DESTINATION GOVERNANCE / MANAGEMENT
AN OVERVIEW

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SEMINAR:
EFFECTIVE GOVERNANCE IN TOURISM DESTINATION DEVELOPMENT
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BACKGROUND AND FRAMEWORK for Destination/Governance Management

- Economic globalization is highly beneficial to the tourism industry,
- Changing patterns of production and consumption,
- Increased professionalism,
- Critical external factors with significant impact on destinations, demand and supply (e.g. environmental issues, economic crisis etc.),
- Greater competition, emergence of new destinations, rapid and affordable modes of transport, new marketing strategies and tools,
- Innovation in product development and effective use of IT,
- A new approach to destination quality performance,
- Decentralized tourism governance; a move from administration to managerialism with further engagement of the local community and stakeholders,
- Clear operational structures and processes for good governance,
- A new conceptual framework for competitiveness.
Sustainable tourism can be a key driver for economic and social development as long as it is delivered by **effective structures** and through **effective strategies**, bringing together the resources of all the relevant partners: public, private and voluntary. The process of decision making + the process of implementation: **governance**

- There is a climate of change in terms of wider political, economic and environmental situation and in the tourism marketplace,
- This creates a challenging situation for destinations and the tourism business in them,
- If you are pursuing the same strategy with the same structure you had five years ago, it is likely that, at best, you will be missing opportunities; at worst, undermining the future of your tourism industry.
- Tourism being an extremely competitive industry requires a coordinated management approach, based on a collective vision and strong partnership.
- **SO, ANTICIPATE CHANGE, BE STRATEGIC AND BUILD SYNERGIES**
THE ROLE OF THE NATIONAL GOVERNMENT

- Establish a safe and stable environment for tourism to flourish,
- Facilitate and provide appropriate incentives for private sector investment in tourism,
- Establish and facilitate the legal and fiscal framework for the industry,
- Ensure the safety and security of residents and visitors,
- Promote tourism as a national priority,
- Planning and policy-making.

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In the changing political and economic climate, the role of the government in tourism has undergone a dramatic shift from a traditional public administration model to a corporatist model which emphasises efficiency, investment returns, the role of the market and the relations with the stakeholders.
TOURISM DESTINATION

• The fundamental unit, on which all the many complex dimensions of tourism are based,

• The focal point in the development and delivery of tourism products and the implementation of tourism policy,

• The basic unit of analysis in tourism,

• Offers a broad range of products, experiences and services under the destination brand,

• Cluster: co-location of activities (products and services) that are linked horizontally, vertically or diagonally along the value-chain and served by public and private sector,

• Physical, but also intangible (image, identity, personality).
DESTINATION MANAGEMENT
takes a strategic approach to link up these entities in a co-ordinated manner towards a common goal: Competitiveness

- Core resources and attractions: (natural, built, cultural)
- Public and private amenities
- Accessibility
- Human resources
- Image and character
- Price

Basic elements:
To attract visitors,
To provide unique visitor experience
COMPETITIVENESS

• Competitiveness is the key word for any destination manager.

• It is a relative and multi-dimensional concept.

• The notion of competitiveness should be consistent with the international economics and international business literature.

• Includes objectively measured variables: no. of visitors, market share, tourist expenditure, employment, value added by the tourism industry, etc.

• Includes subjective variables: culture and heritage, quality, etc.

• Competitiveness is linked to the ability of a destination to deliver goods and services that perform better than other destinations on the aspects of tourism experience.

• It is also the ability to maintain its market position and share relative to competitors.
DESTINATION MANAGEMENT and COMPETITIVENESS

COMPARATIVE ADVANTAGES

Natural and/or man made resources available in the destination:

- Physical resources
- Historical and cultural resources
- Capital resources, economies of scale
- Technology and knowledge resources
- Size of the local economy
- Infrastructure and superstructure
- Human resources etc.

COMPETITIVE ADVANTAGES

Ability of the destination to use or mobilize these resources over the long term.

A competitive destination is the one that combines the comparative supply, able to meet the visitor’s expectations, with a positive/responsible contribution to its tourism development and the well-being of their residents.
PARAMETERS FOR COMPETITIVENESS

- A DESTINATION WITH DIVERSIFIED AND ABUNDANT RESOURCES MAY NOT BE COMPETITIVE AS ANOTHER DESTINATION, WHICH HAS RELATIVELY LIMITED RESOURCES BUT HAS THE ABILITY TO EFFECTIVELY USE AND ENHANCE THESE RESOURCES, STRENGTHEN THEIR QUALITY AND EFFECTIVENESS AND BEST ADAPT TO SITUATIONAL CONDITIONS !!!!!

- COMPETITIVENESS IS A TOOL, NOT AN OBJECTIVE !!!

- COMPETITIVENESS IS NO GUARANTEE FOR SUCCESS !!

- THE SUCCESS OF A DESTINATION IS ASSESSED THROUGH THE DEGREE OF BALANCE OR OPTIMIZATION OF ECONOMIC, SOCIAL, CULTURAL, ENVIRONMENTAL AND POLITICAL DETERMINANTS!
A recent conceptualization of the organization function for destination management: (M) means total management rather than simply marketing.

DMO is highly representative of the tourist industry and involves public and private stakeholders operating in a partnership model both in terms of representation and funding.

OPTIONS FOR DM / GOVERNANCE:

- Single public authority,
- Partnership of public authorities, serviced by partners,
- Public authority(ies) outsourcing delivery to private companies,
- Public-private partnership for certain functions, often in the form of a non-profit making company
- Association or company funded purely by a private sector partnership, etc.
STAKEHOLDERS

- National and regional / provincial government,
- Economic development agencies,
- Local authorities / government,
- City centre management organizations,
- Institutions representing commercial activities (e.g. chambers of commerce)
- Convention bureaus,
- National Park authorities,
- Transport providers,
- Attractions, events and cultural stakeholders,
- Accommodation providers,
- Restaurant, leisure and retail operators,
- Intermediaries (tour operators, travel agencies),
- Local tourism consortia and partnerships,
- Skill development institutions,
- etc.
STRENGTHS AND WEAKNESSES IN TOURISM GOVERNANCE

**PUBLIC SECTOR/ STRENGTHS**
- Long-term strategic planning,
- Destination awareness,
- Public administration,
- SMME Support,
- Quality assurance.

**PRIVATE SECTOR/ STRENGTHS**
- Short-term tactic approach,
- Marketing and sales approach,
- Customers Relationship Management,
- Market opportunity awareness,
- Fast decision-making.
- Business approach
STRENGTHS AND WEAKNESSES IN TOURISM GOVERNANCE

**PUBLIC SECTOR / WEAKNESSES**
- Lack of interest in new business and innovation,
- Weak in generating commercial income,
- Reluctancy to take risks,
- Tolerates bad results,
- Slow decision making,
- Lack of confidence in the private sector and profit motive

**PRIVATE SECTOR / WEAKNESSES**
- Lack of concern for the general public,
- Limited interest for long-term planning,
- Limited/inadequate resources,
- Lack of confidence in the public sector/conflictive interests.
LINK BETWEEN THE SUCCESS OF A DESTINATION
AND DMO:

EFFECTIVE MODEL AND STRUCTURE
( flexible structure, and PPPs)

VISION AND LEADERSHIP
A direction for development, shared ambition of stakeholders

STRATEGIC PLANNING
broad steps to deliver on the vision
DESTINATION VALUE CHAIN

MARKET

SUSTAINABLE DEVELOPMENT POLICY

Product development and product packaging

Promotion and marketing

Distribution and sales

Destination operations and services

Feedback and follow up: industry and the customer

Destination planning, infrastructure and human resources
1) SITUATION ASSESSMENT: (Where are we now?) regarding the tourism competitiveness of the destination, including:

- A macro environmental appraisal, including political, economic, social and technological opportunities and threats;
- A market analysis and assessment, including the destination’s market share and performance, market trends and customer profiles;
- An audit and assessment of tourism resources and services including tourism attractions, services, routes and nodes,
- An assessment of supportive infrastructure and services in the tourism value chain,
- An analysis and assessment of the industry structure and rivalry including benchmarking and comparison with current and future competitors, synergies with other destinations, relationship with the travel trade channel and the nature and extent of local institutional collaboration-governance.
2) A STRATEGIC FRAMEWORK: (where would we like to be?)
- A tourism vision, growth objectives and targets, core goals in pursuit of the vision,
- Key strategies to achieve these goals,
- A distinctive positioning and branding strategy to differentiate the destination from competitor destinations,
- A target market strategy to identify and profile the most appropriate and lucrative market segments. Their profiles and preferences,
- A suitable product portfolio to match target markets,
- An assessment of critical success factors and destination capabilities required in support of the positioning strategy and target markets,

3) AN INTEGRATED, MULTI-YEAR IMPLEMENTATION PLAN: (how do we get there?)
With specific programmes, projects, budget indicators, monitoring mechanisms to implement the strategic framework including:
- A tourism development programme and implementation plan: relating to: land use, spatial nodes and routes, critical infrastructure, tourism information systems, new product development and packaging, investment promotion, human resource development, SME development, support infrastructure and services, safety and security, etc.
- A tourism marketing programme and implementation plan that supports the brand and focuses on attracting target markets, i.e. product packaging, distribution channels and promotional activities.
4) INSTITUTIONAL AND PERFORMANCE MANAGEMENT ARRANGEMENTS / governance:

A suitable organizational system for the future management and execution of tourism in the destination that:

- is based on the findings, the strategy and the implementation plan;
- complements other initiatives and structures (e.g. national, regional/provincial tourism institutional policies and frameworks,
- is based on public-private partnerships,
- includes monitoring and evaluation mechanisms to measure and evaluate strategic performance,
KEYS FOR SUCCESS

1) Vision and leadership for a sustainable and competitive tourism,
2) Knowledge and understanding of the needs of our target markets and the “new tourist”,
3) Ensuring destination quality performance,
4) Positioning and differentiating our destination and “image management”,
5) Improvement of collecting reliable data and competent analysis of the data,
6) Improvement of the competitiveness of the destination, providing “through the chain”, positive visitor experience,
7) Product innovation and management,
8) Capitalizing on the opportunities provided by new technologies,
9) Greater professionalism in service levels and overall HR management,
10) Synergy between all the stakeholders in creating the destination vision,
11) Public-private sector partnership in the key areas of management and marketing,
12) Continuously adapting to the dynamically changing macro, competitive and market environments.