

- 1. What is a destination**
- 2. What is a Destination Management Organization (DMO)**
- 3. The boundaries of DMOs**
- 4. The function and structure of destinations and DMOs**
- 5. The strategy process of a DMO**
- 6. The marketing work**
- 7. The sustainability aspect**

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Introduction of the Lecturer

Prof. Urs Wagenseil, Divisional Head of the Department "Tourism", Institute of Tourism, Lucerne University of Applied Sciences and Arts

Since 2005, Urs Wagenseil has been Head of Tourism at the Institute of Tourism at the Lucerne University of Applied Sciences and Arts. From 1999 until 2005 he was CEO of the Destination Management Company Lenzerheide Tourism, Grison, Switzerland. He also gained experience as Manager Corporate Sales Solutions (Diners Club Switzerland), as Manager Touroperating (Wettstein Travel, Switzerland) and as Project Manager and Head of Department at Kuoni Travel Ltd, Head Office, Switzerland.



Urs Wagenseil holds a Masters degree from the University Basle, as well as a Bachelors degree of Business Administration.



Summary of visit and discussions with local experts (Predeal, October 2008)

7 Theses

1. There are many national regulations / laws in Romania that influence the structure (and herewith the development) of the tourism organisations / information centres. It seems that these regulations do not support the possibilities for the needed changes.

The dependence from the legislations is very (too) strong, it seems to be quite impossible to build up new structures that allow them to act in the international tourism competition; e.g. it should be possible for the tourist information centres to build up public private partnerships or even profit oriented companies.

2. The tourist information centres were influenced and funded by the local authorities mainly; the tourism industry is nearly not involved.
3. There seem to exist many associations (may be too many) in the tourism sector all over Romania, but it seems not clear, what their output is. The existing tourist offices don't see a benefit from them for their own work.
4. The tourist offices itself are not connected with each other. So far there is no cooperation among them. There is no association so far that acts for their benefit.

5. A huge problem is the lack of cooperation within all the towns. The tourist offices do not have strong links and partnerships with the local private businesses (hotels, transport companies, restaurants a. s. o.)! This means, that there is a very bad information exchange within the tourism destinations.

Also there is not enough cooperation for building up new products or product chains or cooperation in the field of marketing! All this influences the efficiency and the results of the work of the tourist offices / institutions and the tourism industry as a whole, very negative.

6. The tourist offices face a huge lack of human resources (number of staff, education of staff) but also operate with very small budgets.

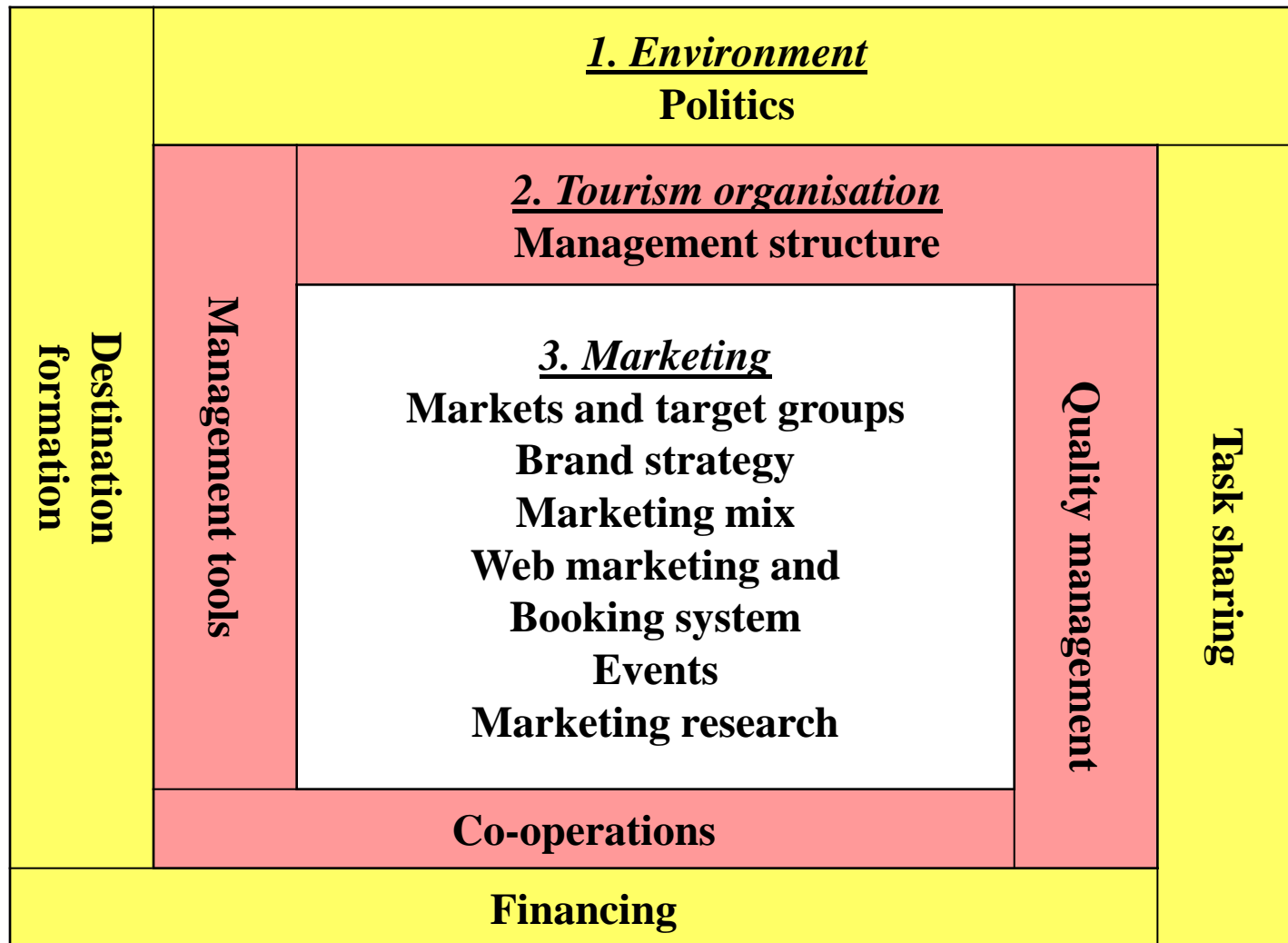
All in all we can state that they only have limited possibilities to inform local guest, but can not act as marketing organisations or act as a Destination Management Organisation with its tasks (planning, marketing, product and quality development / improvement, sales, networking, lobbying a. s. o.). But it has to be made clear that this is not an aspect of a lack of will of the employees; in contrary, they seem to be very much motivated to improve the business, but need to be supported.

7. The working tools of the tourist offices are not professional enough. Main aspects are the missing IT-technology, insufficient Internet presence, no reservations system and no data exchange within the towns or over the borders of the towns within one region or within Romania.

Recommendations 1-10 from an external view

- 1. there is a high importance to create regional and local Destination Management Organisations (DMO) to improve the tourism performance and output.**
- 2. to change some legal aspects and to build up competitive structures for the touristy institutions.**
- 3. there must be a much more intensive dialogue between the players of the tourism industry to have a common route and strategy**
- 4. to write down such a local and regional tourism strategy**
- 5. the quality of the services needs to be improved**
- 6. the performance of the touristy websites needs to be improved**
- 7. to intensify the education of the tourist staff**
- 8. the marketing work needs to be professionalised**
- 9. national research and collecting data needs to support regional and local efforts**
- 10. to modernise / to update the tourism infrastructure.**

Areas of action



Directory 1

1. Tourist Destinations and the System of Tourism
2. Characteristics of the Tourism Product
3. Definition of Destination
4. Basic Elements of the Tourist Destination
5. Destination Management Organisation / DMO

Destination

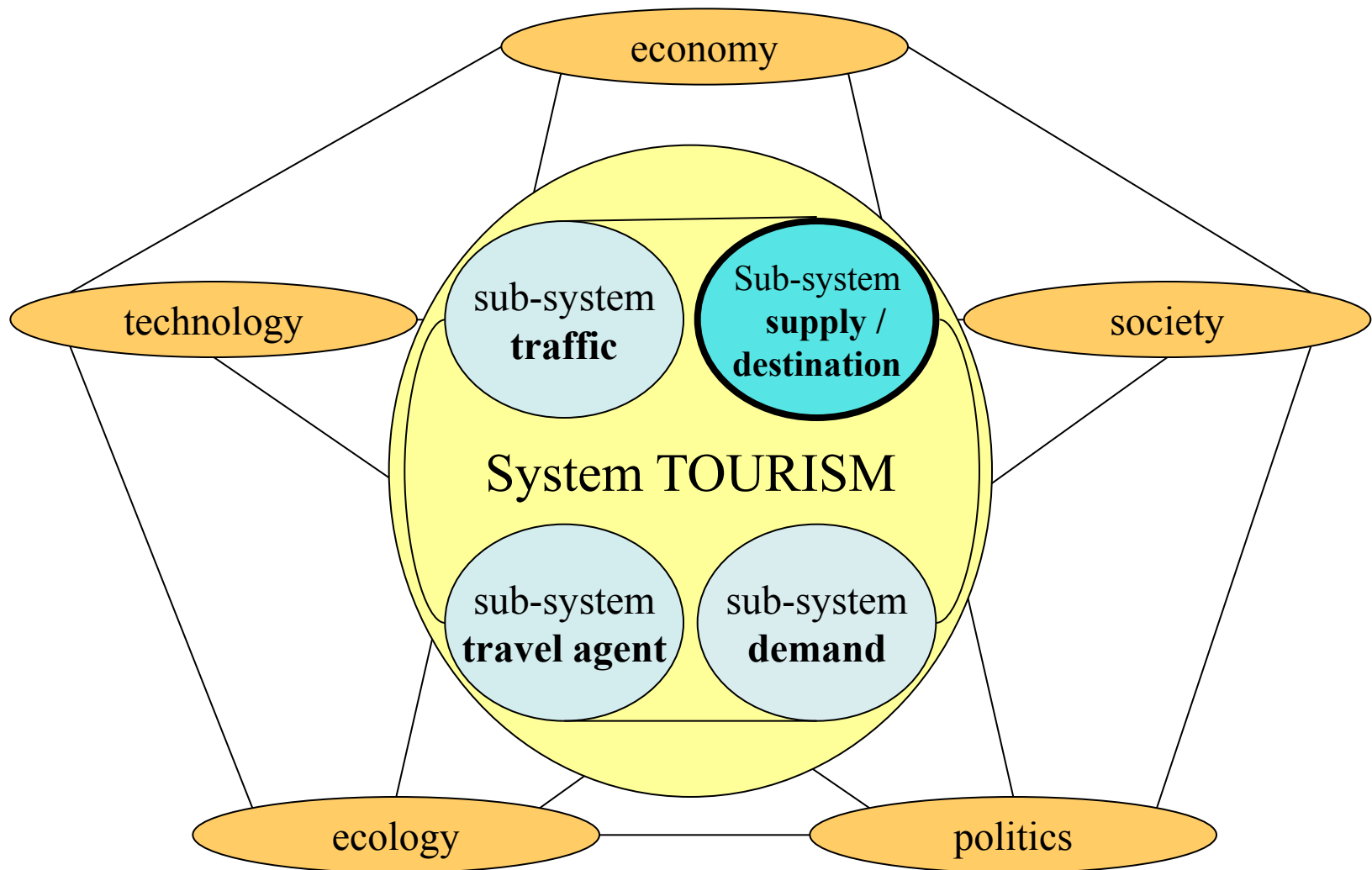
...is a geographical area (place, region, country) which is chosen by the guest (or a guest segment) as travel destination. It contains all the facilities necessary for a stay, inclusive of accommodation, catering and entertainment/activities. Therefore, it is the competitive unit of the «Incoming Tourism» which must be managed as a strategic business unit.

(Bieger, 2005)

...is an area which is separately identified and promoted to tourists as a place to visit and within which the tourism product is co-ordinated by one or more identifiable authority/ies or organisation/s.

(European Commission, 2000)

The System of Tourism



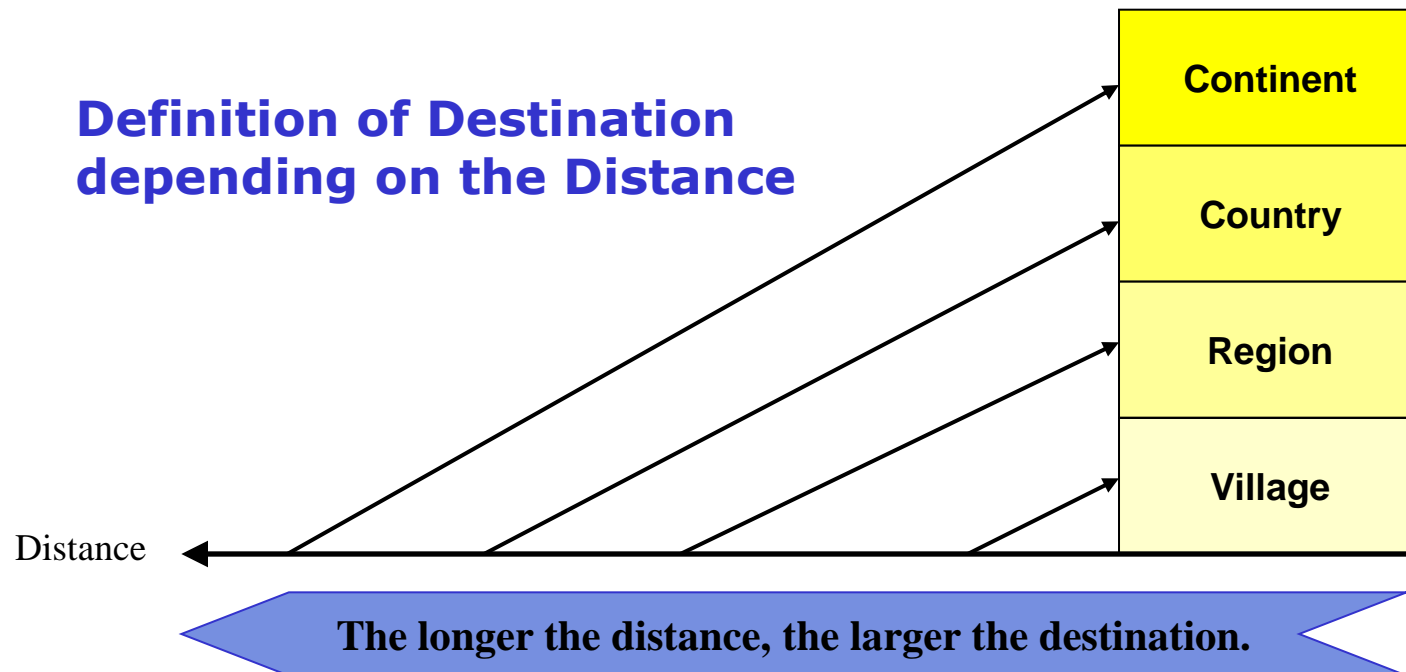
Characteristics of the Tourism Product

- bundle of services
- complementary service providers (e.g. accommodation and catering)
- primary elements of supply (e.g. weather, snow condition, hospitality)
- spatial und temporal concentration
- relative lack of knowledge among tourists about the quality of the tourism product
- principle of residency (tourist has to travel to the destination to consume the product)
- synchronism (creation of tourism product simultaneous to its consumption)
- Non materiality (abstractness of its character)

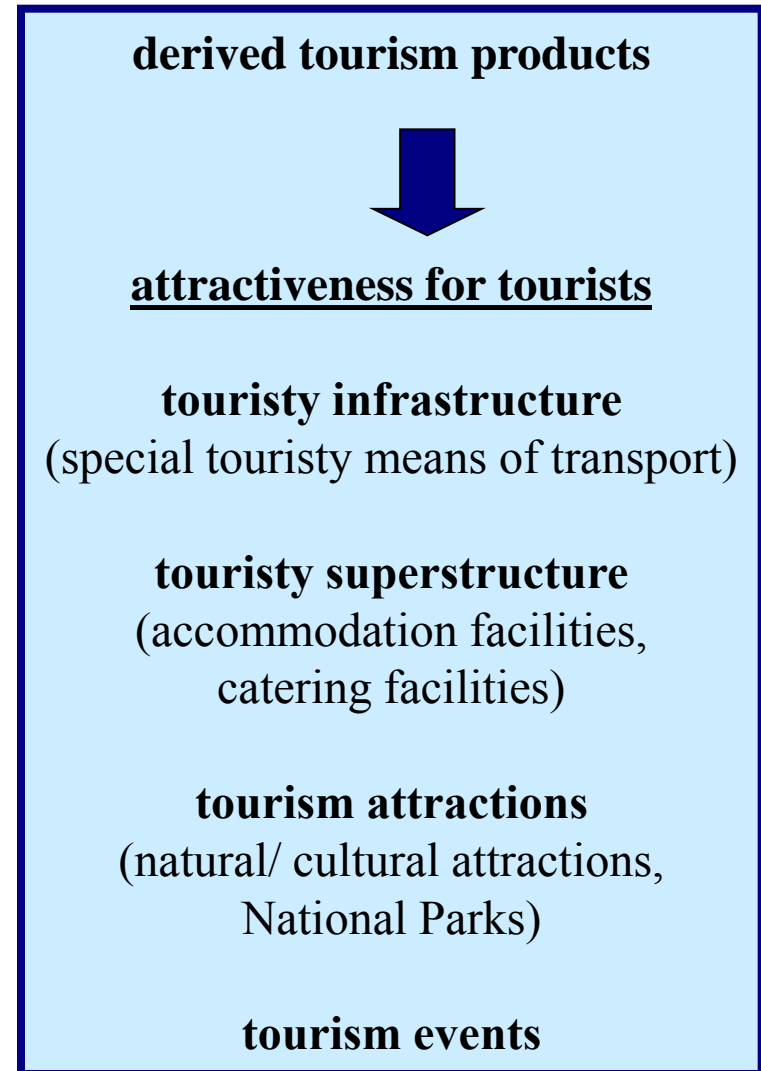
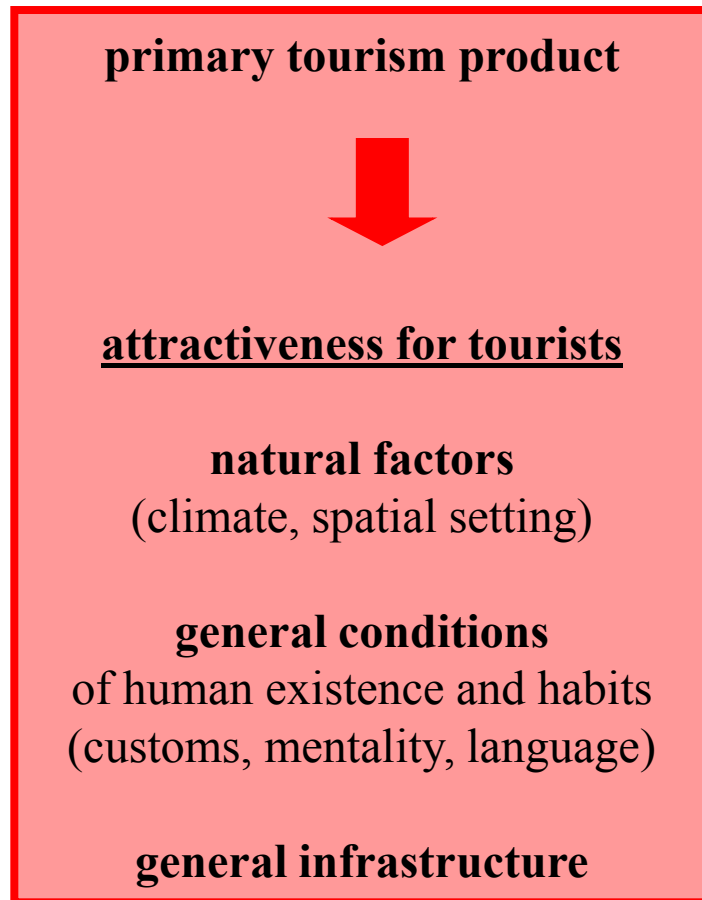
Definition of Destination

A geographical area (city, region, village), that a particular guest (or segment of guests) chooses for its leisure objective.

Therefore the destination is the competitive unit in the incoming tourism market. The destination has to be run as a strategic business unit.



2 sorts of elements accounting for the attractiveness to tourists:



Basic Elements of the Tourist Destination

Destination Appeal and Experiences offered are shaped by:

Attractions

**Public and
Private Amenities**

Accessibility

**Human
Resources**

**Image and
Character**

Price

reference: WTO, A practical Guide

Basic elements shaping the destinations appeal and experiences offered

Attractions

Public and
Private Amenities

Accessibility

Human
Resources

Image and
Character

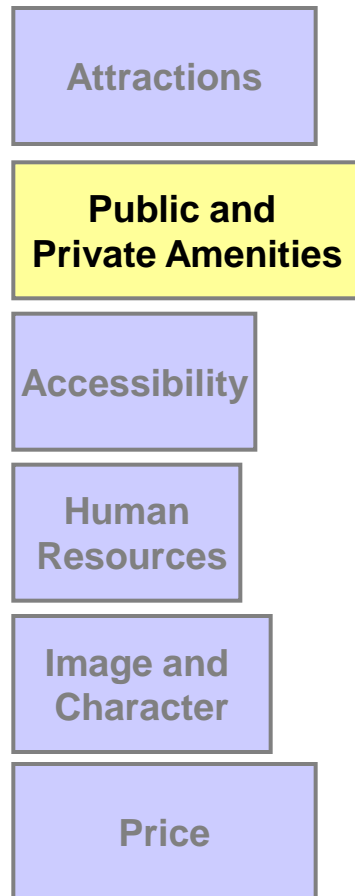
Price

Attractions are the multi optional and spatial clustered spots offering special experiences. They are combined with services like shopping, catering, etc.

These are often the focus of visitor attention and may provide the initial motivation for the tourist to visit the destination. They can be categorised as natural, built or cultural.

*reference: WTO, A practical Guide,
Bieger, Management von Destinationen.*

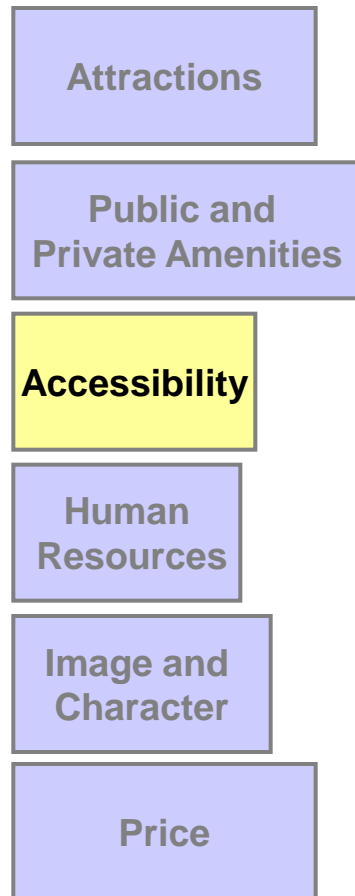
Basic elements shaping the destinations appeal and experiences offered



These are the wide range of services and facilities which support the visitors' stay and include basic infrastructure such as utilities, public transport, and roads as well as direct services for the visitor such as accommodation, visitor information, recreation facilities, guides operations and catering and shopping facilities.

reference: WTO, A practical Guide

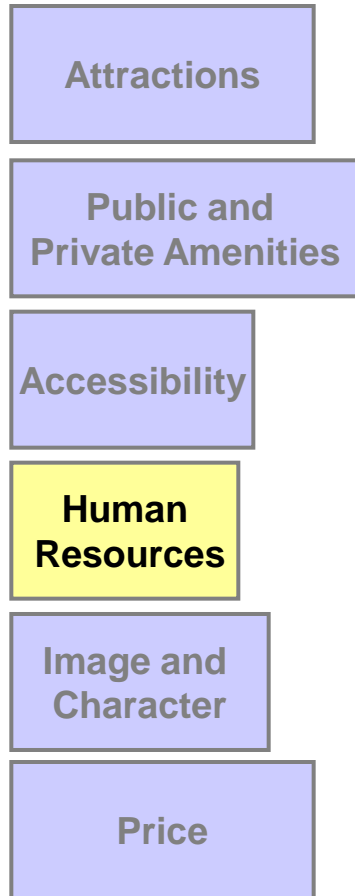
Basic elements shaping the destinations appeal and experiences offered



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

reference: WTO, A practical Guide

Basic elements shaping the destinations appeal and experiences offered



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

reference: WTO, A practical Guide

Basic elements shaping the destinations appeal and experiences offered



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

Basic elements shaping the destinations appeal and experiences offered



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

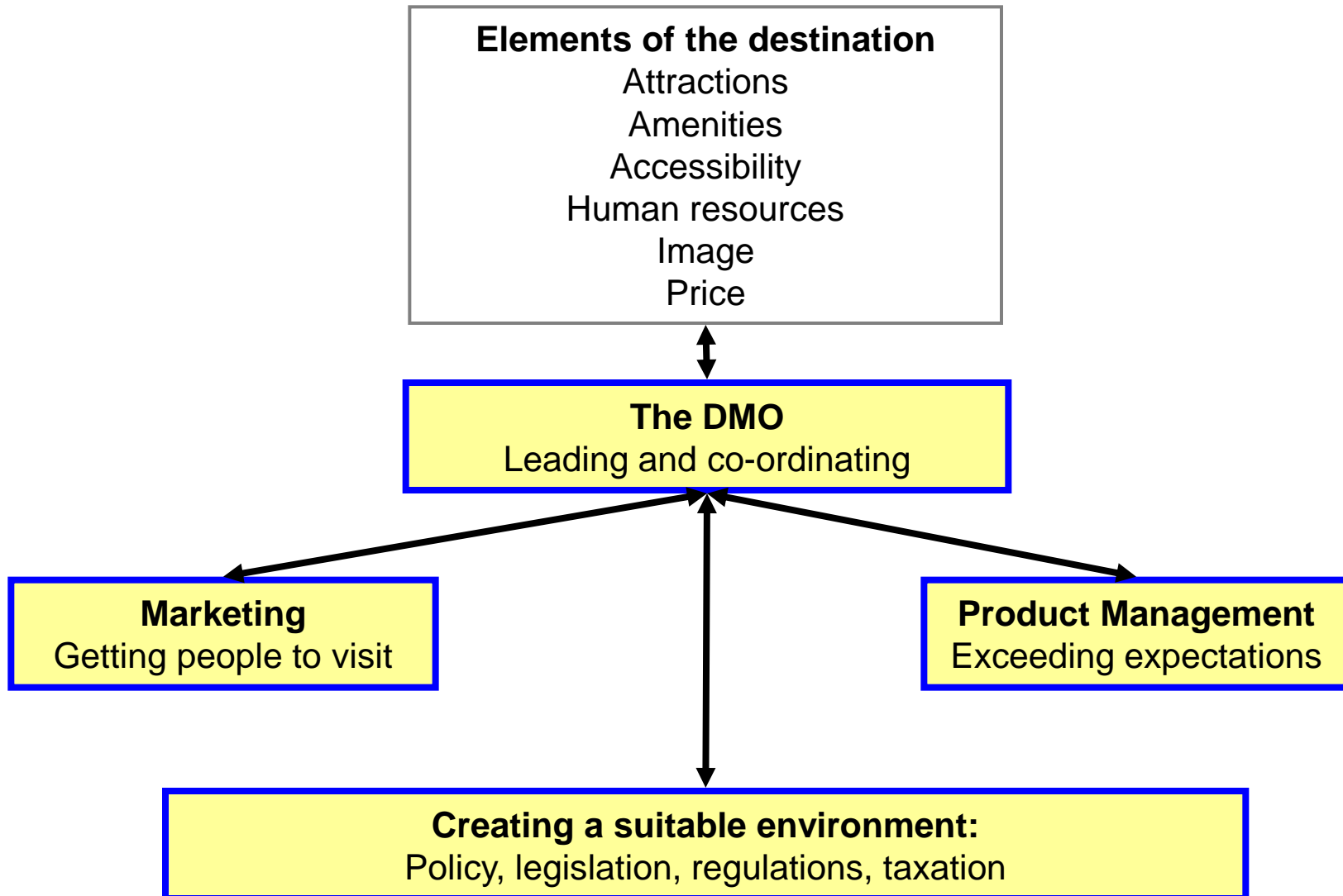
Destination Management

Destination management is the **co-ordinated management** of all the element that make up a destination.

Destination management takes **a strategic approach** to link-up these sometimes very separate entities for the better management of the destination.

Joined up management can help to avoid duplication of effort with regards to promotion, visitor services, training, business support and identify any management gaps that are not being addressed.

Destination Management Organisation



Destination Management

Marketing
Getting people to visit

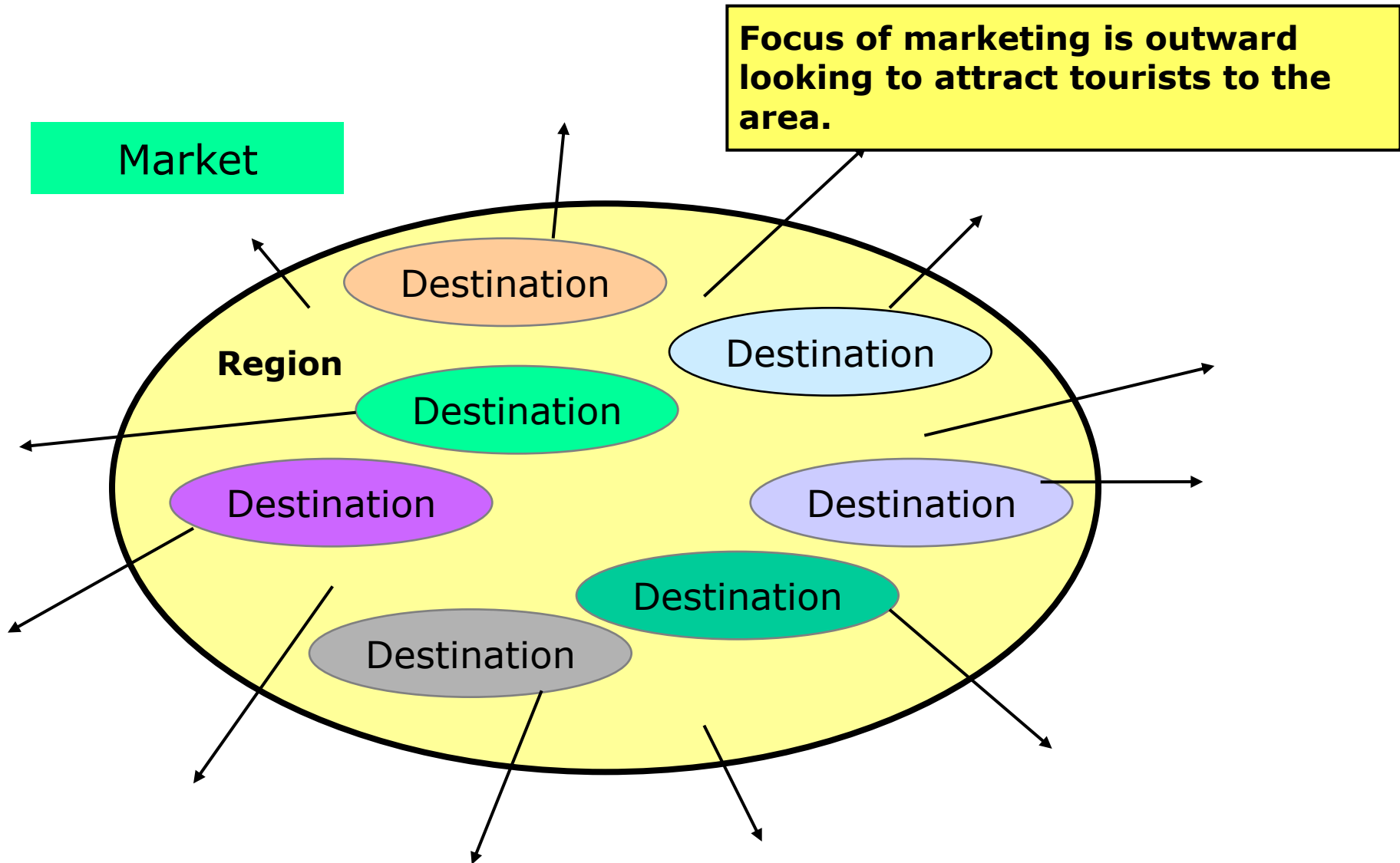
Product Management
Exceeding expectations

Creating a suitable environment:
Policy, legislation,
regulations, taxation

The key functions of marketing are:

- destination promotion, including branding and image
- campaigns to drive business, particularly to SME
- unbiased information services
- operation / facilitation of bookings
- CRM (Customer Relationship Management)

Destination Marketing



Destination Management

Marketing

Getting people to visit

Product Management
Exceeding
expectations

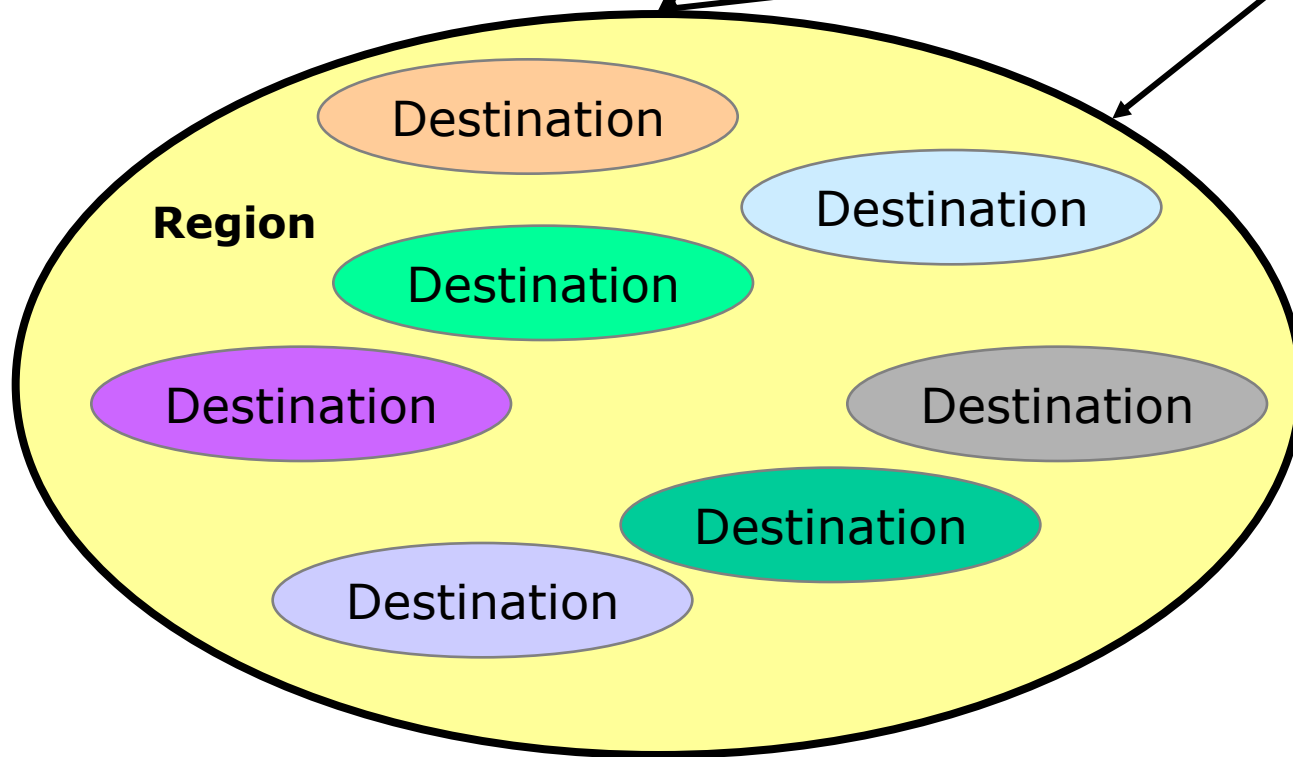
Creating a suitable
environment:
Policy, legislation,
regulations, taxation

This includes:

- destination coordination and management for visitor 'quality of experience'
- Definition of the destination's prime product (groups)
- product "start-ups", product development
- events development and management
- attractions development and management

Managing Delivery on the Ground

Focus of management looks inward, towards destination, to ensure the quality of the visitors stay.



Destination Management

Marketing

Getting people to visit

Product Management

Exceeding expectations

Creating a suitable environment:

Policy, legislation, regulations, taxation

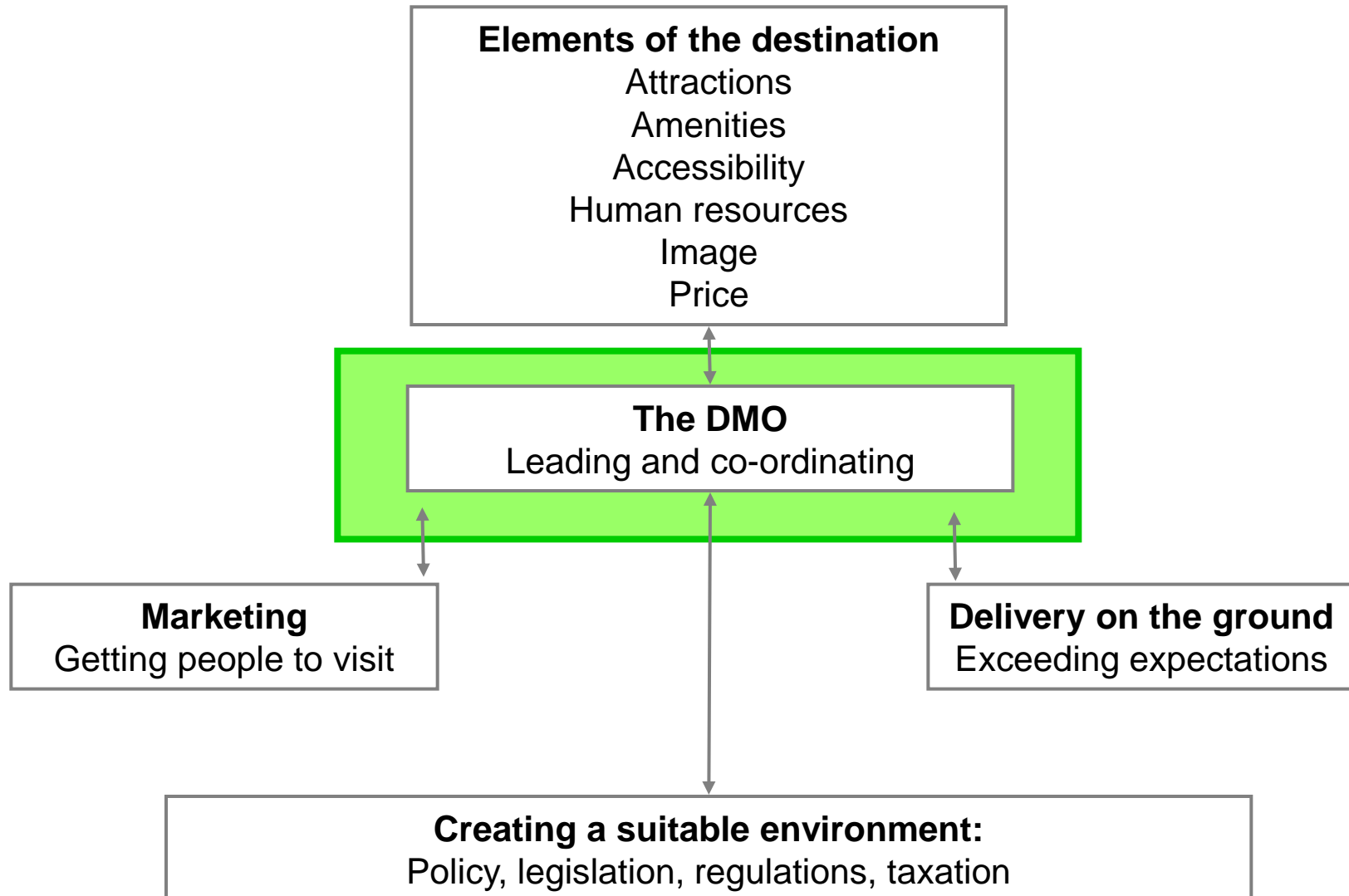
Creating the right environment includes:

- planning and infrastructure
- human resources development
- product development
- technology and systems development
- related industries and procurement

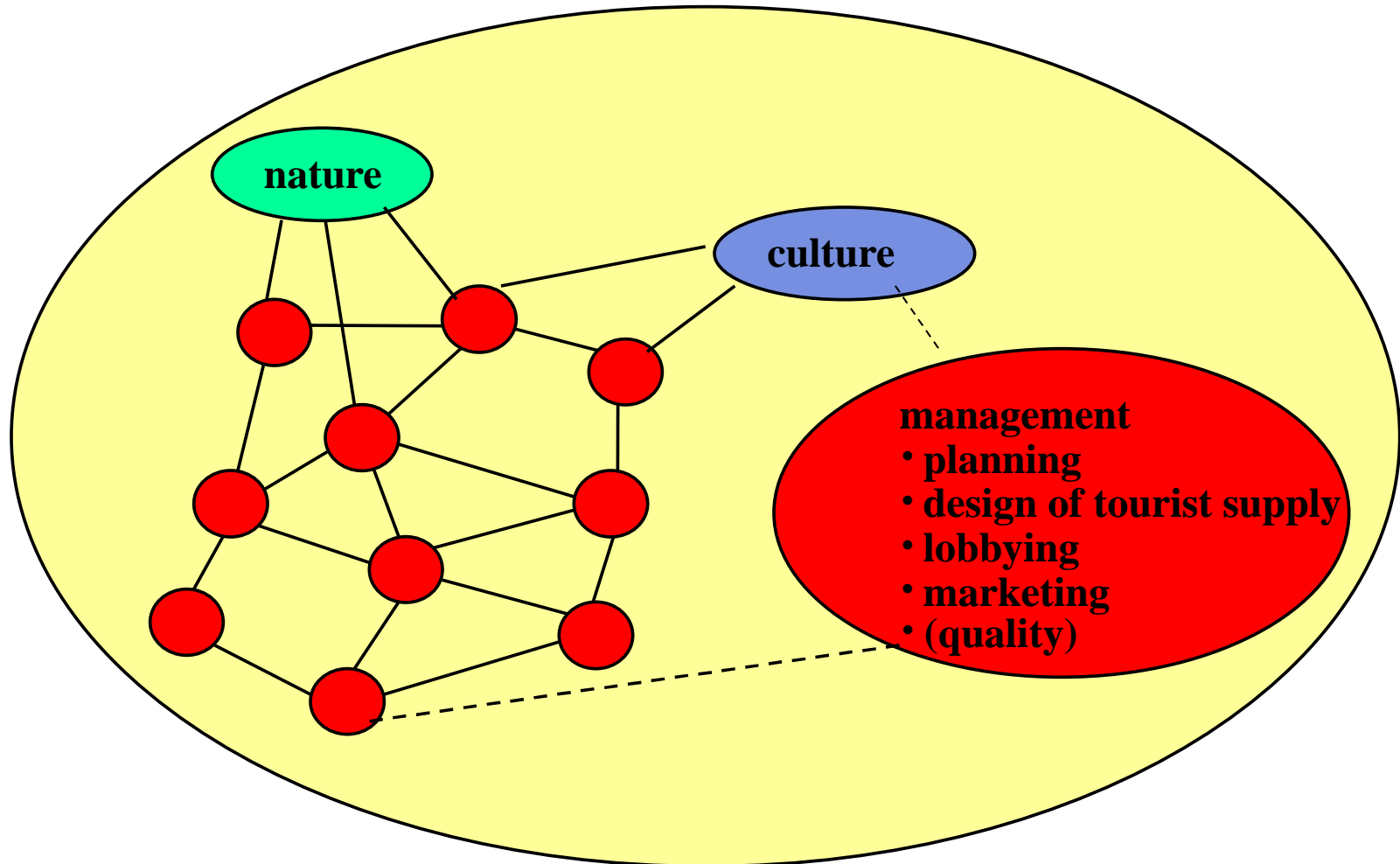
Directory 2

1. Tasks of a Destination
2. Roles and Responsibilities in Destination Management and Marketing
3. Typical Roles and Responsibilities
4. Influence Capability of a DMO
5. Model of a Destination

Destination Management Organisation



The Destination as a Virtual Business Company: Co-operative



Tasks of a Destination / DMO

1. Planning	2. Information	3. Design of tourist offer
<ul style="list-style-type: none"> ▪ mission statement ▪ organization ▪ core product groups (strategic business fields) 	<ul style="list-style-type: none"> ▪ information for guests ▪ information for local population ▪ support for journalists 	<ul style="list-style-type: none"> ▪ care for guests ▪ entertainment for guests ▪ coordination of tourism infrastructure ▪ operating of leisure facilities ▪ control and improvement of product quality
4. Marketing communication	5. Sale	6. Lobbying
<ul style="list-style-type: none"> ▪ promotion ▪ sales promotion ▪ PR ▪ brand management ▪ market research 	<ul style="list-style-type: none"> ▪ information- and reservation system ▪ packages 	<ul style="list-style-type: none"> ▪ awareness of tourism in population ▪ comprehension of tourism in political authorities ▪ collaboration in cooperative organizations

Roles and Responsibilities in Destination Management and Marketing

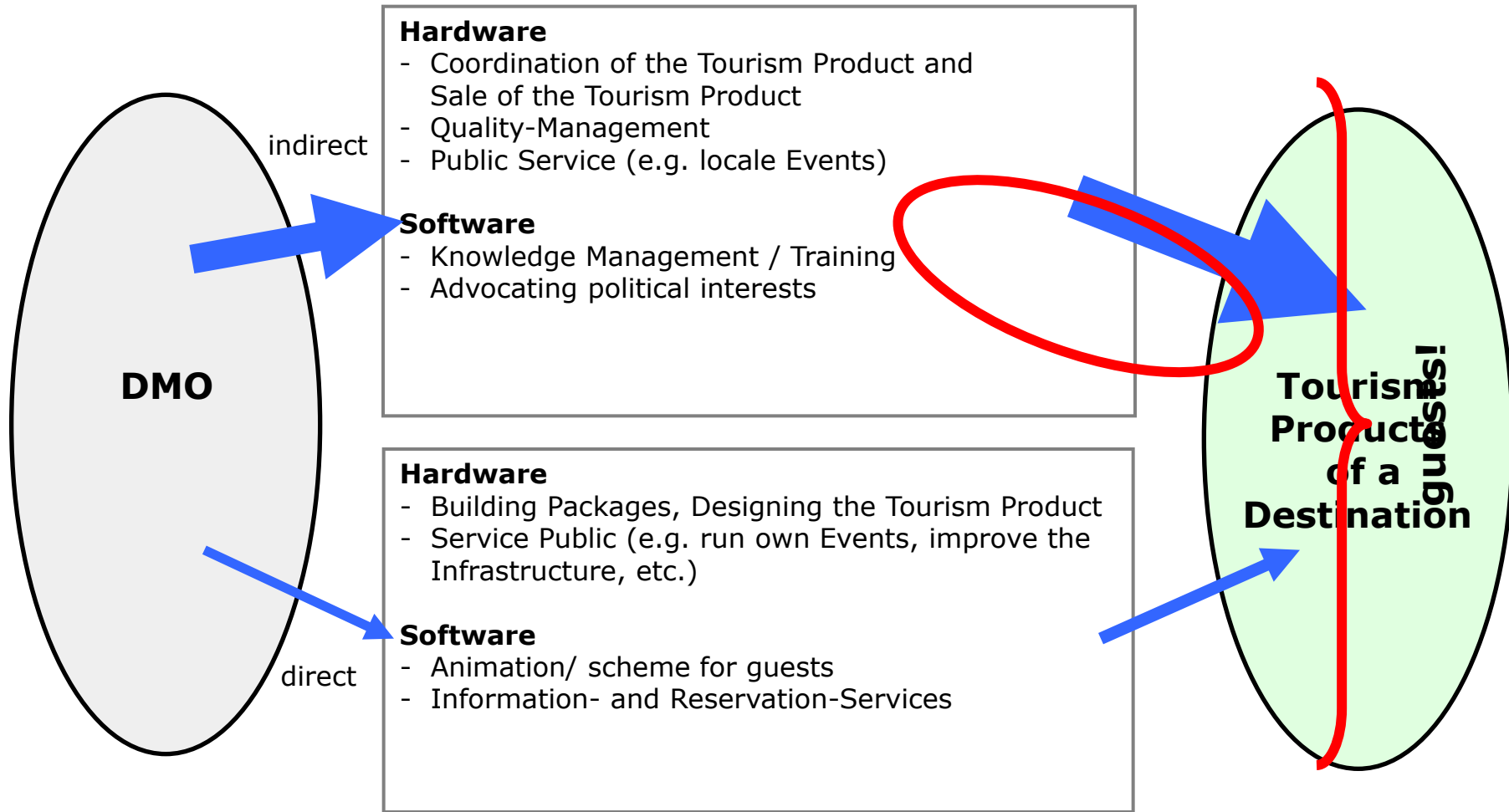
There are many different and varied roles and responsibilities in destination management and marketing. These are handled in different ways in different countries, but typically are split between national, provincial/ regional and local levels. Normally the national level is responsible for the more strategic roles while the local level will have responsibility for the more operational elements.

reference: WTO, A practical Guide

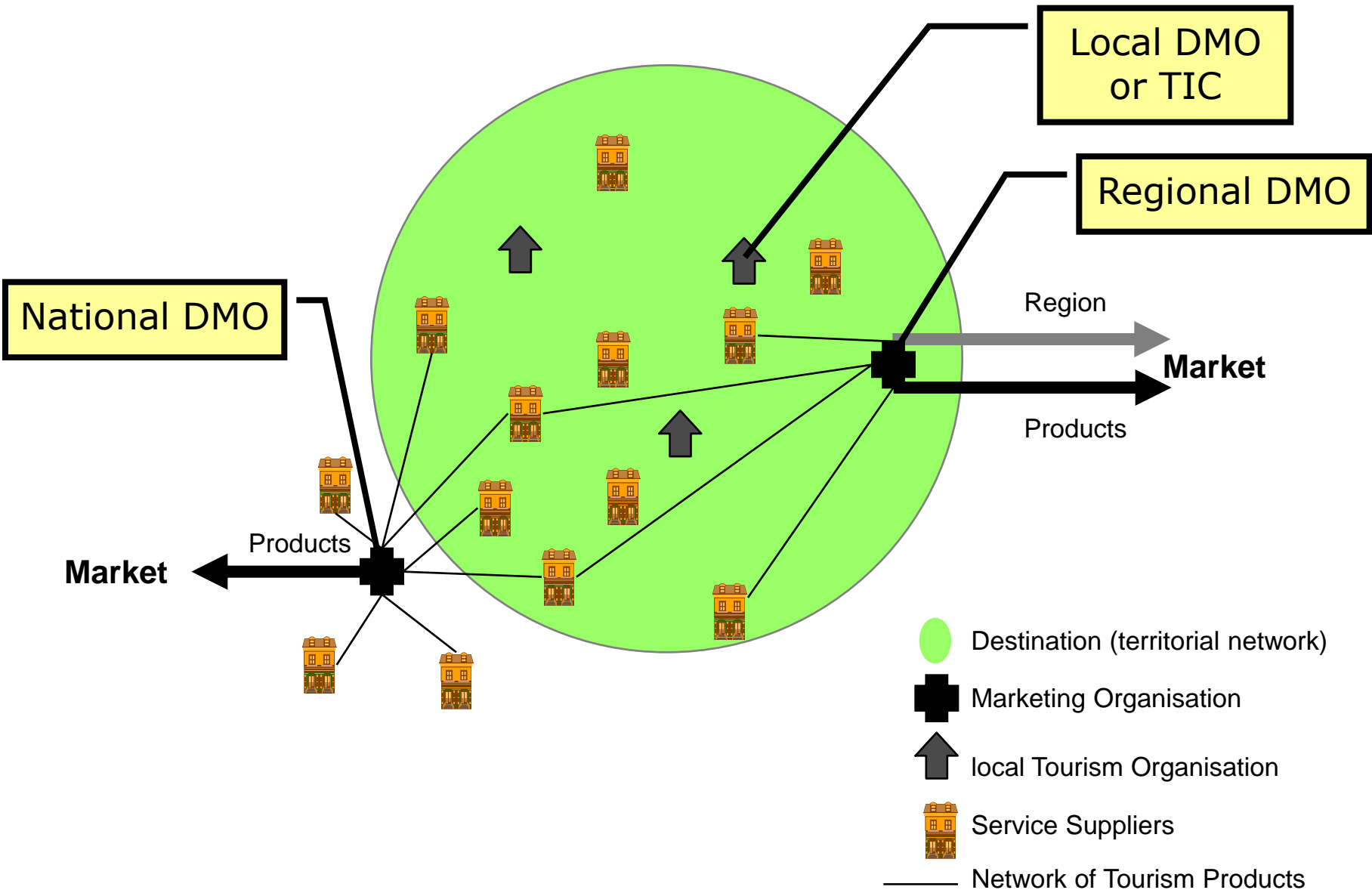
Typical Roles and Responsibilities – national, provincial/ regional and local

	national	provincial / regional	local
Destination promotion, including branding and image	✓	✓	
Campaigns to drive business, particularly to SMEs	✓	✓	✓
Unbiased information services	✓	✓	✓
Operation / facilitation of bookings			✓
Destination co-ordination and management			✓
Visitor information and reservations			✓
Training and education		✓	✓
Business advice		✓	✓
Product “start-ups”		✓	✓
Events development and management			✓
Attractions development and management			✓
Strategy, research and development	✓	✓	✓

Influence Capability of a DMO



Model of a Destination



DMO Boundaries



Aspects of boundaries of DMOs

A) 1. political boundaries

2. legal aspects

3. duties, tasks, mandates

4. geography

5. marketing

6. financial aspects

7. structures



Internal focus

B) 8. political situations /
development

9. economic development

10. tourism market

11. guests perspectives

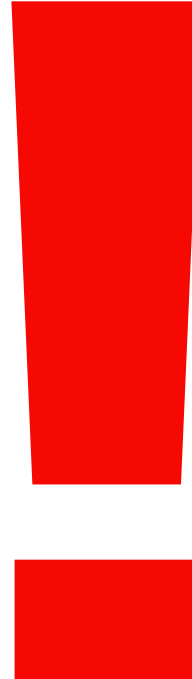


external focus

Aspects of boundaries of DMOs

But not on ...

1. culture
2. demography
3. religion
4. economy / industry
5. history focus
6. or others



Aspects of boundaries of DMOs

2. legal aspects

existing organisations:

- associations
- clubs
- unions
- societies
- membership associations
- unincorporated associations
- non-profit organizations
- private companies / firms / incorporations

Aspects of boundaries of DMOs

3. duties, tasks, mandates

- **strategic tasks** (objects, goals, company's culture, company's politics)

- **operational work**

- a. service public

- location promotion (pure economic perspective)
- information service for everybody
- infrastructure
- guests animation
- special duties
- organisation of local events

- b. core business TO

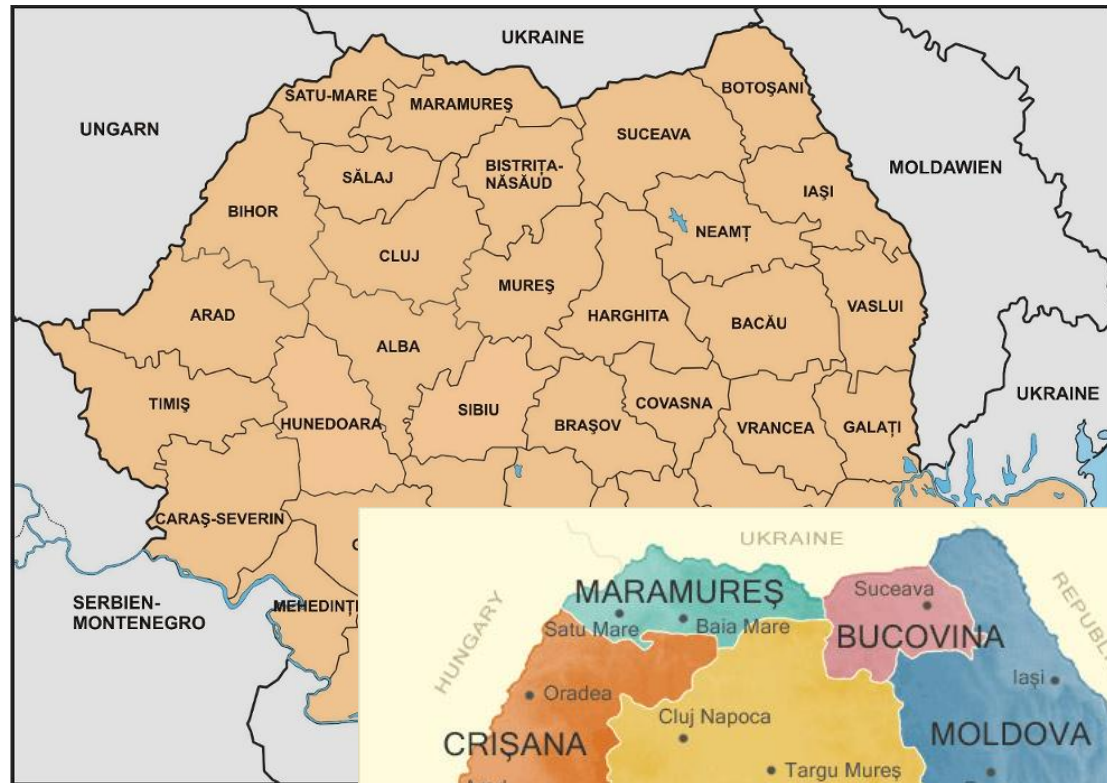
- marketing
- sales
- reservation
- and others

Aspects of boundaries of DMOs

4. geography

topography

- sea side
- lake regions
- mountain regions
- cities
- farming areas
- geographical dimensions / areas (natural boundaries)



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Aspects of boundaries of DMOs

5. marketing

- strategic business segment (touristy themes, infrastructures, programs, types of suppliers)
- target groups
- target markets

Aspects of boundaries of DMOs

6. financial aspects

- sources of funds (allocation)
- structure of funds (governmental / private funds, memberships, ...)
- volume of existing funds
- financial goals (profit or non-profit)
- application of funds
- earmarking of funds
- total budget of organization
- marketing budget
- sales volume

Aspects of boundaries of DMOs

7. structures

- types stakeholders
- types of shareholders
- size / dimension of the organizations (number of staff, number of share or stakeholders)
- importance of tourism as an industry

Aspects of boundaries of DMOs

8. political developments

- change of state systems, political systems
- regime / government decisions, legacies
- role of tourism in politics
- transition effects (privatization (going private), industrialization, marketization, reduction of centralization, less bureaucratic control
- external financial support (i.e. EU-funds)
- elections

Aspects of boundaries of DMOs

8. economic developments

- world market, macroeconomic trends (local, regional, national, international, global)
- economic cycles (booms and slowdowns)
- trends of prices / currencies (exchange rates)
- employment rates
- transport costs
- market opening

Aspects of boundaries of DMOs

10. tourism market

- touristy trends; market trends
- sectoral trends (i.e. international hotel chains, aircrafts)
- life time cycles

Aspects of boundaries of DMOs

11.guests perspective (changes)

- Abraham Maslow's hierarchy of needs
- requirements, needs
- expectations / wishes (target groups)
- financial aspects
- time aspects
- fashion & vogue
- geographic dimension of activities (length of stay, transport systems, accessibilities, roads, ...)

Aspects to be considered to build new DMOs

composition / mixture of aspects from internal and external focus!

- | | |
|----------------------------|-------------------------|
| 1. political boundaries | 8. political situations |
| 2. legal aspects | 9. economic development |
| 3. duties, tasks, mandates | 10. tourism market |
| 4. geography | 11. guests perspectives |
| 5. marketing | |
| 6. financial aspects | |
| 7. structures | |

priorities on:

- 3. duties, tasks, mandates**
- 5. Marketing**
- 10. tourism market**
- 12. guests perspectives**

Aspects in detail for future DMO boundaries

3. duties, tasks mandates

- strategic tasks
- clearer focus on important duties (focus the objectives)
- elimination of ballast (dead freight) respective all third & second priority duties
- competent instrumentation (human and financial resources)

5. marketing

DMO with a cluster out of:

- defined strategic business segments
- target groups
- target markets

10. tourism market

competence to follow the trends within the DMO – be flexible enough!

12. guests perspective

clear / explicit positioning of the destination to be very close to the clients (need to know the client (qualified research!))