is intended for anyone who is developing or managing destinations in DECAs, as well as for consultants who are involved in the necessary change processes and want to make them successful.

In terms of content, the handbook first focusses on the main principles of destination management (Ch. 2). It then provides detailed and practice-oriented explanations of the main tasks that need to be accomplished (Ch. 3) and describes possibilities for organizational implementation (Ch. 4). Finally, it describes a step-by-step path to create an effective destination management organization. The content sketched out above is supplemented by practice-oriented tips, case studies and checklists.

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Destination management:
What you need to know

2



2.1 The destination as a competitive unit

The challenges of tourism-related development in DECAs that were mentioned in the introduction make it clear: creating professional structures and processes at the destination level is extremely important.

Only destinations that are sufficiently large and strategically managed are able to control tourism-related development in a sustainable way, and to assert themselves against intense competition.

This produces the following understanding of a “destination” in the context of tourism-related development in DECAs:

- ➔ Destinations are spatial units that have the potential, due to their size and structure, to be recognized in international competition, to be positioned as a brand, and to be developed and marketed with consideration for sustainable development.
- ➔ Their layout is based on the perception of guests, who generally perceive spaces as landscapes and cultural areas.
- ➔ They include all of the various offerings that are needed for a tourist visit.
- ➔ They can be particularly high-performance or high-potential destinations at the local level, regions, countries, or even destinations that go beyond national boundaries.

The above understanding of a destination leads us to ask how a destination’s competitiveness can be assessed. Fundamentally, various criteria can be used for this, e.g. the number of overnight stays, the range of hotel beds available, or the marketing budget of the tourism organization. Unfortunately, there are no concrete guidelines specifically for DECAs because the framework conditions in the various countries are too different. Suggestions for qualitatively assessing a tourism location’s competitiveness can be found in Ch. 3, Step 2.

Info

Often, “destination” is defined from the guests’ perspective, as a geographic area that is chosen as a travel destination and whose offerings are used. From this perspective, the limits of a destination can never be clearly defined, because they are determined by the individual guest. With regard to the structuring and useful tailoring of tourism-related organizational structures in DECAs, it is helpful to keep this more customer-oriented understanding of the destination in mind. Nonetheless, it must be considered that different guest segments move about differently within the destination, in some cases even crossing the boundaries of the destination (without realizing it). When developing products, it is therefore important to overcome administrative boundaries if this can produce customer-oriented service packages.

2.2 The destination as a service package

A central feature of the tourism product is that it is made up of various components and sub-services that are provided or designed by different service providers. The most important basis for providing tourism-related services are the **destination's natural and sociocultural resources**: its landscape, climate, flora, fauna, architectural

heritage, customs, traditions and much more. These aspects have overarching significance for people's travel decisions. They are the foundation for tourism-specific services: hospitality, visitor information, tourist transportation, hiking paths, events, etc.



2.3 The customer journey as a management tool

From the guest's perspective, the package of tourism services can be described as a process that guests go through during their trip. This process is known as the "customer journey" (see Fig. 1).

The customer journey in tourism can be broken down into seven phases: inspiration, travel planning, booking, arrival, the trip itself, departure and follow-up.

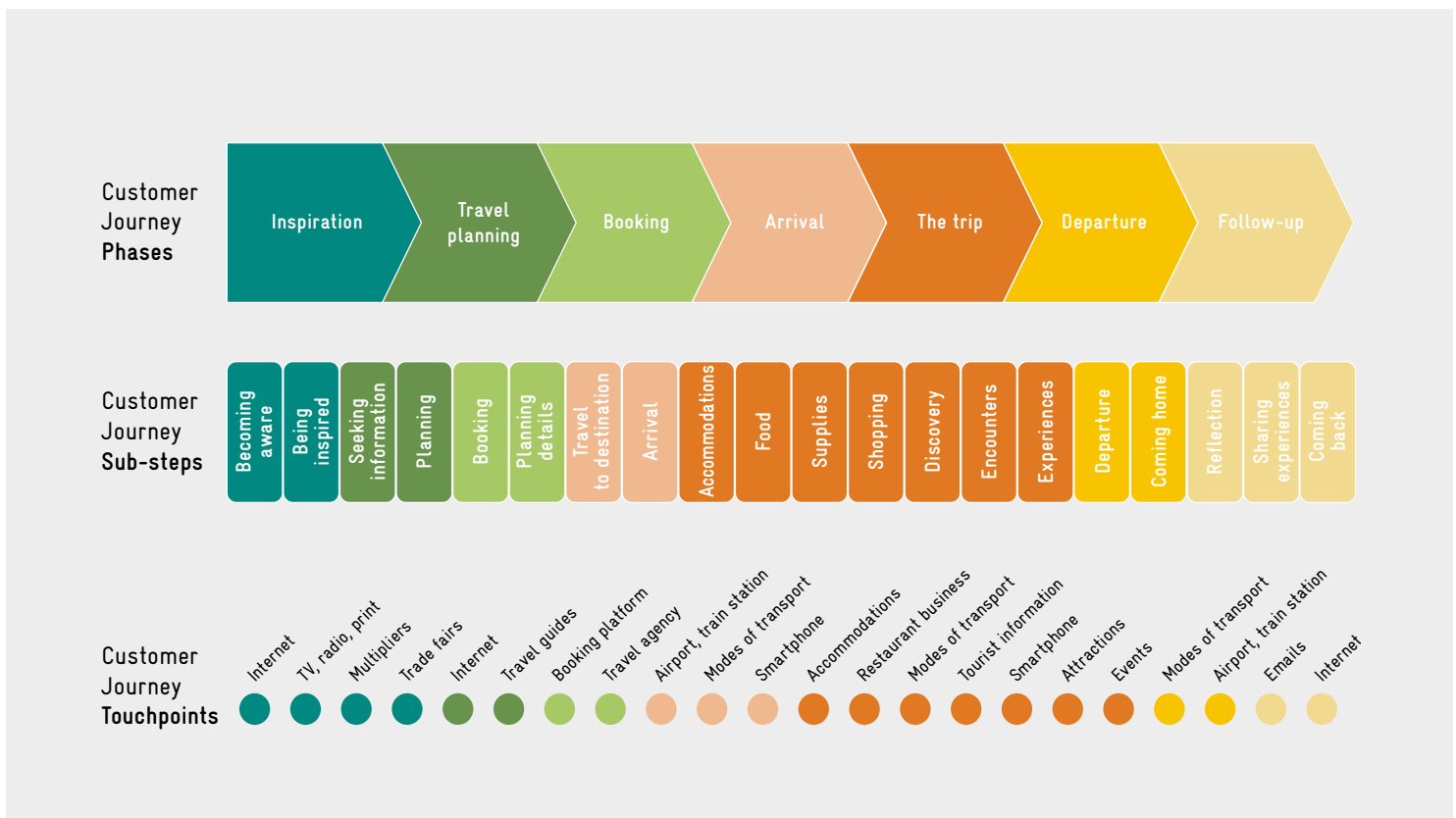
Each phase involves multiple sub-steps in which guests come in contact with services at the destination. These contact situations are known as touchpoints. The services can involve information, booking options, services in the broadest sense, or interaction opportunities.

Ideally, a destination is able to tailor the entire customer journey to the visitor's needs and can satisfy guests in every contact situation. Designing and professionalizing the touchpoints is a challenging task for destinations because it means coordinating a large number of service providers.

Note

The customer journey is a very good tool for mapping customer-oriented processes and then analyzing, developing and optimizing them together with the underlying actors. Concrete application examples can be found throughout this handbook.

Fig. 1: The tourism-related customer journey



2.4 Stakeholder system for the destination

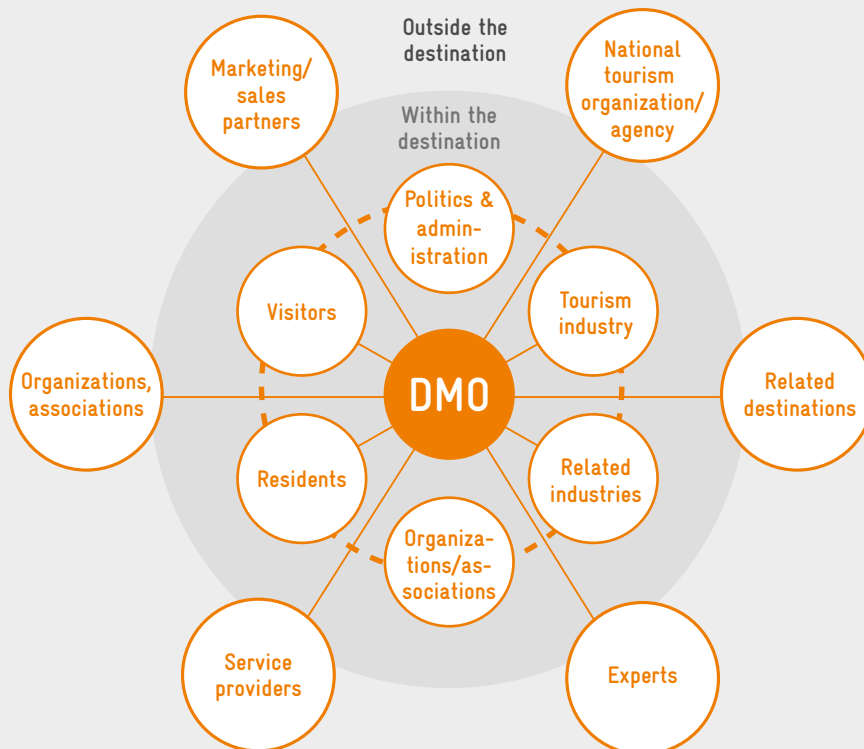
Tourism organizations must work with a large number of stakeholders.

The stakeholders for a destination are all those who play a role in the tourism structure and pursue specific interests, whether it is as a hotel business, tourism agency, supply company, part of the local population or as a guest.

Even the interfaces with neighboring destinations and sectors are part of the stakeholder system when it comes to accessing synergies and developing customer-oriented products across the destination's boundaries. The local population plays an important role in a destination's stakeholder system. Particularly in DEC's where the state has a weak position or the democratic structures are inadequate, it is important for the population to have a voice.

The tourism organization has the important and also very challenging task of representing various stakeholders, coordinating them and mobilizing them in order to implement shared goals (see Ch. 3.6). One important step here is documenting the relevant stakeholders. The systematization of stakeholders as shown in Fig. 3, both inside and outside the destination, can help do this. The existing interests within the stakeholder system vary, and in some cases even oppose one another. While the companies primarily pursue economic goals, the public institutions (ideally) aim to represent the interests of the population and the location. Associations, in turn, support the interests of their members, while environmental organizations work to protect resources, etc.

Fig. 2: Destination management stakeholders



2.5 Destination management and DMOs

Destinations must be managed,

- ➔ so that the parallel assortment of offerings can be turned into comprehensive, customer-oriented products;
- ➔ so they can have a clear profile in a hotly contested market and offer consistent brand experiences to guests at the contact points; and
- ➔ so that tourism, with its diverse effects, can make an optimal contribution to sustainable regional development within the appropriate ecological and sociocultural limits.

This produces the following understanding of destination management, which will be our guideline in this handbook:

Destination management describes the process of strategically managing and marketing a competitive destination as well as coordinating its stakeholders, with the goal of achieving an optimal economic and societal impact through tourism without burdening the ecological system.

The requirements for destination management produce the following basic functions that tourism organizations must assume in destinations (see also ARTN):

Informational function: Information about supply, demand, target achievement, etc., is an important basis for making well-founded decisions and for the targeted management of tourism-related development. In addition, it supports an objective, fact-based dialogue with the stakeholders.

Planning function: Every destination needs targets, guidelines and strategies to provide orientation and a framework for tourism-related development. A tourism-related development concept that is supported by many stakeholders, along with clear brand positioning (see also Ch. 3.1), is a fundamental basis for destination management. Target achievement must be evaluated regularly, and the concept must be updated at regular intervals.

Supply function: The overarching task here is to help people experience the brand's positioning during the entire customer journey, and to fulfill guests' expectations about the quality of the supply. This complex task includes developing and/or providing fundamental tourism-related structures, professionalizing tourism-related businesses, and combining services into marketable products.

Marketing function: The goal here is to reach potential guests through suitable communication and sales channels during every phase of the customer journey.

There is no patented recipe for implementing the functions. They can be combined into an institution or divided among various organizations. There are many good reasons to concentrate as broad a spectrum of tasks as possible within a powerful DMO (see also Ch. 4.2).

A DMO is defined as the leading organizational unit, which integrates various destination management tasks and coordinates the stakeholders in a targeted way. It can be a public or private institution or a public-private partnership.

A DMO differs from conventional local and regional tourism organizations because of the competitive nature of the destination. Because of its size, facilities and management strength, it is able to professionally implement the complex tasks of destination management.

2.6 Sustainability as a guiding principle

Sustainability has always been a central guideline for international development cooperation. In essence, it is about handling resources responsibly in the long term. As an operational principle, it plays a special role in tourism because natural and sociocultural resources are the most important basis for sustainability.

The market is ready for sustainability

Driven by the obvious effects of climate change and changing values in our society, consumers' awareness of sustainability has also increased significantly in recent years. The economy is responding with optimized processes and sustainable products. Supported by solid cost arguments, technical innovations are increasingly aiming to conserve resources and protect the environment. As a result, supply and demand reinforce one another, creating a strong trend that particularly affects tourism.

Sustainable tourism

The UNWTO defines sustainable tourism as "Tourism that takes full account of its current and future economic, social and environmental impacts, addressing the needs of visitors, the industry, the environment and host communities." (UNEP/ UNWTO 2005)

This definition makes it clear that this is a many-layered, cross-sectional issue that applies to nearly every area of destination management.

For tourism destinations, that means:

Sustainability must be firmly and bindingly fixed as a guiding principle for tourism-related development. Destinations face the task of consistently ensuring sustainable tourism services and helping visitors experience this sustainability. The DMO itself plays an important exemplary function here, which it fulfills by treating natural resources responsibly and ensuring fair working conditions, for example.

Overarching objectives of sustainable destination management:

Based on the UNWTO definition of sustainable tourism, we can derive the following concrete objectives:

- ➔ increase regional value creation through tourism;
- ➔ increase satisfaction for all stakeholders (visitors, tourism-related businesses, politicians, administration, local population); and
- ➔ minimize the ecological and sociocultural burdens caused by tourism.

Important

The abovementioned objectives must be anchored in the destination's target system and implemented at every level and by all the actors. If there is a risk of disturbing the balance between economic, social and environmental effects, growth objectives must also be questioned in case of doubt, and load limits must be defined.

Fig. 3: The United Nations' sustainable development goals



Implementing sustainability in destination management

The concrete implementation of sustainable tourism is assisted by the United Nations' sustainable development goals (SDGs), which were approved in 2015. These SDGs offer 17 specific goals as starting points for implementing sustainability in every industry and sector. For the first time, the goals consider all three dimensions of sustainability equally: social, environmental and economic. They are closely connected and interact with one another. Tourism has the potential to invest in all of the established goals and make an important contribution to their implementation.

Note

A wealth of information and suggestions for implementing sustainable tourism on the basis of the SDGs can be found on the UNWTO platform www.tourism4sdgs.org.

Concrete starting points and examples from four activity areas are given below:

Activity area 1: Collaboration and encounters

Starting points for sustainable destination management:

- ➔ Participatory tourism development
- ➔ Approving a shared mission statement for sustainable tourism development
- ➔ Performing cooperation projects to promote sustainable tourism
- ➔ Encounters and communication between travelers and the local population

Good practice:

Collaboration between the coastal provinces of central Vietnam

The coastal provinces of Hue, Da Nang and Quang Nam are some of Vietnam's hottest tourist destinations. Despite their physical proximity and many shared features, their tourism-related development was largely uncoordinated until recently. With the goal of accessing synergies in product development and marketing, a comprehensive process was launched in 2013 that involved numerous public and private actors. The result is a shared product concept with five product lines. It is implemented collaboratively and is coordinated by technical working groups in the provinces.

More info: EU project "Environmentally and Socially Responsible Tourism in Vietnam," <http://vietnamtourism.gov.vn/english>.

Activity area 2: Economy and labor

Starting points for sustainable destination management:

- Qualification and professionalization of small and medium-sized enterprises (SMEs)
- Supporting tourism-related company formations
- Ensuring access to training positions
- Supporting safe, fairly paid jobs
- Supporting sales opportunities and fair prices for local products

Good practice:

Qualification programs through the Ghana Westcoast DMO

Qualifying small and medium-sized enterprises is the key to increasing regional value creation. Based on this conviction, the Ghana Westcoast DMO has made implementing need-based training programs one of its central activity areas in developing the destination.

The DMO's concept is very impressive overall: the organization, which is institutionalized as an association, integrates all of the important stakeholders for sustainable tourism-related development. In addition to public institutions and tourism enterprises, its members also include nature conservation associations and civil society organizations.

More info: UNWTO 2015

Activity area 3: Environment and conservation

Starting points for sustainable destination management:

- Raising awareness about nature and biodiversity at the level of visitors and providers
- Supporting environmental and energy management in companies, cities and communities
- Utilizing and protecting natural resources and sensitive ecosystems

Good practice:

Recycling hygiene products in the Dominican Republic

Soap, shampoo, body lotion – many tons of opened hygiene products from the hotel industry end up in the garbage. In the Dominican Republic, the company Clean the World has launched a project to counteract this. Hotels' leftover costly bath products are collected and used to make hygiene kits for the poorer population.

This example shows that local companies are ready to take responsibility. The potential can be tapped by DMOs through targeted inspiration such as presentations and idea workshops.

More info: www.tourismus4sdg.org

Activity area 4: Supporting infrastructure and related industries

Starting points for sustainable destination management:

- Including related industries in tourism and product development (e.g. visits to agricultural operations)
- Supporting ecological products (e.g. by raising awareness in the hotel industry about the importance of regional economic cycles)
- Protecting and building infrastructures that benefit visitors as well as the local population (e.g. architectural heritage, medical care, power supply)

Good practice: Protecting architectural heritage in Kalaw, Myanmar

The mountain city of Kalaw, in Myanmar, is just beginning its tourism-related development. In an exemplary participatory process, it developed guidelines for sustainable development. Particular attention was paid to protecting the city's architectural heritage as an important basis for tourism. It is also worth emphasizing the city's institutionalization of tourism-related tasks within the Kalaw Tourism Organization, which is supported by numerous tourism businesses and works closely with the local authorities.

More info:
Kalaw Style – guidelines to preserve Kalaw's uniqueness,
www.visitkalaw.com



2.7 Digitization and destination management

Hardly any other development has influenced tourism as much over the past few years as ongoing digitization. Huge platforms such as TripAdvisor, Booking.com, Priceline, Agoda and Airbnb have turned the industry's rules upside down. Anyone offering a bed for guests can be connected directly with end customers through these platforms. The traditional accommodation segment is coming under pressure, and intermediaries (such as travel agencies) are no longer needed. Digital media plays a central role during the entire customer journey. At the same time, visitors are becoming more and more transparent because they leave digital traces everywhere they travel. The digital transformation is unstoppable. That makes it all the more important to take this phenomenon into consideration and use the opportunities that it offers. These opportunities also mean that processes can be designed to save more resources. Simply eliminating (or largely avoiding) print media offers great savings potential, along with using digital tools to optimize mobility chains.

What does that mean for tourism destinations in DEC's?

➔ **Developing a digital data infrastructure is a high priority.**

It is safe to assume that every piece of information and every process that can be digitized will be digitized. For tourism, that means everything that plays a role in the customer journey will be transferred to a digital format so that the data can be used individually and/or viewed in (mobile) applications. This development is still in the early stages even in established tourism regions. Those who make a concentrated effort to focus on this topic now will be doing important pioneering work for tourism.

➔ **Destinations must have a digital presence.**

Today, information that is relevant for the customer is distributed throughout rating portals, blogs and social media. Those who want to be found online will need to have a presence here. The DMO's former role as an advertising medium is no longer as important. Nowadays, influencers and travelers provide information about the destination themselves. Given this background, the DMO must become a source of authentic information and must proactively stimulate, distribute and influence online content.

➔ **Small and medium-sized enterprises need support.**

Even for SMEs and community-based tourism initiatives (CBTs) in DEC, the main distribution potentials are online. However, many of them are overwhelmed by the task of finding their way to the customer online. Assuming that internet access is available, businesses must decide which of the numerous channels they will use. Even though more and more people in DEC have the technical capability and skills to use online options, they often lack the necessary time resources. On the large booking platforms, it is hard to stand out from the crowd of offerings. In addition, the high commissions pose a problem. As a result, many initiatives and businesses in DEC rely on systems that more effectively meet their needs. One example is the booking platform Vaolo.com by the Canadian nonprofit organization Village Monde (see box). In this situation, the DMO increasingly plays a consulting role, helping enterprises take the appropriate measures in order to gain access to the market.

Online booking capability for SMEs in DEC

Vaolo.com was founded in 2017 by the nonprofit organization Village Monde. Its goals: to give small tourism initiatives in rural areas easy market access on the web while providing stimulus for sustainable tourism-related development (see also Kamp 2018). The platform sees itself as a network of businesses that fulfill certain criteria. In addition to basic standards, these criteria also include environmental criteria and their socio-economic impact. Vaolo.com is financed through voluntary donations by travelers. It is free of charge for enterprises.

More info: www.vaolo.com

Good Practice
social media



The social media strategy of the “Mekong Tourism” DMO

The Mekong Delta extends across a total of six countries in Southeast Asia. Marketing for the region has been combined into an international DMO that sets standards in many regards. One example is its social media strategy, which centers around the platform “Mekong Moments.” It collects pictures, short videos and stories from travelers that were posted on social media with the hashtag #mekongmoments. The effect: a wide range of authentic and credible impressions from the region are distributed online via the communities of travelers.

More info: www.mekongmoments.com

Destination management: Main tasks

3



The current requirements for tourism-related marketing, along with the DMO's desired role as a catalyst for sustainable tourism-related development, create a complex profile of tasks. These tasks must be implemented in such a way that they also contribute to the fundamental goals of sustainable tourism-related development (see also Ch. 2.6).

The main tasks of integrated destination management can be divided into six major sub-areas, which have many different interactions with one another:

Strategic planning (Ch. 3.1) is the basis for all activities. It produces objectives, strategies and priorities that offer the stakeholders in every area orientation for their own activities.

The goal of **supply management** is to help people experience the brand positioning throughout the entire customer journey, while also meeting visitors' expectations about the quality of the offerings. This complex task can be broken down into three sub-areas: developing infrastructures (Ch. 3.2), professionalization & quality management (Ch. 3.3), and product development & brand experiences (Ch. 3.4).

Communication & sales (Ch. 3.5) remain a central task of destination management; however, the specific content must be adapted for the challenges of the digital age.

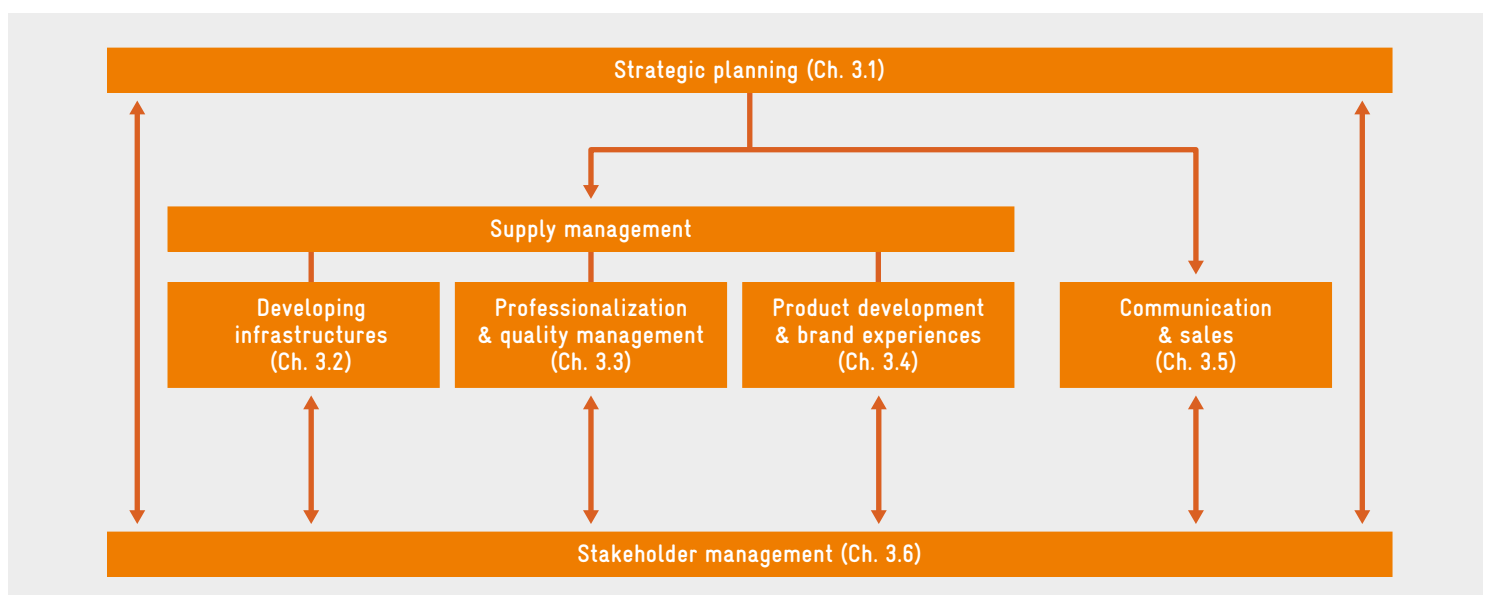
Stakeholder management (Ch. 3.6) is extremely important. Among other things, it involves raising awareness and mobilizing people to reach a common goal, as well as improving communication and dialogue among the participants. The overarching goal is to combine the diverse forces in the region and point them in a shared direction.

The issues of **sustainability** and **digitization** are important cross-sectional tasks that apply to almost every area. Ideally, national strategies exist for both issues and can be implemented in the destinations.

Classifying tasks within the three-level model

The tasks described here have different priorities at the various spatial levels of tourism (national, regional and local level). They should be closely connected to one another. Table 1 describes a useful breakdown of tasks between the tourism levels. A more detailed explanation of the tasks normally performed by the DMO is given in the following chapters.

Fig. 4: Overview of the main tasks of DMOs



Tab. 1: Classifying tasks within the three-level model

	National level	Regional level	Local level
Strategic planning	<ul style="list-style-type: none"> • provide basic and market research data • national concept for sustainable tourism development • national marketing strategy • national digitization strategy for tourism 	<ul style="list-style-type: none"> • analysis and monitoring at the regional level • regional concept for sustainable tourism-related development • regional branding strategy 	<ul style="list-style-type: none"> • local concepts with consideration for the regional strategy
Supply management	<ul style="list-style-type: none"> • define strategic funding priorities for infrastructure development in tourism • develop national standards for tourism providers (quality, sustainability) 	<ul style="list-style-type: none"> • develop and design strategically relevant supply building blocks • provide own offerings on a selective basis (e.g. visitor center) • develop marketable products • qualify and improve the quality of tourism providers 	<ul style="list-style-type: none"> • infrastructure development • operational implementation of offerings, services and quality guarantees on site • informational and visitor services
Communication & sales	<ul style="list-style-type: none"> • brand positioning on the international market • communicate national tourism-related issues via various marketing channels • build sales partnerships 	<ul style="list-style-type: none"> • brand positioning on the national and sometimes the international market • selected traditional communication measures • stimulate, distribute and influence authentic content online (rating portals, blogs, social media, etc.) • advise and help businesses access digital communication and sales channels 	<ul style="list-style-type: none"> • stimulate, distribute and influence authentic content online (rating portals, blogs, social media, etc.) in close coordination with the regional level • targeted personal customer dialogue
Stakeholder management	<ul style="list-style-type: none"> • integrate stakeholders into target and strategy development • combine knowledge, expertise, tools, qualification offerings etc. for important issues (national support platform) • create framework conditions to access the potentials of digitization for supply development as well as marketing and sales 	<ul style="list-style-type: none"> • involve the actors in target and strategy development • raise awareness among and represent the interests of regional stakeholders (politicians, local residents) • create efficient structures for communicating and networking with regional actors (e.g. through digital tools, working groups, events, etc.) • promote issue- and project based networking and mobilization of actors, including across industries and boundaries 	<ul style="list-style-type: none"> • raise awareness among and represent the interests of local stakeholders (politicians, local residents) • create efficient structures for communicating and networking with regional actors (e.g. through digital tools, working groups, events, etc.)

Note

Destinations are often located at the regional level. However, small countries as well as larger tourism centers may also find it helpful to expand their competences. In these cases, the country and/or local level performs destination-related tasks.

3.1 Strategic planning

"If you want to build a ship, don't drum up people to collect wood and don't assign them tasks and work, but rather teach them to long for the endless immensity of the sea." (Antoine de St.-Exupéry)

Every destination needs a tourism-related development concept that establishes the destination's objectives, brand positioning, core businesses and main areas of activity as orientation for the actors. The basis for this comes from information provided by analyzing and evaluating the starting situation. Another part of the strategic planning process is regularly monitoring the achievement of previously set goals, and controlling the related measures.

Important

The concept must be created in a participatory way so that all of the actors are invested in the results. The destination can only be successful in the long term if everyone is working together and moving in the same direction.

Elements of the strategic planning process:

Strategic analysis: The strategic parameters for destination management must be chosen in a fact-based way, using reliable information. Market analyses and market research are thus an important part of the strategic planning process. The following relevant information should be considered:

- the destination's offerings and unique selling points;
- the demand and available market potential;
- the framework conditions and trends; and
- the resulting strengths, weaknesses, opportunities and risks.

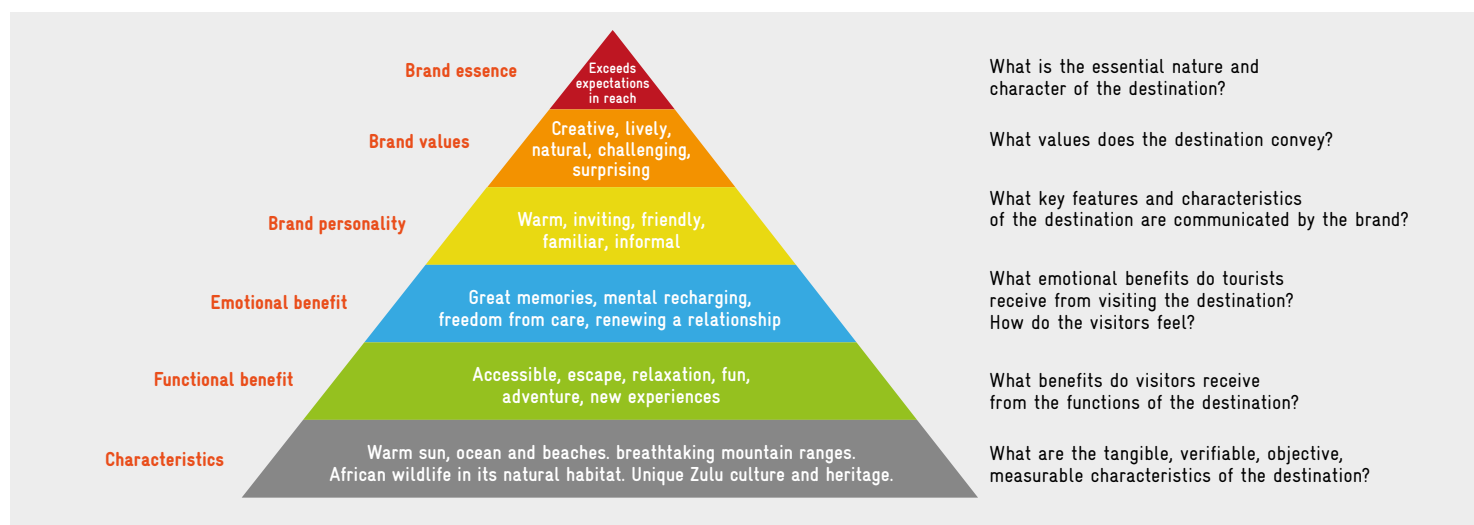
The hierarchical target system: The targets are based on findings about the initial situation and are structured hierarchically. While the vision, the principles and the overarching goals provide basic orientation, the goals for the functional areas indicate where concrete action is needed. The overarching development management goals (see Ch. 2.6) must be anchored in this target system.

Four central target levels and key questions:

- ➔ **Vision:** What is our vision of the future? What are the outstanding achievements that we will be proud of in ten years?
- ➔ **Principles:** What are our fundamental values and principles for tourism-related development?
- ➔ **Overarching goals:** What do we want to achieve overall? How do we want to be measured?
- ➔ **Goals for functional areas:** What do we want and need to achieve with regard to certain functional areas (e.g. sustainability, mobility, communication, etc.)?

Brand positioning: The most important strategic decision that tourism destinations need to make has to do with their brand positioning. This describes how a destination wants to be perceived by its target groups. Given the intense competitive situation and the enormous flood of information, clear profiles need to be outlined that are as unique and relevant to the target groups as possible. They should also have the potential to clearly distinguish the destination from its competitors. The positioning is the basis for all marketing measures. It is used as orientation for defining the core businesses, as well as for all future decisions about supply policies and communication.

Fig. 5: Brand pyramid based on the example of KwaZulu-Natal, “Zulu Kingdom”



Note

One helpful tool for developing brand positioning is the brand pyramid. The example of the KwaZulu-Natal destination (see Fig. 5) clearly shows how the brand was systematically derived from the destination's characteristics and strengths.

supply potential and unique selling points, and must support the brand positioning. Defining the core businesses also involves defining target groups that will be interested in the respective topic.

The main product development and marketing processes are based on the defined core businesses (see also Ch. 3.4 and 3.5).

Controlling: Controlling the target achievement is also part of the strategic planning process. On the one hand, the controlling results provide a basis for managing the DMO's activities; on the other hand, they create transparency for stakeholders, which in turn promotes acceptance of the DMO. Specific information about building an effective controlling system can be found in Ch. 5, Step 6.

Core businesses: The term “core businesses” refers to a destination's major products, which are associated with certain target groups. Some examples are trekking, wellness and swimming vacations. The core businesses are derived from the destination's

Implementation tips:

- Use a good facilitator: When many stakeholders come together, there is also a diversity of opinions. Professional facilitators are important in order to achieve good results that can find consensus.
- Legitimize the concept and scope of action: The concept must form a strategic framework that is legitimized by decision-makers at the destinations so that the DMO is capable of acting. It must be possible to implement measures on this basis without going through a lengthy decision-making process each time.

Concrete tasks:

- regularly record basic information and indicators as the basis for strategic decisions
- every five years, carry out an extensive participatory process and update the tourism-related development concept
- evaluate target achievement annually and monitor the processes if applicable

3.2 Developing infrastructures

Infrastructure development creates the basis for tourism-related growth and provides stimulus for private investments.

In order for tourism to develop in a destination, fundamental infrastructures must be in place, for instance:

- reachable and/or accessible destination and attractions;
- supply structures (water, power, food, etc.);
- a visitor center to act as a central information hub for tourists;
- signposted road networks for accessing the natural and cultural landscape; and
- architectural attractions and cultural landscapes.

While the corresponding structures often still need to be created in newly positioned destinations, the goal in more mature travel destinations is to maintain existing structures and update them if necessary. In some cases, supply gaps also need to be filled and highlights created that are appropriate for the positioning.

Key questions for infrastructure planning:

- What are the minimum requirements for infrastructure development in order to create stimulus for quantitative or qualitative growth?
- Does the infrastructure support the brand positioning, and does it meet sustainability criteria?
- What is the cost-benefit ratio for the investment?

Providing basic tourism-related infrastructures is a public duty. Given the financial situation in DECAs, it is important to find smart funding and partner models. Crowdfunding, public-private partnerships and partnerships with social enterprises offer some solutions.

Good Practice: Crowdfunding



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Crowdfunded accommodations as the initial nucleus for tourist access in A Hua, Vietnam

A Hua is a small village in central Vietnam, sited in an idyllic mountain landscape and shaped by the traditional village life of the local mountain people. The goal of the crowdfunding drive was to provide initial stimulus for building a high-quality and sustainable tourism product. As a fundamental requirement for this, the crowd helped fund accommodations that consist of simple tent platforms. In exchange for its support, the crowd received hand-crafted products made by the village inhabitants. The project is supported by the local government and driven by a Vietnamese social enterprise.

More info: www.startsomegood.com/a-stay-with-a-hua

Good Practice: Social Entrepreneurship



Africa Greentec provides rural areas with sustainable power, internet and drinking water

Millions of people in Africa still live without access to a power grid. A sustainable solution to this problem is being offered by Africa Greentec, which since 2015 has provided rural areas in Mali with power, and more recently internet access, using mobile solar power plants. In addition, the power plants provide a way to treat drinking water and create cold chains. Young people are hired and trained for the on-site implementation.

The social enterprise, which has won numerous awards, has helped significantly increase the productivity of local companies since the first plants were implemented, and has created measurable economic growth while simultaneously minimizing CO₂ consumption. By hiring and training local workers, Africa Greentec is also making an important educational contribution, creating immediate job effects, and helping to create value locally.

Info: www.africagreentec.com

Crowdfunding

Crowdfunding is when many people jointly fund a project and receive a financial or non-financial consideration in return. Crowdfunding is also promising for funding tourism-related infrastructures; not only are financial resources acquired, but many people are also involved, which creates visibility for the project.

Public-private partnership (PPP)

Public-private partnership projects are very common. This is where public institutions and private companies jointly create and operate infrastructures and other services. The responsibilities, rights and risks are contractually divided between the public and private side of the partnership. The main focus of PPP projects in DECAs are water and energy supply as well as telecommunications. However, there are also examples in the area of mobility, such as the expansion of State Road N4 between South Africa and Mozambique, which was taken over by a private consortium and is funded by tolls (see Thönen 2005).

Social entrepreneurship

Social entrepreneurship describes an entrepreneurial activity that works innovatively, pragmatically and in the long term to create positive social change. Social enterprises participate in many different areas, such as climate and environmental protection, the educational sector, fighting poverty, and human rights. Sustainable tourism-related development in DECAs can also benefit from this. One especially impressive example of how social entrepreneurship provides stimulus for infrastructural access to a region is the Africa Greentec initiative (see box).

Implementation tips:

- Set clear priorities: Because resources are limited, it is essential to set clear investment priorities and to carefully choose high-priority projects.
- Expansion phases: Infrastructure development is an ongoing process that is never finished. Especially for larger projects, it makes sense to plan for expansion phases right from the beginning.
- Consider partner models: When implementing infrastructure projects, it is worth taking new paths, initiating partnerships and jointly creating innovative and sustainable solutions.

Concrete tasks:

- perform regular strategic infrastructure planning with stakeholder participation
- evaluate target achievement and adjust targets if necessary
- provide stimulus for implementation: consider funding opportunities, involve partners, create incentives, etc.
- if necessary, operate the infrastructures, e.g. visitor center and event locations



3.3 Professionalization & quality management

If tourism is going to create significant regional value, regional companies must be empowered to create customer-oriented offerings.

In times of increased competitive pressure, tourism providers quickly run the risk of ending up in an intense price competition. Those who want to make their destination sustainable and achieve optimal regional value creation must position themselves on the market through the quality of the offering.

The challenge for the DMO is to stimulate the quality-oriented development of a diverse range of offerings.

One main starting point for this is the targeted professionalization of tourism service providers through appropriate qualification offerings (capacity building). The actors must be able to develop marketable offerings so that they can contribute to regional value creation.

The complexity of the tourism-related offerings, and the wide range of service providers participating in their creation, make it essential to system-

atically develop and ensure quality. Some proven tools are helpful here, particularly:

- classification systems, such as the traditional star classification;
- quality seals for certain areas and/or topics, such as the certification from the Global Sustainable Tourism Council for destinations and the Fair Trade Tourism sustainability label;
- quality management approaches, such as Switzerland's "Q Program" developed specifically for the tourism industry; and
- qualification programs, such as UNWTOQUEST for professionalizing DMOs.

Choosing as well as developing suitable instruments is the responsibility of the national tourism organization. If there is no concept at the national level, the DMO should help jointly create a quality development and assurance approach.

Important: Quality development must be seen as an ongoing process. The goal is to gradually raise the quality level in the destination through a process of planning, realizing, evaluating and correcting various measures.

Implementation tips:

- Use simple tools: The simpler the quality development tools, the more likely they are to be used by the providers.
- Support funding processes: A lack of capital resources keeps many businesses from investing in the quality of their supply. Evaluate the existing funding options and help businesses with funding issues.

Concrete tasks:

- raise awareness among tourism providers about the issue of "quality"
- perform a needs assessment; plan and implement qualification offerings
- introduce and regularly use quality development tools

3.4 Product development & brand experiences

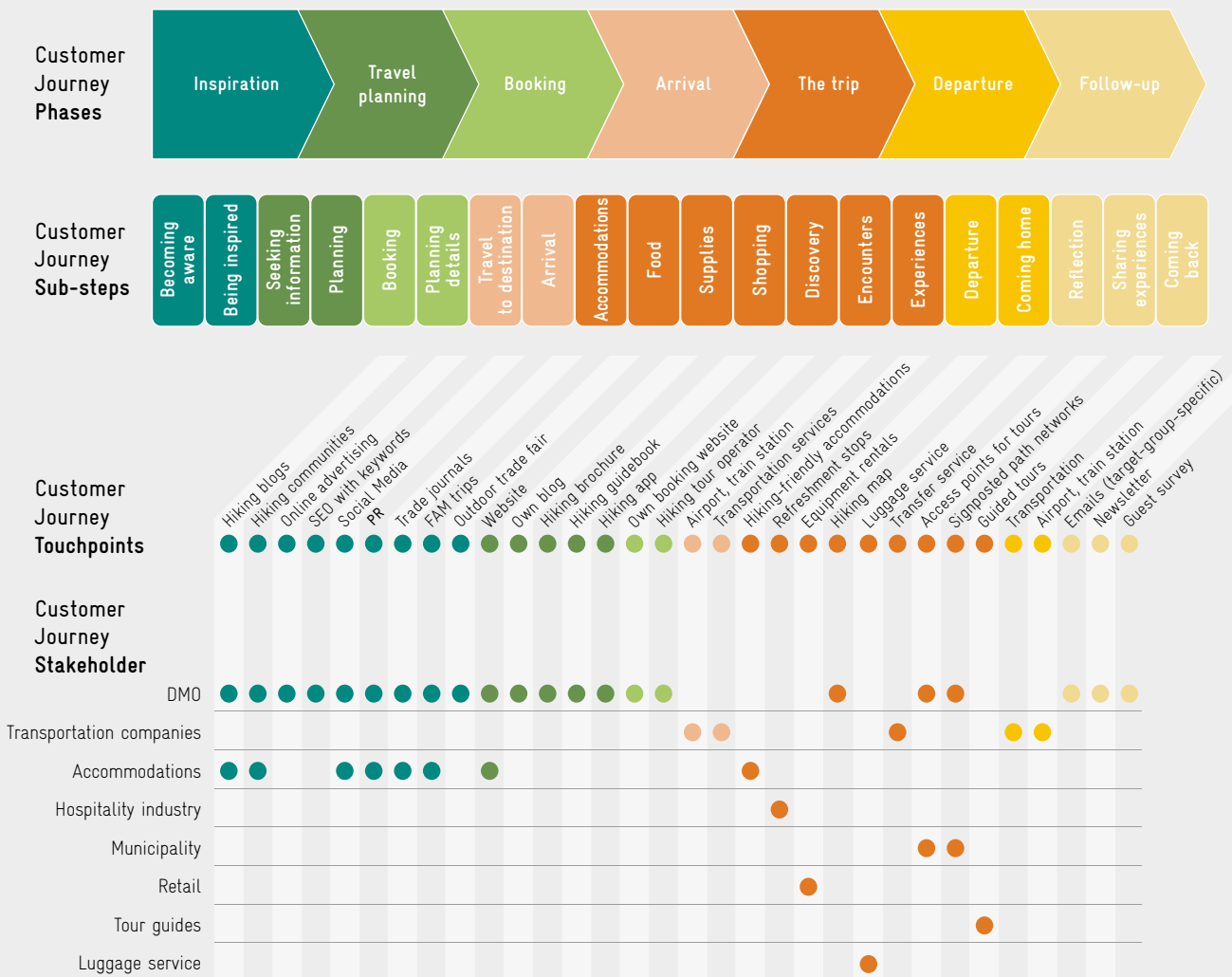
The digital transformation reduces DMOs' ability to use communication as a tool for competitively positioning the destination. That makes professional product development all the more important.

In order to help visitors experience the brand positioning formulated in the strategic development concept, along with the resulting core businesses, many individual services must be combined into a coherent overall product.

First and foremost, product development in this case means finding content-appropriate supply building blocks and then turning them into marketable products. If supply gaps are revealed in this process, the DMO should provide suggestions for closing them.

Fig. 6 shows the network of service building blocks and service providers during the customer journey, using the example of a hiking vacation. It clearly shows that the communication, sales and offer development processes need to be closely linked.

Fig. 6: Product development based on the example of a hiking vacation, using the customer journey





Product guidelines as a tool

Product guidelines are a helpful tool for targeted cooperative product development. They provide basic information, orientation and suggestions to service providers. They can include the following content:

- ➔ What are the key features of the core business?
- ➔ What target groups will be addressed?
- ➔ What characterizes the target groups, and what are their needs?
- ➔ What minimum standards do the individual supply building blocks need to meet?
- ➔ How should the interfaces between the supply building blocks look?
- ➔ What would the product ideally look like?
- ➔ Do the products meet our sustainability standards?
- ➔ How is the product communicated?
- ➔ What tips are helpful for implementing the product?

Implementation tips:

- Provider networks: For each core business, a network of appropriate providers should be created that can work together flexibly and in a customer-oriented way to develop the product.
- Overcoming boundaries: Depending on the issue, tourism products incorporate specific services and geographic areas. Not all of the individual services are always available within the destination. Here it is important to overcome administrative boundaries in order to create customer-oriented products.
- Integration with marketing: Product development must be closely related to the marketing activities. Every issue has its own market that must be targeted separately.

Concrete tasks:

- initiate thematic provider networks and hold regular product workshops
- (jointly) develop product guidelines
- develop targeted supply building blocks on this basis and network them with the marketable supply

3.5 Communication & sales

Dialoguing with visitors before, during and after the trip plays a key role in destination management.

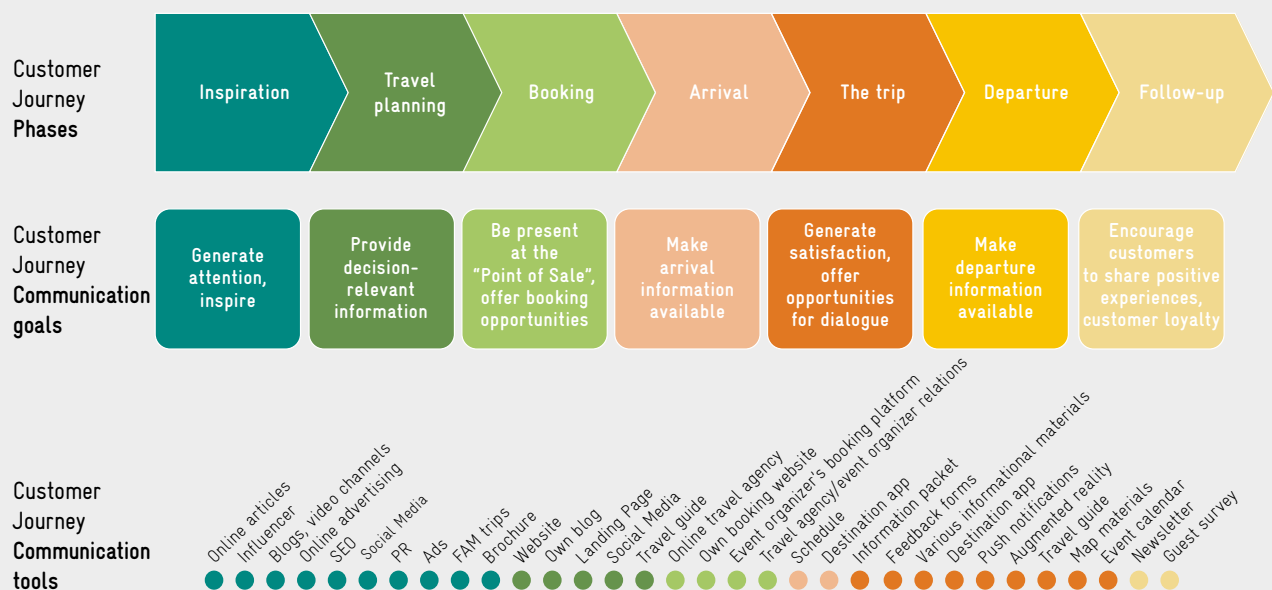
Target-group-specific marketing activities seamlessly merge with product development, which requires the two areas to be closely coordinated. On the one side, marketing activities focus on the defined target groups and their needs; on the other side are the multipliers and/or intermediaries that provide the destination with market access, for instance tour operators, online platforms, bloggers – and the visitors themselves. In the age of rating platforms, social media and blogs, visitors become information providers. In order to make sure they share positive messages, communicating with visitors is more important than ever before. This takes

place throughout the entire customer journey, with varying goals and specific tools according to the phase (see Fig. 7).

Given the enormous significance of sustainability in destination management, this topic must particularly be addressed in communications. Those who are already aware of the issue will feel involved; those who are not (yet) involved will be made aware of the issue.

As a result of the digital transformation, traditional analog marketing tools are becoming much less important than digital tools. DMOs must account for this development by placing a clear focus on digital channels.

Fig. 7: Communication planning, using the customer journey



Key areas of a DMO's digital marketing strategy

Online services and platforms

When it comes to approaching customers online, a distinction can be made between traditional online marketing (online ads, editorials) and social media marketing. Both must be embedded in a targeted strategy in order to effectively use the available resources, given the wide range of options.

Own website

Once the visitor has become aware of the destination, the website becomes an important source of information and ideally also a booking medium. Particularly for SMEs in DEC, the large global online travel agencies (OTAs) are often not the ideal solution. Instead, regional or specialized solutions are needed, for example the booking platform Vaolo.com, which was developed especially for SMEs in DEC (see Ch. 2.7).

Pictures and videos

The human brain processes visual impressions many times more quickly than text, and retains them much longer – moreover, images are much more commonly shared on social media. Photos and videos are thus the cornerstones of an effective online marketing strategy for tourism.

Visitors as multipliers

Visitors are no longer merely passive recipients of services, but the most important ambassadors for a destination, which places them at the center of the action. There are many different ways to inspire authentic online communication from visitors about the destination, for instance by using visitors as ambassadors, through media upload contests, and with links to rating platforms. The DMO's task here is to gather ideas and choose appropriate measures.

Implementation tips:

- Online communication guidelines: To ensure consistent online communication, concentrated visibility and in particular effective communication at the enterprise level, it is very helpful to have guidelines for tourism service providers.
- Storytelling: In a world flooded by stimuli, people no longer respond to most information. Emotionally charged stories with a (subtle) connection to the destination's brand are thus the preferred medium for attracting the attention of potential visitors and conveying the brand.
- Clear distribution of tasks between the national, regional and local level: Especially in marketing, there are often large overlaps between the different levels. Targeted coordination can create large synergies and thus a better market presence.

Concrete tasks:

- create a strategic marketing and media plan, especially an online marketing strategy
- implement targeted marketing measures
- advise and support providers during online marketing
- create and maintain sales partnerships (OTAs, tour operators, non-industry travel agents)

3.6 Stakeholder management

Above all, destination management also means representing, coordinating, integrating and mobilizing numerous stakeholders with sometimes differing goals and interests.

The complex challenges of destinations can only be addressed successfully by combining forces. As a result, in the future DMOs will be much more in demand in their role as catalysts for stakeholders, networks and partnerships.

But how can people be inspired and ultimately mobilized to contribute their time, knowledge and sometimes even their financial resources?

The answer is relatively simple: stakeholders must be (truly) involved, and must take responsibility for – and benefit from – shared goals because they deeply believe in them. While this sounds simple, it can be hard to implement. The “key partners” first need to be integrated into the strategic planning process. They will only participate in shaping the core businesses and help address specific challenges if they identify with the goals and strategies. This process requires a skilled and appreciative facilitator who provides professional support and ensures that the overarching goals and current framework conditions are taken into account.

Next, it is important to implement the common agenda. In the long term, stakeholders will only contribute resources if they are also given responsibility and if it helps them reach their individual targets. As in any partnership, it is important to generate real added value for the stakeholders, and to ensure that the collaboration process involves regular target achievement evaluation and monitoring. The DMO plays an important pioneering role here, anchoring the issue of sustainability more strongly within the group of stakeholders and raising their awareness about it.

Customized stakeholder strategies are required

Because the interests of various stakeholders are very different, the DMO must also use different strategies and tools to build relationships with them (see Tab. 2).

Note

One stakeholder that is often overlooked in tourism is the local population. However, ensuring their satisfaction and improving their quality of life are important goals of sustainable tourism-related development. As a result, it is important to offer people in the region ways to participate, and to give them a voice in important decisions.

Tab. 2: Stakeholder-specific interests, goals and tools

Stakeholders	Interests	Goals of the DMO	Tools
All	<ul style="list-style-type: none"> varied 	<ul style="list-style-type: none"> create a sense of unity 	<ul style="list-style-type: none"> press relations open dialogue opportunities stakeholder platform written surveys
Key players from every area	<ul style="list-style-type: none"> varied 	<ul style="list-style-type: none"> reach consensus 	<ul style="list-style-type: none"> involvement in strategic planning through workshops
Tourism businesses and local tourism agencies	<ul style="list-style-type: none"> more customers effective market cultivation by the DMO 	<ul style="list-style-type: none"> raise awareness about overarching goals and market requirements mobilize product development 	<ul style="list-style-type: none"> regular round tables product workshops newsletters digital communication using tools
Politics and administration	<ul style="list-style-type: none"> publicly visible successes 	<ul style="list-style-type: none"> promote tourism awareness make successes transparent secure support convince them to support new projects stimulate public investments 	<ul style="list-style-type: none"> involvement in the DMO's organizational structure (executive board, advisory board, etc.) targeted lobbying and opinion formation project-related communications serving on public committees
Organizations and associations, e.g. chambers, hotel associations, nature reserves	<ul style="list-style-type: none"> realizing joint projects using the DMO to help with own agenda 	<ul style="list-style-type: none"> create synergies between the activities benefit as interest representatives and/or multipliers benefit as co-funders 	<ul style="list-style-type: none"> project-related communications targeted involvement in product workshops develop participation offerings involvement in the DMO's organizational structure (executive board, advisory board, etc.)
Local population	<ul style="list-style-type: none"> maintain and/or improve quality of life 	<ul style="list-style-type: none"> raise awareness about positive impacts of tourism allay fears about negative impacts protect quality of life and cultural identity 	<ul style="list-style-type: none"> open dialogue events own information medium get to know visitors through events
Related industries, e.g. retail, agriculture	<ul style="list-style-type: none"> achieve individual benefits through tourism 	<ul style="list-style-type: none"> raise awareness about the benefits of tourism look for concrete product-oriented interfaces mobilize industries to contribute time or financial resources 	<ul style="list-style-type: none"> targeted involvement in product workshops develop participation offerings

While stakeholders within the destination are connected by their shared interest in using tourism to improve the quality of life in the destination, there are also a few interfaces with stakeholders outside the destination.

National tourism organizations: One important cooperation partner for the DMO is the national tourism organization (or tourism agency). Ideally, it plays a central role in dividing up tasks among the various tourism levels, such as providing market research data or developing and implementing a national digitization strategy. It pursues national objectives; like the DMO, it must meet the needs of various stakeholders, including other destinations. In this relationship, the DMO's goal is to optimally embed and represent its own goals and interests within the national context, and to provide inspiration for national activities that can positively impact the destination.

Neighboring destinations: In particular, there is an overlap with neighboring destinations when tourism-related products are forced to go outside their areas of responsibility for the benefit of visitors. In this situation, it is important to raise awareness among the responsible parties about the value of a cooperation, and to involve them in the product development.

Marketing and sales partners: Giving tourism-related products and providers access to the market remains an important task of the DMO. For instance, relationships with marketing and sales partners can be strengthened through FAM trips (familiarization trips) and individual partnership models.

Expertise: It is almost impossible to respond to the diverse and quickly changing challenges solely with the DMO's own resources. Among other things, the area of digitization calls for current and specialized knowledge. One solution could be an expert pool created in cooperation with other tourism organizations that can be consulted on a case-by-case basis.

Implementation tips:

- Fact-based communications: In order to convince stakeholders (especially in the political context) and make decisions by consensus, it is important to have a solid base of information and data.
- Respectful treatment: Stakeholders are people with their own ideas and needs. In order to convince them to implement shared goals, their needs must be taken seriously.
- Thinking outside the box: Successful solutions from other destinations or even other industries are an effective tool for inspiring (and motivating) the stakeholders. It is not always necessary to reinvent the wheel in order to deal with challenges. We can learn a great deal from successful examples.

Concrete tasks:

- identify stakeholders in the region and create a database
- develop individual stakeholder strategies
- plan and implement effective measures for involving, informing and communicating with the stakeholders

Destination management:
How is it implemented?

4



4.1 Side note: Breaking free from the traditional destination life cycle

The starting situations for creating DMOs in DECAs can be very different. The main differences come from the destination's level of maturity. Fig. 8 shows four **typical development phases** that many destinations in DECAs have gone through in the past. They describe the process of accessing, developing and consolidating tourism in a destination, up to the critical point of stagnation and the imminent threat of deterioration due to a lack of investments and overuse.

Note

In many DECAs, this traditional destination life cycle can be the result of one-sided growth orientation (see Kagermeier 2016). This development shows what happens when the balance between economic, social and environmental impacts is lost. In the future, tourism-related development of destinations can and must look different. Tourism can only have a positive long-term economic impact if its ecological and sociocultural foundations are protected and supported.

The life cycle model describes the kind of situations found in many DECAs nowadays. One of the DMO's major tasks is to break free from this typical development course and to introduce a sustainable development approach for tourism.

The challenges here can vary widely depending on the phase. While in newly accessed destinations the goal is to build basic structures and processes for sustainable tourism-related development and to create a basic tourism-related supply, the goal for more mature destinations is to rethink and further develop the existing structures and processes. In addition, many actors must be made aware of the significance of developing sustainable tourism.

Regardless of the phase, the participatory development of sustainability-supporting goals and strategies is the most important basis for all activities. In keeping with the motto "structure follows strategy," this is needed in order to implement or further develop DMO structures and processes.

Fig. 8: Destination types according to their development phase

Type 1: Emerging destinations	Type 2: Growing destinations	Type 3: Mature destinations	Type 4: Stagnating destinations
Phase: Access <ul style="list-style-type: none"> A few tourists (pioneers) explore the region because of specific attractions. Tourism infrastructure is systematically created. Economic benefits and sociocultural as well as ecological burdens slowly increase. 	Phase: Development <ul style="list-style-type: none"> Demand quickly increases, producing a boom in supply as well as expansion of the tourism infrastructure. As economic benefits increase, tourism becomes more commercialized. Environmental burdens and sociocultural impact increase. 	Phase: Consolidation <ul style="list-style-type: none"> The destination is (inter-) nationally established. Demand growth rates decrease. Demand is counterbalanced by a very well-structured, strongly commercialized supply. Tourism has created many jobs – the economic benefit is reaching its peak. Big ecological and sociocultural impacts. 	Phase: Stagnation <ul style="list-style-type: none"> Stagnating demand faces an oversupply of tourism-related products. Investments decrease sharply; supply threatens to erode. Economic benefits decline, jobs are eliminated. Serious ecological and sociocultural burdens.

Type 1: Emerging destinations

In positioning new destinations, the first question is which destinations are actually suitable. Mundt (2004) says that the main requirements for DECAs are a minimum of domestic security and stability, functional government bodies, planning reliability, and a positive attitude by the authorities toward tourism. Following that, other criteria also apply, such as the accessibility of the destination and its attractiveness.

Typical features of the destination	Challenges
<ul style="list-style-type: none">■ Structures for developing and marketing the destination are rudimentary, if they exist at all.■ The existing attractions are not optimally accessible.■ The accommodation supply is small, of low quality and shows a low level of professionalism.■ The smallest businesses lack entrepreneurial skills, and their investment capacity is very small. Their offerings are often not marketable.■ Larger and better-quality offerings come from providers outside the region.■ There is little awareness about the benefits of cooperation. Competitive thinking between service providers is the norm.	<p>During this phase, the goal is to build basic structures and processes.</p> <p>The important tasks are creating and professionalizing the basic tourism-related supply.</p> <p>Ensuring a sustainable focus for existing and newly developed products early on.</p> <p>Because of the lack of capital resources, this phase depends on start-up funding.</p>

Type 2: Growing destinations

Once a solid basic tourism supply has been established in adequately attractive and accessible areas, tourism-related demand can develop very positively. During the growth phase, visible market success often means that the need for controls is not recognized. Environmental and sociocultural burdens generally originate during this phase.

Typical features of the destination	Challenges
<ul style="list-style-type: none">■ There are structures for developing and marketing the destination, but they are usually not efficiently designed. Interactions between public and private institutions are uncoordinated.■ There is no target system that is jointly supported by all the actors, and no coordinated strategy. Among other things, that means the collaboration between tourism-related actors is shaped by individual interests.■ Tourism-related development is controlled through growth targets and investors. There is no balance between economic, social and ecological impacts.■ There are deficits with regard to developing and ensuring quality standards in the long term.	<p>The goal in this phase is to further develop the existing structures and processes in harmony with long-term goals that can produce consensus.</p> <p>Given the growth in demand, a particular challenge is raising actors' awareness about the need for controlling.</p> <p>The main tasks involve diversifying the tourism-related supply for the purpose of brand positioning.</p>

Type 3: Mature destinations

In many DEC, tourism-related activities focus on selected “hot spots” where certain growth limits are currently defined. Mature destinations attract a large number of international tourists, who encounter a well-developed tourism-related supply. The destinations are at the peak of their development, but they are also approaching their ecological and sociocultural limits.

Typical features of the destination	Challenges
<ul style="list-style-type: none">■ There is no target system that is jointly supported by all the actors, and no coordinated strategy. In particular, the issue of sustainability is not bindingly established.■ The structures for developing and marketing the destination have been solidified by successful market development in past years.■ Especially for smaller and medium-sized enterprises, the already positive development of demand has meant a failure to make investments in quality and infrastructure.■ In the upper price segment, supply is shaped by international investors and operators.■ Growing competitive pressure, along with declining growth rates in demand from tourism organizations, results in the expansion of marketing activities.	<p>During this phase, the goal is still to focus and further develop the existing structures and processes in harmony with long-term goals that can produce consensus.</p> <p>Ecological and sociocultural burdens must be counteracted with targeted regulation at all times.</p> <p>The important tasks are systematically developing the quality of tourism offerings for the purpose of brand positioning, and strengthening the marketing activities.</p>

Type 4: Stagnating destinations

Development that is one-sidedly focused on growth and strongly driven by individual interests necessarily leads destinations into the critical phase of stagnation. Mass tourism has left visible traces in the sociocultural and ecological system. The investment backlog is becoming noticeable in tourism-related enterprises. Despite minor fluctuations, the destination is no longer seeing growth.

Typical features of the destination	Challenges
<ul style="list-style-type: none">■ The negative impacts of tourism (environmental burdens, high rate of foreigners, low participation, crumbling infrastructure, etc.) are beginning to be perceived by all the stakeholders, which puts pressure on the destination's decision-makers.■ In response to the difficult situation, the tourism organization continues to increase its activities in the area of marketing and sales.■ In the companies, the decline in demand leads to decreased capacity utilization. Small and medium-sized enterprises in particular respond by reducing prices and cutting costs, which worsens their difficult situation. The investment backlog becomes an unsolvable problem.	<p>The goal of this phase needs to be creating a completely new orientation and introducing sustainable tourism-related development.</p> <p>The tangible pressure to take action is a good starting point for profound changes based on a sustainable strategy for the future.</p> <p>This phase is also about managing crises – the supply adjustment needs to be controlled, environmental damage must be reduced, and negative developments must be corrected.</p> <p>During this phase, the path out of the crisis can only come from targeted engagement by state institutions, in collaboration with private actors.</p>

CHECKLIST: Where is your destination?

The following key questions about the areas of governance, the significance of tourism and the effectiveness of the tourism organization can help you make an initial qualitative assessment of the starting situation in order to develop your destination management. Those who have a largely positive assessment of the situation are in a very good starting situation. If this is not the case, major efforts may be required in order to build high-performing and sustainable DMO structures.

Part 1: Governance

Anchoring tourism at the national level

- ▶ Is there a national tourism authority?
- ▶ Is there a national tourism strategy?
- ▶ Is the issue of sustainability anchored in the national strategy?
- ▶ Does tourism receive public funding?

Anchoring tourism at the destination level

- ▶ Are there public actors who are responsible for tourism?
- ▶ Is there a tourism-related development concept?
- ▶ Is the issue of sustainability bindingly established in the concept?
- ▶ Does tourism receive public funding?
- ▶ Are development cooperation organizations and NGOs involved in tourism?

Part 2: Significance of tourism

- ▶ Is tourism an important economic factor for the region?
- ▶ Do broad segments of the population participate in tourism?
- ▶ Does tourism have (further) growth potential?
- ▶ Is the environment largely unburdened by tourism?
- ▶ Is the sociocultural system largely unburdened?

Part 3: Effectiveness of the tourism organization

- ▶ Is there an authority in charge of tourism?
- ▶ Is the private sector organized into networks or associations?
- ▶ Are tasks assigned clearly and without overlaps?
- ▶ Are there effective communication and coordination structures?
- ▶ Is there a good climate of cooperation?
- ▶ Is there an accepted goal and strategy system?
- ▶ Is there clear brand positioning?
- ▶ Is there a digitization strategy?
- ▶ Is there a destination management strategy with strong leadership?
- ▶ Are the various stakeholders involved?
- ▶ Are quality development tools used?
- ▶ Are tools used to promote sustainability?
- ▶ Is the budget for destination management large enough?
- ▶ Does the private sector participate in the funding?

4.2 Typical features of a sustainable DMO

Because of the very different starting situations, there is no patented recipe for the organizational implementation of a DMO. Still, various typical features can be mentioned that a future-oriented, sustainable DMO should fulfill (see also Bieger 2013):

- ➔ **The DMO has a structural connection with public regional authorities (e.g. the municipality or the province) and the public.** As the destination's "attorney," the DMO consistently pursues overarching goals for sustainable tourism-related development and represents the destination's long-term interests. This claim can only be implemented if the DMO is also supported by public institutions and by the local population.
- ➔ **The DMO is free from political influence.** The DMO's structures should be designed in such a way that it can act independently from short-term political ideas and actions. That is the only way to implement a foresighted development and marketing strategy.
- ➔ **Private partners are committed to overarching goals.** All of the important service and development partners should be connected to the DMO via structures or processes. However, they must also commit to the overarching goals and put their own interests on the back burner if necessary.
- ➔ **The DMO is fully responsible for all of the main tasks in destination management.** Because of the highly reciprocal relationships and numerous interfaces, it makes sense to combine all of the destination management tasks at the DMO. The DMO does not need to implement all of the tasks itself; it can also delegate selected services to external providers. However, it remains responsible for the quality of the implementation. If the various tasks are divided among multiple organizations, close coordination must be guaranteed.
- ➔ **The DMO is streamlined and flexible.** In a globalized, highly digitized world, there are always new challenges to which the DMO must respond quickly. This is only possible in flexible structures, where space for innovative ideas and projects can be created at short notice. This type of agile leadership requires strong management, whose key qualifications include integrating and mobilizing diverse stakeholders along with recruiting competences for specialized tasks, above all in order to implement the digitization strategy.
- ➔ **The DMO has a destination management team that is capable of taking action, with clear leadership skills.** The management takes on various roles and functions that require strong leadership skills. Its ability to take action is especially important. It needs the legitimacy to make targeted decisions without going through lengthy coordination processes every time. This requires a clear strategic framework along with corporate governance structures to regulate the powers of individual bodies (e.g. the executive board, company management).
- ➔ **The DMO needs a logical and transparent funding structure.** Ideally, the funding partners can clearly see how their contributions are being used. If the DMO is able to demonstrate what it has achieved, based on measurable goals, it is much easier to secure long-term funding (see Ch. 4.3).
- ➔ **The DMO must be integrated into an overall tourism system.** For the sake of efficient task distribution, the tasks at various tourism levels must be harmonized and coordinated.

4.3 Funding DMOs

A DMO's funding needs are based on the tasks that it will perform. In order to fund these tasks, the DMO normally has access to the following **funding sources** (see Morrison 2019):

- ➔ public funding from the national or municipal budget
- ➔ public funding from international support programs
- ➔ earmarked tax income (tourism tax paid by tourism companies)
- ➔ earmarked fees from tourists (tourist levies, visitor taxes)
- ➔ concession fees for using public resources for specific tourism-related business activities (e.g. using thermal or mineral water or unique natural attractions)
- ➔ membership fees for tourism companies and tourism-related companies
- ➔ own income from the market (e.g. product sales, events, booking services, tours, rentals, catering at visitor centers)
- ➔ project-based funding from various funding sources (usually public support programs that may also be co-funded by private resources, if applicable)
- ➔ crowdfunding, donations

Recommendations for funding the DMO

The DMO provides a concrete benefit for various stakeholders. That produces a basis for many different partners – public institutions, tourism companies and tourism-related companies – to participate in the funding. Ideally, as many partners as possible are involved in funding the DMO so that it can act independently and be financially effective. The funding structure (public vs. private) should be broken down according to the task area (see Beritelli, Bieger, Laesser 2011):

- ➔ **Public funds should be used to pay for structures, offerings and activities that are primarily in the public interest.** This includes, for example, protecting natural and sociocultural resources, funding basic supply structures (especially for the reachability and accessibility of the destination), and the DMO's operating and administrative costs. Especially when it comes to accessing a new destination, a large amount of public funding is needed in order to kick off its tourism-related development.
- ➔ **Mixed funding (public / private) should be used to pay for tasks that will generate positive impacts outside a purely private group of users.** This includes, for example, funding for infrastructures that are important building blocks for the overall supply but cannot be operated economically, such as a visitor center or an outdoor swimming pool. In addition, strategic analysis, monitoring and planning tasks, general marketing activities and stakeholder management can all use mixed funding. Public co-funding of product development can be legitimized by the fact that SMEs need coordination in order to achieve regional economic impacts.
- ➔ **Private funds should be used for activities that generate direct, company-specific benefits.** Above all, this includes qualification offerings as well as specific marketing and sales activities for which money can be raised from companies in a targeted way, based on the marketing plan.

4.4 Organizational form of destination management

In destination management practice, a wide range of organizational and legal forms have emerged according to the specific history and starting situation. The diverse existing models can be divided into three major groups, based on the funding structures:

1. Public-sector organizations

Here, the **public administration** is responsible for destination management. It can be implemented through a separate tourism authority, through a cooperation between multiple public authorities, or by contracting tasks to private companies. The overarching goals of destination management that are committed to the common good can easily be anchored in public structures. Other benefits of this organizational form are the relative ease of funding it with the public budget, along with the ability to control tourism-related development through legal ordinances. The main disadvantage is the lack of private-sector motivation and potential lower acceptance of the tourism industry as a result. In addition, the financial resources available from public budgets and funding pools are usually limited.

2. Public-private partnership

In this model, public as well as private institutions are part of the DMO. Implementation usually takes place in the form of a society/association or a corporation.

The advantage of **societies/associations** is that they can be founded quickly and easily, and members' participation is clearly regulated by the articles of association. In addition, they generally offer a way for all of the destination's stakeholders

to participate. In some cases, tourism companies are required by corresponding tourism laws to become members of the association. That means different interests are represented in the association, and it has a broad funding base. On the other hand, an association often has difficulty making decisions due to the members' extensive co-determination rights.

Nowadays, DMOs are often organized as **corporations**, with both public and private institutions as shareholders. In terms of implementation, it is important for the various stakeholders to be represented with adequate shares. In addition to the funding secured through shareholders, the main advantage of this form of tourism organization is that its clear commercial-law-related management structures make it easy to handle destination management tasks.

3. Private-sector organizations

Especially in places where the state is not involved in tourism, or not sufficiently involved, purely private tourism organizations have sometimes emerged. They are organized similarly to public-private partnerships, for instance as an association or corporation – but the difference is that the public sector is not represented. The range of tasks for private tourism organizations is often limited to components that directly add value, such as communication and sales. As a result, these organizations often tend to be private-sector service providers, “attorneys for the destination,” that are working on behalf of sustainable tourism-related development.

If destination management tasks are distributed among various organizations, more than one of the above organizational forms is generally used.

Evaluating various alternatives

A public-private partnership has advantages over a purely public or private tourism organization. Nonetheless, the appropriate organizational and legal form still needs to be evaluated on a case-by-case basis. The following key questions can help you make a qualitative assessment. Here it must be considered that the criteria have different weight according to the specific starting situation. For

instance, in a young destination that is preparing to lay the foundations for its tourism-related future, it is important to have the public sector on board. Meanwhile, in a mature tourism location that needs a new competitive strategy, efficient decision-making structures and transparent funding are more important.

Key questions for evaluating the organizational model

- ▶ Are long-term societal interests represented?
- ▶ Are the interests of the tourism industry represented?
- ▶ Does the organizational model guarantee independence from short-term political thinking?
- ▶ Are the decision-making structures efficient and transparent?
- ▶ Can the funding be structured in a usage-related way?
- ▶ Can effective structures be built given the level of available resources?

Good practice: Punta del Este



Uruguay's first DMO organized as a public-private partnership

One example of the creation of an effective DMO, organized as a public-private partnership, is the destination Punta del Este in Uruguay. This destination increasingly faced pressure in the early 2000s due to its large number of second homes, a weak and poorly organized hotel sector, and strong seasonal fluctuation. At that time, all of the destination marketing tasks were con-

centrated within the public administration. A decision was made to create a DMO as a PPP, the first one in Uruguay – not without consequences. Not only did numerous stakeholders need to be convinced, but two laws had to be changed in order to create the necessary legal framework for the DMO. In 2006, the Directorate General for Tourism, along with numerous companies from every sector, established a nonprofit association. The association aimed not just to access new markets and extend the season, but also to create new infrastructures. These measures had a positive impact. Despite regional and international crises, the destination was able to generate a visible increase in demand as well as investments. One major success in the destination's infrastructure development is its new exhibition and conference center, inaugurated in 2016.

Source: UNWTO 2015

4.5 Organization of the DMO

There are many good reasons to orient DMOs' organizational structures more toward central customer processes in the future. In particular, there is an increased focus on wishes and needs resulting from demand.

As we know, the customer journey describes the central customer process that the DMO supports and influences. In somewhat modified form, it thus also offers a basis for planning process-oriented DMO structures (see Fig. 9).

The "customer process" begins with visitors' wishes and needs. This produces "demand" – as long as an adequate supply is available and visitors have the necessary resources to satisfy their needs. The DMO must be familiar with these needs and understand them in order to develop a market-appropriate supply. Once the supply base is in place and the product has been developed, the familiar processes of the customer journey and the DMO's resulting goals and tasks can follow.

Fig. 9 shows the DMO's objectives throughout the customer journey on the second level. On the third level, this produces the tasks. The process defines **six task areas** that build on one another and require close coordination: strategic planning, supply management, brand/issue communication, providing decision-relevant information, sales, and loyalty management.

In traditional organizational structures, these task areas are handled by different departments. This results in a very large coordination effort as well as information losses between the departments.

In **process-oriented organizational structures**, Product Management is responsible for providing services throughout the entire process. It analyzes market data, sets strategic requirements for supply development, and coordinates provider networks as well as the work of the Communication and Sales department.

Fig. 9: Organizational development, using the customer journey

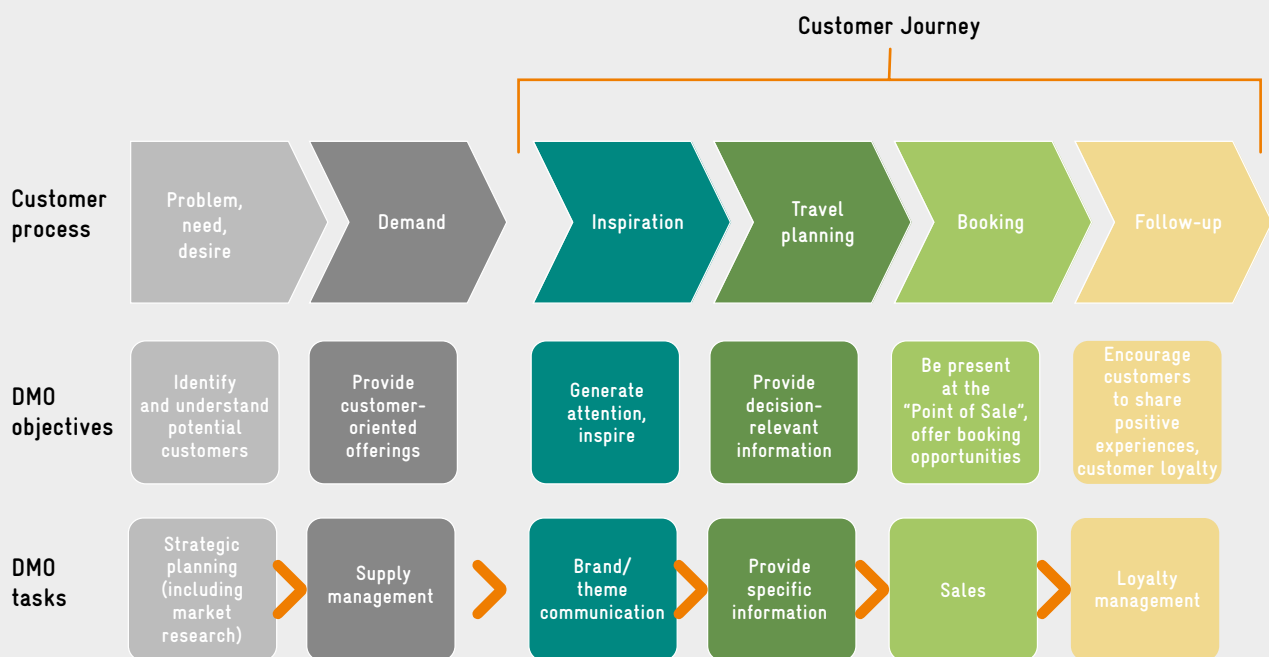


Fig. 10 shows a typical organizational chart for a DMO. Here, two product management units are associated with the supporting departments. Product-specific provider networks are part of the model, since it can be very helpful to delegate tasks to the network. Specific tasks, for instance in the area of IT, are contracted externally.

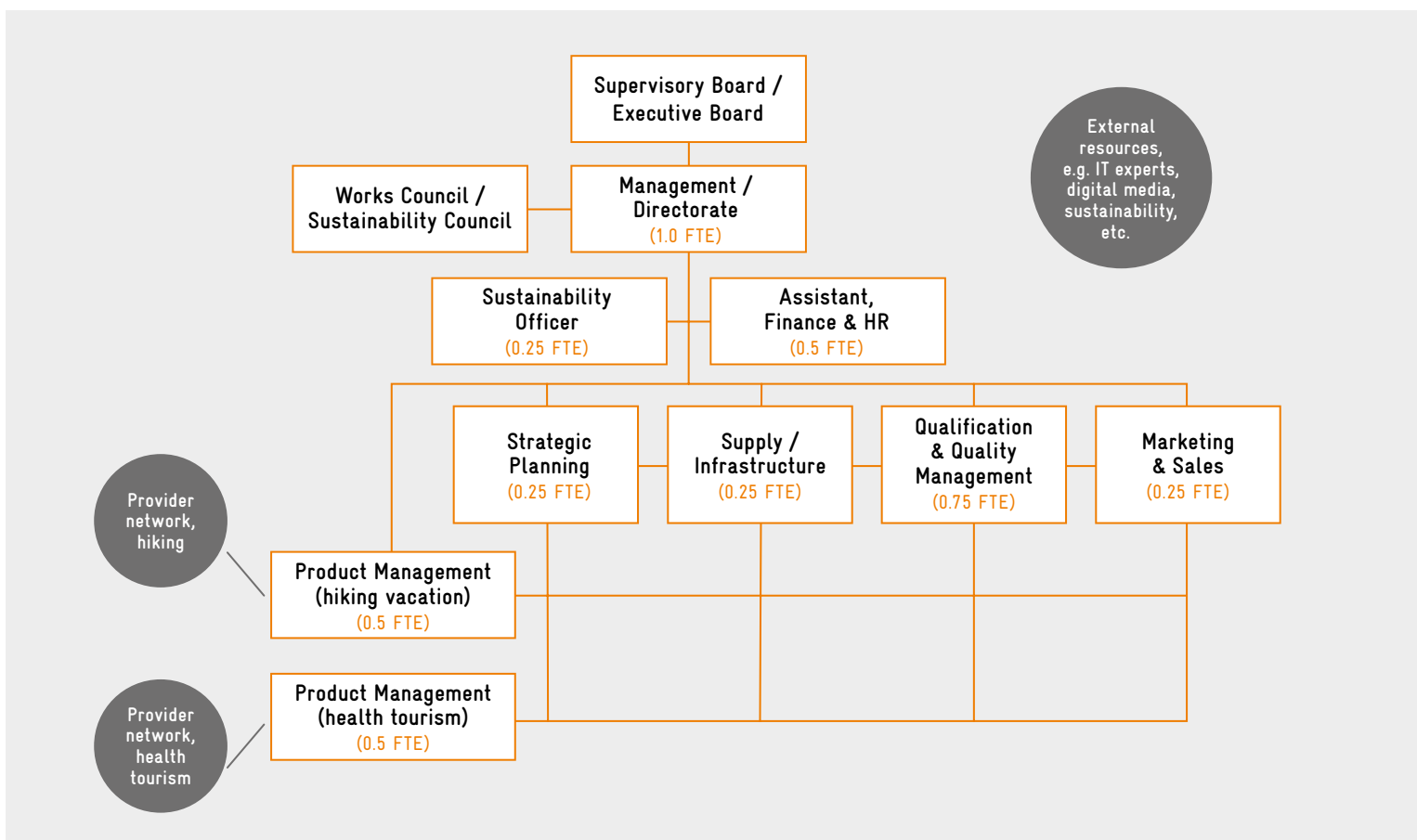
The question of which resources are needed in the various departments must be answered on a case-by-case basis. The positions and/or full-time equivalents (FTEs) shown in the figure are therefore only a rough guide. If the DMO operates its own infrastructures, for instance a visitor center, many more resources are needed.

The major advantages of this organizational model are that the core tourism businesses (as seen in the example of the hiking vacation and wellness tourism) can be managed in a targeted way, and the services within the process can be seamlessly coordinated.

Important

Sustainability is a cross-sectional task that applies to every area. It makes sense to appoint a sustainability officer who coordinates the sustainability tasks internally and acts as a contact for partner enterprises and external stakeholders. It is also a good idea to set up an advisory sustainability council, which should also represent the interests of the local population.

Fig. 10: Typical org chart for a DMO



A major building block of the DMO organization is an effective **corporate governance system** that defines the management's scope of action. On the one hand, it establishes limits that must be followed, such as considering the criteria for sustainable development. However, it also defines areas where the management can act flexibly. An important part of the corporate governance system are the **DMO's statutes**, in other words the articles of association or the shareholder agreement, which describe the DMO's mission

in detail. The **DMO policies** establish the competencies of the existing bodies (e.g. a supervisory board or executive board, a general shareholders' or members' meeting) along with the playing rules for their collaboration. One especially important management tool is the **DMO's goal and strategy system (see Ch. 3.1)**. Activities that help achieve the goals and do not conflict with the established principles are granted necessary legitimacy through an approved target and strategy system that is capable of finding consensus.



Guidelines: The path to a DM0

5



There is no magic formula for a DMO. The framework conditions in the various destinations are too different for that. The important thing is to take an appropriate amount of time for the process. Regardless of the starting situation, many

stakeholders need to be involved, convinced and mobilized on the path to the DMO. And that takes time. The “DMO project” can be implemented in the following six steps.

Fig. 11. Six steps to a DMO



Step 1: Initiating the process

The process of creating effective DMO structures can be initiated by national authorities (“top-down”) or by local actors, for instance the municipality, a strong tourism company, or even an NGO (“bottom-up”).

Regardless of where the impulse originates, the goal is to raise awareness about the need for action and to build trust – so that selected actors can become allies. The key to success here is finding the right partners and creating an interest group that is as strong as possible. Changes are easier to bring about when the drivers behind them can also make decisions, implement measures and inspire others.

At the same time, it is important to remember that changes always create defensive reactions in social systems. Something that is reasonable in general can seem threatening from a personal perspective. As a result, intelligent change requires

an understanding of the individual perspectives as well as arguments. The result of this step must be a decision, supported by the key actors, to move the change process forward in a targeted and systematic way. The interest group then becomes a steering group, which represents the project, makes decisions and handles the coordination and management of the rest of the process.

Note

It is fundamentally desirable to have the DMO formation process supported at the national level. In particular, criteria and rules can be established for creating destinations. That gives local actors important guidance. In addition, synergies naturally open up if the process is supported at the national level and implemented in multiple destinations.

Good practice: Creating a DMO in Indonesia



An example of the targeted creation of multiple DMOs can be found in Indonesia. Initiated by the Indonesian tourism ministry and supported by Swisscontact, a total of four DMOs have been established since 2009 that are responsible for tourism-related development as well as marketing. The results clearly demonstrate the potential impact of DMOs, particularly if they cooperate with one another. One good example is the program to improve service quality, which is being implemented on site with the help of a large pool of qualified trainers and experts. The program includes coaching and toolkits for professionalizing and helping tourism enterprises with the supply development process.

More info: www.bit.ly/2R1yYHe

TIPS:

- It is recommended that the process begins with an open-ended idea, not a complete solution. If the relevant decision-making partners help shape the solution, that increases its chance of being implemented.
- Good arguments are an important basis for change. Objective facts about an existing problem or about successful solutions in other destinations are more convincing than a “feeling” or opinion about a situation.

Step 2: Analyzing competitiveness

In order to derive meaningful strategies for destination management, it is essential to honestly analyze the starting situation in the destination. Key questions for an initial assessment of the starting situation can be found in Ch. 4.1. Those who give mostly positive responses to these questions are in a good starting position. This provides the basis for asking about competitiveness. In order to create effective, sustainable DMO structures,

the destination needs to be competitive. But what does that mean in concrete terms?

How can the competitiveness of a tourism destination be measured?

In practice, the criteria shown below in Tab. 3 are used.

Tab. 3: Criteria for evaluating a destination's competitiveness

Criterion	Explanation	Indicator
Destination size	The larger the destination, the larger its resource base (supply, knowledge, skilled workers, suppliers). That has a positive effect on productivity.	<ul style="list-style-type: none"> • Overnight stays • Number of beds
Tourism intensity	Tourism intensity expresses how significant tourism is for a destination. The greater its significance, the denser the resource base (supply, knowledge, skilled workers, suppliers). That has a positive effect on networking potential. In addition, the more a location depends on tourism, the greater the awareness about tourism.	<ul style="list-style-type: none"> • Number of overnight stays per 1000 residents
Seasonal fluctuation	The more evenly tourism is distributed throughout the year, the more cost-effectively tourism companies can operate and offer their skilled workers a year-round living (rather than using seasonal workers).	<ul style="list-style-type: none"> • Number of months within which 75% of overnight stays are concentrated
Employees	An adequate number of qualified skilled workers is needed to handle the diverse tasks of a DMO.	<ul style="list-style-type: none"> • Number of full-time equivalent positions
Marketing budget	In order to take action and to implement the key marketing and sales measures, it is essential to have an adequate marketing budget.	<ul style="list-style-type: none"> • Annual budget for marketing and sales (not including personnel costs)

Unfortunately, concrete values for the above indicators have not been defined specifically for DEC. The framework conditions in the different countries vary too widely for this.

In places where there are no concrete orientation values for determining a tourism destination's competitiveness, the following key questions can help you make an assessment.

Key questions for evaluating the competitiveness of your tourism destination

- ▶ Does the destination have the potential, in terms of size and attractiveness, to position itself in the (international) competition?
- ▶ Is the destination easy to reach via international transport hubs?
- ▶ Is tourism an important economic factor for the region, or does it have the potential to become one?
- ▶ Does the destination have the potential to be a year-round destination?
- ▶ Is there fundamental awareness about the (possible) positive impacts of tourism?
- ▶ Is there a good climate of cooperation in the destination?
- ▶ Is it realistic to generate at least a medium-term budget that is big enough to market the destination in the international market?
- ▶ Is it realistic to generate at least a medium-term budget that will finance enough personnel for the wide range of tasks?
- ▶ Are there any organizations (e.g. the municipality or an NGO) that can support or jump-start the development?
- ▶ Is there a national tourism authority that can effectively support activities at the destination level to ensure an efficient distribution of tasks?



TIPS

- ▶ From this step on, it makes sense to involve an external consultant in the process, because every actor involved in the process is part of the system that needs to be changed. In order to achieve broad acceptance, a neutral facilitator is needed.
- ▶ It is important to perform a realistic and objective evaluation of the tourism destination in order to create a tailor-made destination strategy.

Step 3: Establishing a destination strategy


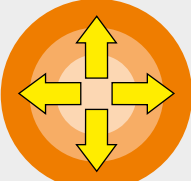
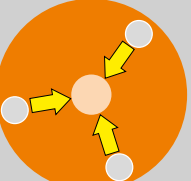


Not all destinations meet the requirements for implementing destination management in the typical form described in this handbook. In particular, young destinations that are just beginning their development will not be able to launch a comprehensive destination management approach right out of the gate. Instead, it is more important for them to develop objectives and gradually use them to build effective structures. However, even

mature tourism destinations often lack the necessary size and facilities to meet the requirements.

Given this background, individual destination strategies need to be derived on the basis of the specific starting situation.

The following basic strategies are available:

Fig. 12: Strategies for creating a destination

	Version 1	Version 2	Version 3	Version 4	Version 5
Situation:	Tourism locations that are competitive destinations	Tourism locations that can become competitive destinations in the medium term	Small tourism locations near (potentially) strong destinations	Small tourism locations near other small tourism locations	Small tourism locations in largely non-tourist areas
Strategy:	Targeted DMO creation 	Gradual DMO creation 	Connecting to the destination 	Combining with other small locations 	Thematic connection with similar locations 

Source: based on Müller 1999.

Version 1: Targeted DMO creation

These locations are primarily mature destinations that have very good conditions in place for developing professional destination management. The process of building a DMO can be advanced in a targeted way. It can then make sense to integrate smaller nearby tourism destinations into the structures.

Version 2: Gradual DMO creation

These locations are destinations with very good development prospects. They have the potential to establish themselves as independent destinations. Here, the structures, processes and financial resources should be gradually developed in the direction of destination management. In order to gain size, it makes sense to integrate smaller nearby tourism destinations into the structures.

Version 3: Connecting to strong destinations

These locations do not have the potential to establish themselves as independent destinations in the international competition. However, they are located near strong destinations. In order to take advantage of effective DMO structures, these locations can connect to the strong destinations and join forces to implement the existing tasks.

Version 4: Combining with other small locations

These locations do not have the potential to establish themselves as independent destinations in the international competition, but they are near other small tourism locations. Together they can form a single destination and create effective structures. Local sub-brands can continue to be positioned in the national context or with specific target groups.

Version 5: Thematic connection with similar locations

These locations do not have the potential to establish themselves as independent destinations in the international competition. Because of their location in largely non-tourist regions, there are no direct cooperation opportunities. However, it is possible to increase the efficiency of destination management through thematic partnerships, for instance on the basis of natural features (e.g. sustainable river tourism) or specific types of vacations (e.g. wellness tourism).

TIPS

- When choosing the right strategy, it is important not to lose sight of feasibility. Building partnerships with other destinations and locations is a complicated process. However, for many locations it is the only way to create effective structures.
- The decision about an effective destination strategy must be made together with the key actors so that it can be implemented successfully.

Step 4: Developing a destination management concept

Regardless of whether the next steps will be taken alone as a strong destination or with others as a small tourism location, this step establishes the main parameters for future destination management and solidifies them in a concept.

In keeping with the motto “structure follows strategy,” planning destination management requires fundamental statements to be made about the destination’s targets, strategies and core businesses. The goal is to create a realistic picture of the future that is supported by a broad base – one that motivates the key actors to participate as active partners. In the next step, the target and strategy system can be used to derive the catalogue of tasks for future destination management and to design an organizational model.

This model establishes who will perform which tasks in the future. All of the tasks can be performed by a DMO, or divided up among various actors (DMO, municipality, province, hotel association, etc.). There are many good reasons to combine tasks centrally within the DMO and to integrate the tourism-related actors into the DMO on a broad basis (see Ch. 4.2). Depending on the starting situation, this might mean further developing an existing tourism organization or establishing a new one.

The concept should include the following content and must be approved and/or decided by the key actors.

Content of the destination management concept:

➔ Goals and strategies

- What is our shared vision?
- What are our fundamental values and principles for tourism-related development?
- What do we want to achieve overall?
- How will our destination be positioned on the market?
- What core businesses do we want to focus on developing for certain target groups?

➔ Organizational model

- Who will perform which tasks in the destination?
- How is the DMO institutionalized (legal form, sponsorship)?
- Who must be involved in the DMO as a member or shareholder?

➔ Funding needs

- What approximate funding needs are expected?

TIPS

- Especially during the goal and strategy development phase, as many stakeholders as possible should be integrated so that the results can guide many different actors.

- It is recommended that various organizational alternatives be developed and compared based on defined criteria (see the criteria in Ch. 4.4). That allows for an objective evaluation of various options and an objectively meaningful decision that is capable of finding consensus.

Step 5: Creating a detailed DMO concept

The previous steps focused on raising awareness about the problem, building trust, and developing goals that can reach consensus. From this point on, the focus is on concrete implementation planning for the DMO. This step, too, requires a concept. The concept needs to answer detail-oriented questions about the future work of the DMO and offers a concrete roadmap for its implementation.

The detailed DMO concept should include the following content and must be approved and/or decided by the key actors. Every aspect of sustainable development must be consistently kept in mind here.

Content of the detailed DMO concept:

➔ Goals

- What are the DMO's goals?
- How are they measured?

➔ Organization

- Org chart
- What are the competences of the DMO?
- How does it collaborate with other institutions?
- Which tasks are delegated?
- Which tasks are handled by the individual organizational units?

➔ Personnel planning

- What positions must be filled?
- What qualifications are needed (job profiles)?

➔ Marketing

- What goals and strategies are pursued by the marketing?
- Which measures are essential and which ones are desirable?

➔ Costs & funding

- What are the funding needs for the various task areas?
- How will the costs be funded?

➔ Milestones

- From the implementation plan up to the operational launch of the DMO (e.g. arranging funding, finding space, personnel search)

TIPS

- In today's dynamic market situation, it is important to be able to make decisions quickly. Therefore, it is recommended that the DMO's competences be clearly established, e.g. in the DMO's policy documents, which will give it the greatest possible freedom in making decisions.
- The goals of the DMO should be defined very realistically. Especially in the first year, the DMO needs success stories in order to gain acceptance from additional partners. The objective should be to quickly integrate the majority of stakeholders into the DMO. In particular, the expectations for marketing and sales should not be too high for the first year, since measurable successes in this area can only be expected later on.

Step 6: Implementing and controlling the DMO

Once the detailed DMO concept has been determined, the **implementation plan** needs to be executed one step at a time. The specific measures here will vary according to the individual starting situation. Important measures include developing the policy documents, attracting members or shareholders, recruiting personnel, and institutionalizing the DMO through its official formation. Other possibilities are implementing legal changes or funding guidelines, looking for and furnishing suitable facilities, and much more. At the end of this phase, the new DMO will begin its work, striving to achieve the defined targets in every area.

Controlling the achievement of targets is an integral part of professional destination management. A practicable controlling system must be easy to implement. At the same time, it should reflect the perspectives of various stakeholders, which will illuminate the DMO's work. Table 4 gives an overview of the most important indicators for measuring the DMO's target achievement from the perspective of various stakeholders.

Tab. 4: Indicators for measuring target achievement from the stakeholder perspective

Stakeholder	Targets	Indicators
Visitors	<ul style="list-style-type: none"> • Improve visitor satisfaction 	<ul style="list-style-type: none"> • Visitor satisfaction
Employees	<ul style="list-style-type: none"> • Improve satisfaction among employees 	<ul style="list-style-type: none"> • Employee satisfaction
Tourism enterprises and local tourism agencies	<ul style="list-style-type: none"> • Increase operational value creation • Increase demand • Increase recognition • Increase customer loyalty • Increase the likelihood of recommendations • Increase the industry's attractiveness as an employer • Extend the season 	<ul style="list-style-type: none"> • Tourist accommodations at capacity • Number of guests • Number of overnight stays • Unsupported/supported prominence of the destination • Intent to return • Likelihood of recommendation • Number of months within which 75 % of overnight stays are concentrated
Politics and administration	<ul style="list-style-type: none"> • Increase regional value creation through tourism • Create a public perception of tourism as a positive factor 	<ul style="list-style-type: none"> • Gross value creation • Number of people working in the tourism sector • Number of press articles in the regional press
Residents	<ul style="list-style-type: none"> • Increase satisfaction of the local population • Raise awareness about positive effects of tourism 	<ul style="list-style-type: none"> • Satisfaction • Relationship between tourists and residents (tourism intensity) • Awareness of the potential effects of tourism
Associations, esp. environmental protection associations	<ul style="list-style-type: none"> • Minimize the ecological and sociocultural burdens caused by tourism 	<ul style="list-style-type: none"> • Tourists' choice of transportation • Number of enterprises with environmental guidelines • Length of tourist visits



Successfully completing the process of creating a DMO provides an important basis that can inspire sustainable development in the destination. It will still take a while before the DMO can work effectively in every area. Sustainable destination management, carried out in close dialogue with all of the stakeholders, takes time. Ultimately, it is an ongoing process that forces the actors to face new challenges again and again. However, effective and flexible DMO structures can help them cope.

TIPS

- In many DECAs, reliable statistical data is often not available. As a result, the DMO must focus on the indicators that it can measure with the least amount of trouble. For the most part, these indicators can be measured using surveys (of visitors, employees, or the local population), which the DMO should be conducting regularly in any case.
- At the same time, development of a controlling system should be initiated at the national level. This can be used as a uniform system for all of the destinations in the country, which benefit from comparative data regarding all of the participants.

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ABBREVIATIONS

BMZ	Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung (Federal Ministry for Economic Cooperation and Development)
CBT	community-based tourism
DC	development cooperation
DEC	developing or emerging country
DMO	destination management organization
FTE	full-time equivalent
NGO	nongovernmental organization
OTA	online travel agency
PPP	public-private partnership
SDG	sustainable development goals
SME	small and medium-sized enterprises
UNWTO	world tourism organization



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