

Destination management: how to measure excellence?

Requested comment

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Summary: Among the basic factors to be thought over for the definition of a local tourist destination, the definition of the territory constitutes one of the most accurate difficulty and is depending of the typology of the concerned destination. In most of cases, the better limits will be those of municipalities or a sum of municipalities (urban, mountain and seashore destinations) but the problem remain for other kind of destinations like rural discovery or adventure destinations. In those cases, the territory of the destination is more defined by the image of the destination discerned by the customer, i.e. the tourists themselves. Concerning the level of data collect and analysis, it's necessary to take into account of data collected and analysed outside of the destination and specially at the regional and national level and this constraint a very important work of needs of standardization and homogenisation of data, definitions and methodologies.

In a second part, the paper deals with the elaboration of a System for Measuring Excellence in Destinations.

His objectives are founded on a definition of his future users, including the DMO themselves, and his targeted uses as a tool for diagnostic, progress, management, market positioning, benchmarking and communication.

The system is based on four fundamental principles:

- The notion of destination, including the definition of the territory, the typologies of destinations and the eleven categories of facts and criteria to be evaluated.
- The notion of excellence which needs to distinguish a short term point of view (ability for fulfilling tourist expectations and the immediate satisfaction of customers) and a long term point of view (ability to assure an equitable sharing of the value created by tourism, to preserve resources and to comply with ethical principles recognized by international law and to guarantee the respect of others)
- The notion of measurement which adopts a grading system based on rating sets of criteria and throw out binary systems like certification, labelling, branding or classification.
- The notion of system guarantying standardized audits, public and published methodologies, final report after trial, expert's code of ethics and a procedure guarantying independence and objectivity.

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PART 1: COMMENTS ON THE CENTRAL PAPER

About the basic factors to be thought over for the definition of a local tourist destination

The paper quotes five main factors defining a local tourist destination

- Resources, actors, activities
- Territory
- Observation and analytical unit
- Capacity of attraction
- Relevance of the tourism consumption for the overall economic

About the territory

The territory as a municipality or a sum of municipalities is a good scale to define a tourist destination in a large number of cases. It fits indeed for most urban, mountain, and seashore destinations. It's less relevant for other types of destinations like rural, discovering or adventure destinations which territory spreads on large spaces often covering a great number of administrative boundaries and involving several local authorities. In those cases, the territory of the destination is more defined by the image of the destination discerned by the customer, i.e. the tourists themselves, knowing that this image depends itself of the typologies of tourists.

About the observation and analytical unit

It's certainly to be hope that a destination manager could dispose of an observation and analytical unit. Nevertheless, it's not unquestionable that this kind of factor should be absolutely necessary to define a tourist destination. This point constitute precisely a key difficulty to set up an operational data system for destinations since, in most cases, they are confronted with a large diversity of data, sources, analysis, definitions and methodologies.

About the information needs for destination management

Concerning the level of data collect and analysis, it's important to emphasize the fact that it's absolutely impossible to limit them to the one territory of the relevant destination. An efficient destination management requires indeed:

- the availability of a large number of data categories extracted at a regional and national level (e.g. air, rail and road traffic and infrastructure, quality of service benchmarking data...)
- at these three levels, the data crossing, their gauging and weighting as well as a continuous work of standardization and homogenisation of data, definitions and methodologies.

About the Italian experience

The save of means constitute one of the most important constraint to build up and to implement a data and monitoring system, specially for small or medium size tourist destinations. In this way it could be interesting to know the average cost of the design of the described model as well as his maintenance cost.

PART 2: OBJECTIVES AND BASIC PRINCIPLES FOR A SYSTEM FOR MEASURING EXCELLENCE IN DESTINATIONS

The present part deals with my own experience resulting from my contribution to the design of some systems dedicated to measure excellence and, among them,:

- the french legislation on the “stations de tourisme” and the rules concerning the accommodation standards.
- the french “plan Qualité” for the tourist accommodations and activities
- the System for Measuring Excellence in Destinations (SMED), a project launched by the UNWTO and the Center of Excellence for Destinations (CED), based in Montreal (Canada).

Objectives

In a first place we needed to answer a basic question: what are the objectives of the system? Then to main kind of objectives appeared: who will be the recipients of an objective, professional and transparent system of evaluation and for what purpose will it be used?

Users

As tool for evaluating world-class tourist destinations, the system is likely to address a broad range of recipients. The first of them will obviously be the partners of the evaluation.

Those could be:

- Towns, their tourism office, their promotion arm, or any local organization exercising governance power over tourist activities in the destination;
- In countries where tourism management is not much decentralized, customers could be other administrators responsible for the development or the organization of tourism activities whether at the regional/provincial or national/federal level

After the partners, the direct recipients, that is local, public or private operators, whose activity contributes to the development and excellence of the destination.

Those include operators offering transportation, lodging, food, space management, and/or activity organization services that are proposed to tourists.

These operators have a direct interest in the measurement of excellence, and will be interested parties in the process.

The third group of recipients will be the indirect recipients, that is:

- Tourists in general and, specifically, customers of the destination being evaluated.
- Professional organizations from the tourism industry will benefit, either specifically at the local level or, more generally, at the regional/provincial or national/federal level.

- Governments and regional/provincial authorities, who will benefit from information and insight provided by the system, to provide guidance and to improve their standards and tourism policies.
- UNWTO and all other international organizations concerned by tourism development. They, like national/federal governments, will benefit from exploiting statistical series and qualitative findings from the system and from the evaluation tool.
- Not to forget various other recipients like universities, training and research centers, investors, medias, travel agencies, tour operators and the local population.

Uses

On the point of the foreseen uses, the palette is broad, as the uses of such a tool can be numerous:

- **Diagnostic tool**

The system first constitutes a diagnostic tool allowing persons responsible for destinations, as well as tourist industry, to obtain the most complete and most accurate portrait possible of a tourist destination at a given point in time. Renewed at regular intervals, this portrait constitutes, additionally, a powerful instrument of observation of the evolution of a destination, whether planned (measuring the impact of improvement strategies) or observed (measuring exogenous phenomena).

- **Tool for progress**

The evaluation will highlight the strong and weak points of the destination being examined. Exhaustive knowledge of weak points is clearly an important tool for improvement.

- **Tool for management**

Finally, by offering a complete and objective look at a destination, the system provides an opportunity for revitalizing the destination's management and governance, while uniting stakeholders and mobilizing the different operators likely to participate in its development. This revitalization of management can take place as early as when a request for evaluation is formulated, while preparing for an audit, when the audit is conducted, or at the time of debriefing.

- **Tool for market positioning**

Having a global vision of the destination, of its strong and weak points, of its comparison with other destinations, of its evolution over time using a unique measurement instrument, persons and organizations responsible for destinations will have an essential tool in hand to refine the destination's definition or to redefine its market positioning.

- **Tool for benchmarking**

The existence of a unique worldwide reference framework, even if it comes with optional approaches presents the interest, for every destination, of being able to compare itself to other destinations.

- **Tool for communication**

Conversely, highlighting strong points will constitute a tool for communicating with the destination's customers.

Fundamental principles

The notion of destination

The notion of destination depends of a large rank of criteria like the geographical distance separating a tourist's country of residence from the destination, the socio-cultural level of the tourist and the seniority of the opening to tourism and the reputation of the destination. Consequently, if the system is to bring a better visibility and a better transparency in the choice of destinations, we certainly have interest in taking the term "destination" in its most geographically restricted sense.

Moreover, the system should avoid evaluating a territory whose size would be too vast to present sufficient guarantees of homogeneity and relevance.

The ideal, in this respect, would be that the destination to be evaluated is limited to a city, a town, a station, under a local authority.

From the moment the perimeter widens, the evaluation has to be concerned with heterogeneous situations that, moreover, report to various governances. Perimeters of the local type will probably be most frequent when dealing with destinations for urban tourism, winter sports resorts, or coastal tourism stations. But when we are dealing with destinations for nature tourism, rural tourism, adventure or discovery tourism, perimeters will be probably wider and more difficult to define. It will be necessary to look for those perimeters that present the best guarantees for homogeneity, uniqueness of governance (or a network of governances sufficiently tight and coordinated), economic relevance and availability of data.

Typology of destinations

On this point also, the spectrum is broad including, for example, the dominant activity or activities, the sociological composition of the customers groups, the level of customer income, the geographic origin of tourists or the average length of stay... One knows the impact that these different typologies can have on infrastructures, transportation services, lodging facilities, space management, the behaviour of professionals and the local population, or the organization of facilities and tourist activities. Facing the diversity of these typologies, it is tempting to divide the system into multiple "optional sub-chapters". Such an approach has the advantage of best adapting the system to every particular case. It presents two disadvantages, however:

- the extreme diversity of situations will lead to developing a very complex system, the design and management of which will certainly lead to very long and probably insoluble debates;
- this complexity will be amplified by the evolution of tourist services, so that, by sticking too closely to particular situations, the system would consistently be out of phase with market evolution.

Consequently, it seems better to build a tool that is sufficiently robust and generalized to measure quite varied situations, within a framework that is at the same time the most unified and most flexible possible and taking into account only the geographical situation

It is often useful to identify:

- urban destinations;
- coastal destinations;
- destinations for winter sport;
- rural, nature, and discovery destinations

This proposal, however, may be balanced with the following reservations:

- it will probably be necessary to take into account the specific problems related to business tourism, due to, on the one hand, the specificity of the facilities and the significant investments needed for this type of activity, and, on the other hand, its economic importance and the level of world competition in this sector;
- the objective of tending toward a framework that as unified as will not prevent the evaluation report from bringing, in its written form, nuances and peculiarities of the destination being evaluated;
- it will not be possible to observe the uniqueness of the grading framework when evaluating tourist activities that are too numerous and diverse to be able to be evaluated in all destinations. The solution could consist of retaining, for each destination, two or three activities considered as major for the related destination, and two or three activities considered as minor. Each will then be able to be evaluated with a single and general framework but with specific calibration of criteria.

Categories of evaluation

From the moment the previous point is decided, the perimeters of the field submitted to evaluation remains to be defined.

It is proposed that the evaluations would be about four essential fields and eleven categories of excellence:

Destination sustainability:

- environment
- urban planning
- heritage

Organisation:

- DMO governance
- marketing and sales
- information and welcome
- security

Activities:

- major activities of the destination among cultural, sport and physical activities, education, religion, entertainment, nature discovery, well being, shopping, MICE

Services:

- transport (access as well as internal networks)
- accommodation
- food and beverage
- supporting services

Whatever choice is made regarding evaluation methods, it will be necessary to distinguish, for every destination, groups of criteria that are sufficiently coherent to be aggregated without causing excessive methodological difficulties or problems of legitimacy.

To achieve this, the groups of criteria must be sufficiently close and homogeneous to permit their aggregation in a given category. Moreover, the different categories will, as much as possible, be constituted to allow accountability for the various actors in the destination, such carriers, the local authorities, an activity manager, etc. This point is important because it allows the implementation of progress strategies following an evaluation.

The notion of excellence

Such a tool of measurement requires a definition of the viewpoint from which excellence will be measured.

It is proposed that the system finds its value—and therefore the criteria that it will use—on two fundamental viewpoints:

- The first consists of taking stock of a destination based on its capability for fulfilling tourist expectations. This point is especially important, insofar as the immediate satisfaction of customers, or rather the capacity to satisfy needs in the short term, constitutes an essential economic objective for a destination, and a condition for its immediate development.
- The second viewpoint complements the first by adding a longer term perspective, taking in account objectives of sustainable tourism, which means the ability to satisfy needs over the long term. “Objectives for sustainable tourism” means a capacity to:
 - assure an equitable sharing of the value created by tourism;
 - preserve resources;
 - comply with ethical principles recognized by international law and to guarantee the respect of others.

The notion of measurement

Principles of rating

Among the multitude of systems for defining the quality of a product or a service, there are two main families of methodologies:

- Systems that select products or services that meet defined standards. This is, schematically, the case in labelling, branding, accreditation, classification, or certification systems. While they have the advantage of legibility, these systems present serious disadvantages when applied to tourist destinations, and inevitably generate insoluble threshold effects, with disputes and litigations, and the resulting frustrations and dissatisfactions. Even more so, by relying on standards that are applied worldwide when the strong cultural constraints that characterize tourism are well-known, the system would be confronted to permanent disputes likely to undermine its legitimacy. It is therefore proposed to avoid this type of system.
- Grading systems, of which the best example is the rating used in the sector of financial services. Their objective is not about selecting, nor classifying, nor making a normative judgment but, more pragmatically, to measure a state, a situation, a service, while following the most neutral and most objective possible scale of grading, just as a thermometer measures temperature objectively.

Finally, a decision must be made as to whether the system should assign a single global grade or separate grades for the different categories, while aggregating only what can effectively be grouped together. As mentioned above, excellence in a tourist destination results from set of services and highly complex criteria. It would consequently be hazardous to reduce this complexity to grade that, through a system of aggregation of weighted “sub-grades”, would pretend to give a faithful and objective picture of a destination. Moreover, the method for aggregating heterogeneous criteria (for example, how to aggregate the quality of local transportation services with the quality of lodging, the durability of services or the level of safety) would inevitably have the effect of proposing a reductive and uselessly homogeneous model of a destination, while the wealth of tourist activities resides precisely in their diversity. It is therefore proposed to grade a destination not with a global mark or grade, but to use families of criteria (“categories”). These groupings, within a given domain, should be sufficiently homogeneous to permit some weighted aggregations while avoiding too strong distortions. Such a device presents, additionally, the advantage of:

- allowing a destination to really see its weak points recognized (and improve them) as well as its strong points (and eventually communicate them);
- avoiding the constitution of a world ranking of destinations that would have absolutely no sense and would inevitably be contested
- permitting, within every section, the development of a weighted aggregation system which, because of the relative homogeneity of criteria, would be sufficiently strong and credible.

The criteria should be measurable in a simple and rapid manner, with little expense and a high incontestability. Their measurement can result from, among other sources:

- published statistics from international organizations, such as those of UNWTO, ICAO, IATA, WHO, ILO, UNPE, or other regional organizations;
- duly established national statistics;
- written declarations by candidate destinations, inasmuch as they can be verified either from documents or on site;
- in some cases, it may be necessary to resort to opinion polling, survey from travellers or studies to measure certain criteria.

Methods of calculation and standardization

Some criteria will be measurable in a simple binary way, choosing between “existence/non-existence”.

Other criteria should be the object of a graduated evaluation, which should be calibrated consequently. The intervention of a group of experts with a statistician profile should be considered to perform this work.

Evaluating criteria

For their aggregation within a same domain, criteria should be evaluated using a factor analysis method, either (or in combination with) data from pre-existing studies (market studies, satisfaction studies, etc.).

Use and publication of results

Destinations wishing to have an evaluation likely to aid their progress, could dread the publicity resulting from a disappointing grade. In order to address their concerns, the evaluation body should commit to abstaining from all publication of results and to keeping confidential the evaluation of a given destination.

The destinations evaluated can, however:

- either give all publicity that they judge useful to the grade they received. This communication should be made, however, in concert with the CED, in order to comply with minimal ethical rules, which must be defined;
- or ask the evaluation body to communicate their grade. Such a communication should be about the evaluation as a whole.

For its part, the evaluation body should maintain the right to make public the statistical data on evaluations, provided these data would not allow the grades given to identify a specific destination.

The notion of system

Tasks and structures

Considering the high stakes that represent the development of the system as well as the individual evaluation of candidate destinations, it seems necessary to clearly identify the following:

- The development and the revision of the system, which are the responsibility of the evaluation body and its members. These tasks could be entrusted to a scientific committee (in which could seat some representatives of destinations) which, under the authority of the board of directors, could make all useful proposals on the subject.
- To stand the test of time, the repository must present guarantees of a capacity for evolution that allows it to keep close to the evolution of practices and markets
- The evaluation of a destination or, more precisely, the validation of audits, debates in view of facilitating the achievement of objectives, and the definitive validation of the evaluation must, to maintain credibility, be safeguarded from all external interference. These tasks should therefore be the responsibility of a Validation Committee whose independence of judgment would be guaranteed and of which members, named for a mandate of a determined period, would be independent from the management of the evaluation body. Its composition should present guarantees regarding geographical and professional diversity.

Audits

The Evaluation Committee should be responsible for designating auditors assigned to proceed to the audit preceding the evaluation. This audit must include a documentary phase (based on the study of documents) and a physical phase (based on a site visit). The audit

team should comprise a main auditor, charged with coordinating the audit, organizing its phases and practical methods, and presenting the report to the Evaluation Committee and one or some specialized auditor(s).

Validation procedure

As in all evaluation procedures, a cross-examination phase should be planned. After a first exam by the Validation Committee, the audit report should be submitted to observations by the destination; these observations will in turn be the object of a findings-based reply by the auditors. Only then can the Validation Committee pronounce itself definitely, using findings-based decisions. This pronouncement may be followed by debriefing sessions.