



Università della Basilicata
L.M. Natural & Cultural Resources Economics

Destination Marketing & Management: *Scope, Definition and Structures*

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Tourism Destination Marketing & Management

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Scope and Definition

DM&M is a **complex issue** which requires a **comprehensive, holistic and systematic** approach to understand destination

Demand Side



Supply Side



Scope and Definition

Geographical elements

- a. The traveller-generating region
- b. The tourist destination region
- c. Transit route region

Tourists

- a. Tourism can enrich tourists' experience,
- b. Tourists can help to improve the whole tourism system

Tourism industry

- a. It refers to the businesses and organizations that help to promote the tourism product
- b. The primary tourism industry is composed of travel trade, transport, accommodation and catering and tourist attractions, etc



Destination: the 4As Model

- ❑ **ATTRACTIONS:** natural, cultural, artificial, born out of services and marketing plans
- ❑ **ACCESSES:** accessibility, local transportation
- ❑ **AMENITIES:** Hotel, Restaurants, Commercial Activities, Entertainments
- ❑ **ANCILLARY SERVICES:** Local organization for coordination and for promoting place image



Scope and Definition

Destination as a **cluster** (Rubies, 2001):

- i. a destination as a **part of a political boundary**
- ii. a destination as a **political boundary**
- iii. a destination **across political boundaries**

Destination as a **location** that a **person travels** to, and that is distinct from their usual place of residence (Dredge, Jenkins, 2007; Dredge, 1999):

- i. **tourist-generating markets** and destination regions are separate geographical entities;
- ii. the complex and multi-scale nature of destinations means that their conceptualization must be a **flexible hierarchical structure** adapted to suit different scales, locations and market characteristics;
- iii. destinations can be **single locations** or '**chained**' in that they can be a set of geographically separate locations linked through travel patterns or touring routes



Understanding the Driving Factors of DM&M

THE COMPETITOR ENVIRONMENT – PROLIFERATING PREFERENCES



Travel customers increasingly seek and respond to a **diversified set of value clusters**



Destinations must design, promote and coordinate a satisfying total **visitor experience** that **maximizes the economic contribution**



Destination marketers must craft an ever richer palette of options and target their **value packages** more skilfully to various preference patterns.



Understanding the Driving Factors of DM&M

THE COMPETITOR ENVIRONMENT – THE BATTLE FOR ATTENTION

- ➔ The proliferation of free online content, especially, creates an **intense ‘noise level’**
- ➔ Destination marketers must become the **most popular information source** for visitors and the businesses
- ➔ Capturing a significant **share of the World Wide Web traffic** that involves travel decisions.



Understanding the Driving Factors of DM&M

THE ECONOMIC ENVIRONMENT – DODGING ASTEROIDS



To **plan flexibly**, and with various economic shocks and even catastrophic contingencies in mind



To have **contingency plans** for responding to previously unthinkable economic upheavals



Understanding the Driving Factors of DM&M

THE TECHNOLOGICAL ENVIRONMENT – SMART AND FRIENDLY WEBSITES



Developing **competing websites** that teach, inform, entertain, advise, support and assist the prospective visitor with basic features such as property search tools and tools for the meeting planner



Destination marketers must build, **maintain and continually improve** state-of-the-art Web-based resources that visitors can rely on for their travel decisions



Understanding the Driving Factors of DM&M

THE SOCIAL ENVIRONMENT – THE ELECTRONIC CULTURE



Human relationships and communities are becoming ever more **physically 'delocalized'**, atomized and transient, a growing multitude of **information experiences and channels connects people** to one another, to their various virtual clans and to the media culture at large.



Social networking is becoming a significant method of reaching customer populations by creating specialized communities of interest.



User-generated content is also rapidly becoming an important feature of the electronic culture



Destinations must promote the travel and travel-related benefits they offer in personal enrichment, mutual appreciation between cultures, and reduction of political tension through a sense of **community and connectedness**



Understanding the Driving Factors of DM&M

THE POLITICAL ENVIRONMENT – THE QUEST FOR RELEVANCE



DMOs risk being left out of the **important strategic conversation** that drives important decisions about the **development of the community**.



DMOs must proactively **catalyse and lead the local strategic conversation** with regard to the role and importance of visitor commerce in the **sustainable development** of the entire destination.



Understanding the Driving Factors of DM&M

THE LEGAL ENVIRONMENT – MIXED SIGNALS FROM GOVERNMENT



Governments at a variety of levels in many countries may increasingly **impose taxes, laws, and other restrictions upon travel-related commerce**, as part of their political, social, economic, and ecological agendas



Destination marketers must vigorously oppose unilateral governmental actions that threaten to balkanize the travel sector, and advocate **shared solutions that balance economic, ecological, social, and political benefits** for all involved.



Understanding the Driving Factors of DM&M

THE GEOPHYSICAL ENVIRONMENT – GOING GREEN



The intensifying focus on global warming, climate change and related ecological concerns will create pressure at many levels of society and government, and in many economic sectors, to be **'seen as green'**



Destination marketers must advocate a realistic balance in the green conversation, promoting intelligent trade-offs and synergistic solutions that combine a **rewarding travel experience with sustainable economic development.**

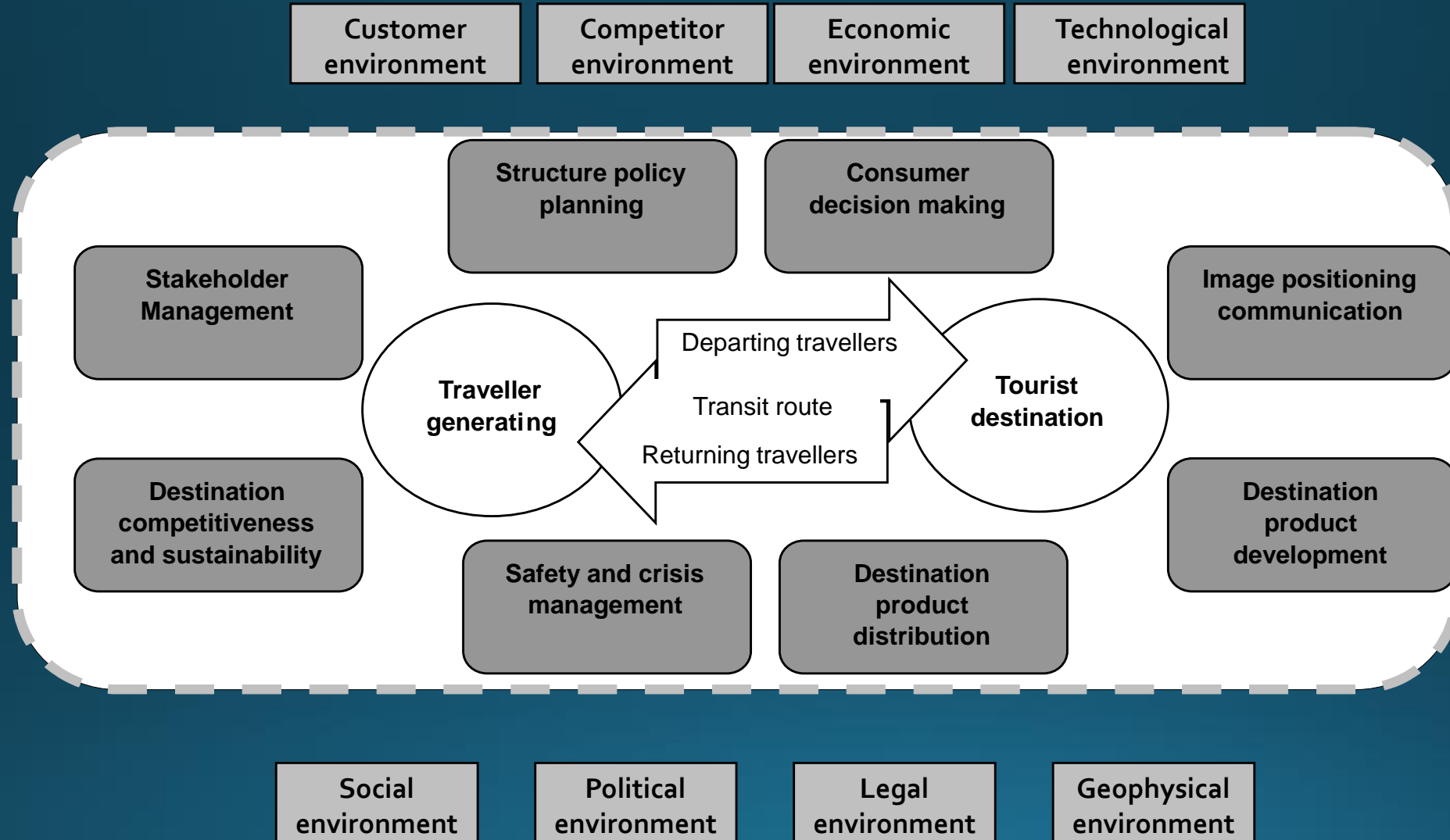


DM&M: a Comprehensive Approach

- ❑ the **concept, scope and structure** of destination marketing and management
- ❑ **consumer decision making** in relation to destination;
- ❑ principles and functions of **place image, positioning and communication**
- ❑ strategies and tactics in **destination product development**
- ❑ strategies and tactics in **destination product distribution**
- ❑ strategies and approaches for **managing stakeholders** in destinations
- ❑ principles and strategies for **managing destination competitiveness and sustainability**
- ❑ principles and strategies for **safety, disaster and crisis management**



DM&M: a Comprehensive Approach





DM&M: Structure, Roles and Responsibilities

DMOs are responsible for promotion, government agencies providing policy advice to government and a private sector umbrella industry association that champions the causes of member organizations.



- **NATIONAL TOURISM OFFICE (NTO):** the entity with overall **responsibility for marketing a country** as a tourism destination, whether purely as a DMO or as an NTA (Pike, 2008)
- **STATE TOURISM OFFICE (STO):** The organization with overall responsibility for **marketing a state** (e.g. in the USA), province (e.g. in Canada) or territory (e.g. in Australia) as a tourism destination, in a country that has a federal political system.
- **REGIONAL TOURISM ORGANIZATION (RTO):** The term 'region' here represents **concentrated tourism areas** such as cities, towns, villages, coastal resort areas, islands and rural areas.
- **LOCAL TOURISM OFFICE (LTO):** A local tourism office (LTO) can represent both a **local tourism administration and a local tourism association**.



DM&M: the business model

GOVERNMENT AGENCIES (GAS)

The GA vehicle is simple, straightforward and completely **under the control of the national or local government** responsible for the destination. Most GAs work with **allocated budgets** and are expected to market their destinations in consonance with municipal policy.

GOVERNMENT-FUNDED NON-PROFIT ORGANIZATIONS (GFNPOS)

The GFNPO is a **separate business entity**, with considerable latitude in the use of its resources. It survives as a player in a local constellation of developmental agencies, including those of the government. GFNPOs typically **receive a share of visitor taxes** collected locally by service providers such as hotels.

DUAL-FUNDED NON-PROFIT ORGANIZATIONS (DFNPOS)

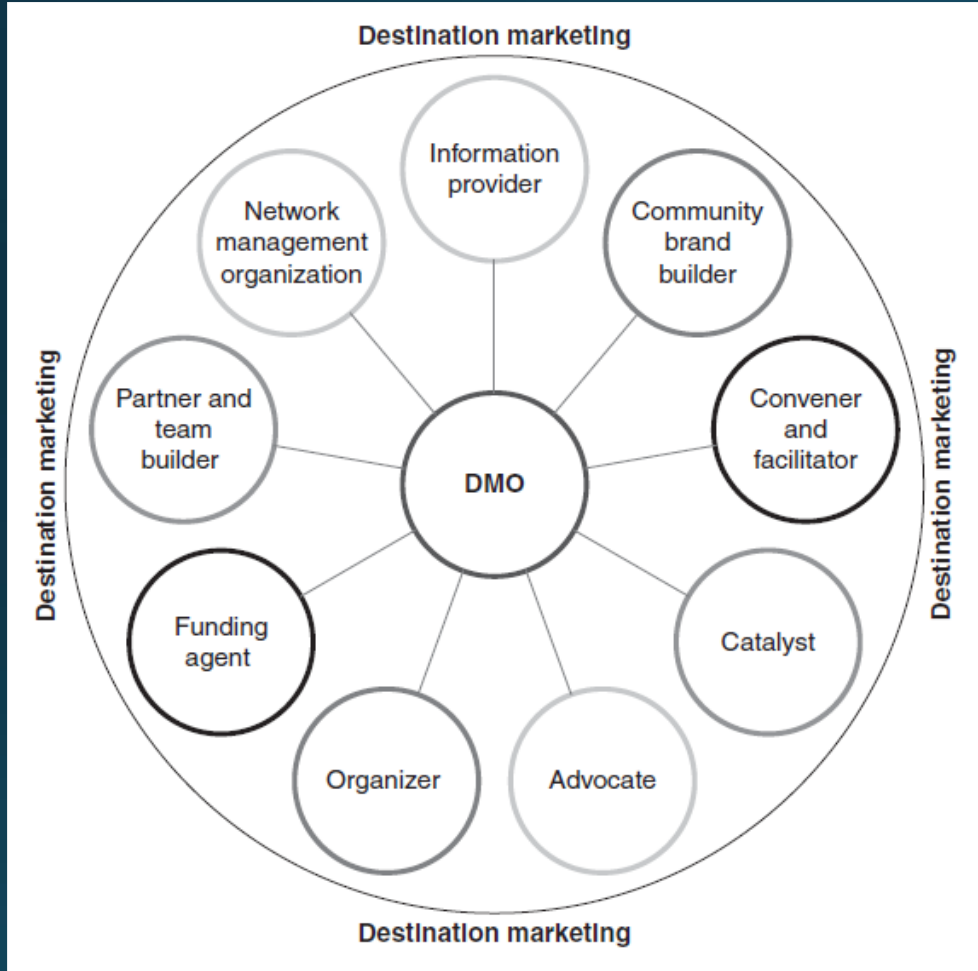
Some government-funded DMOs **receive contributions and subscription fees from various local service providers** in addition to funds allocated by their local governments. It is based on a dual-funding model requires the leadership team of the DMO to reconcile the interests of its commercial members (promoting their services) with its broader mission of **marketing the destination**.

MEMBERS-ONLY TRADE ASSOCIATIONS (MOTAs)

In very small destinations, governments may **not have assigned formal responsibility** for destination marketing to any one entity.



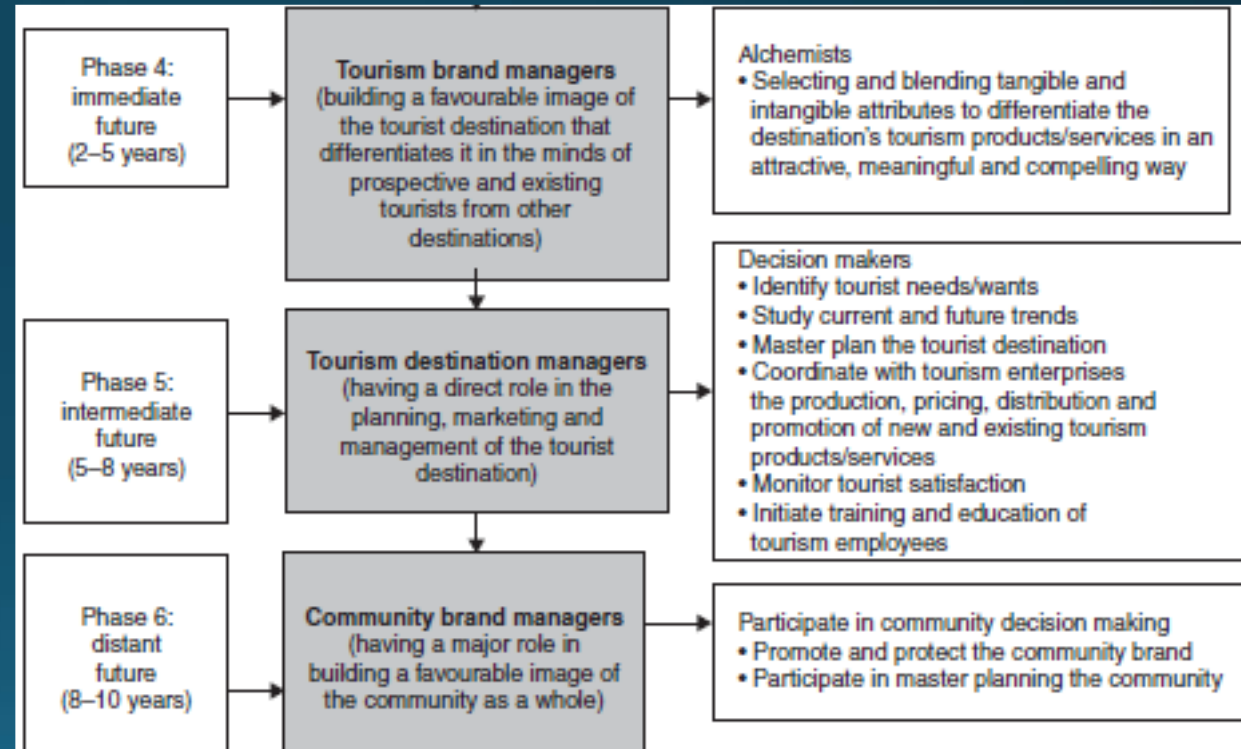
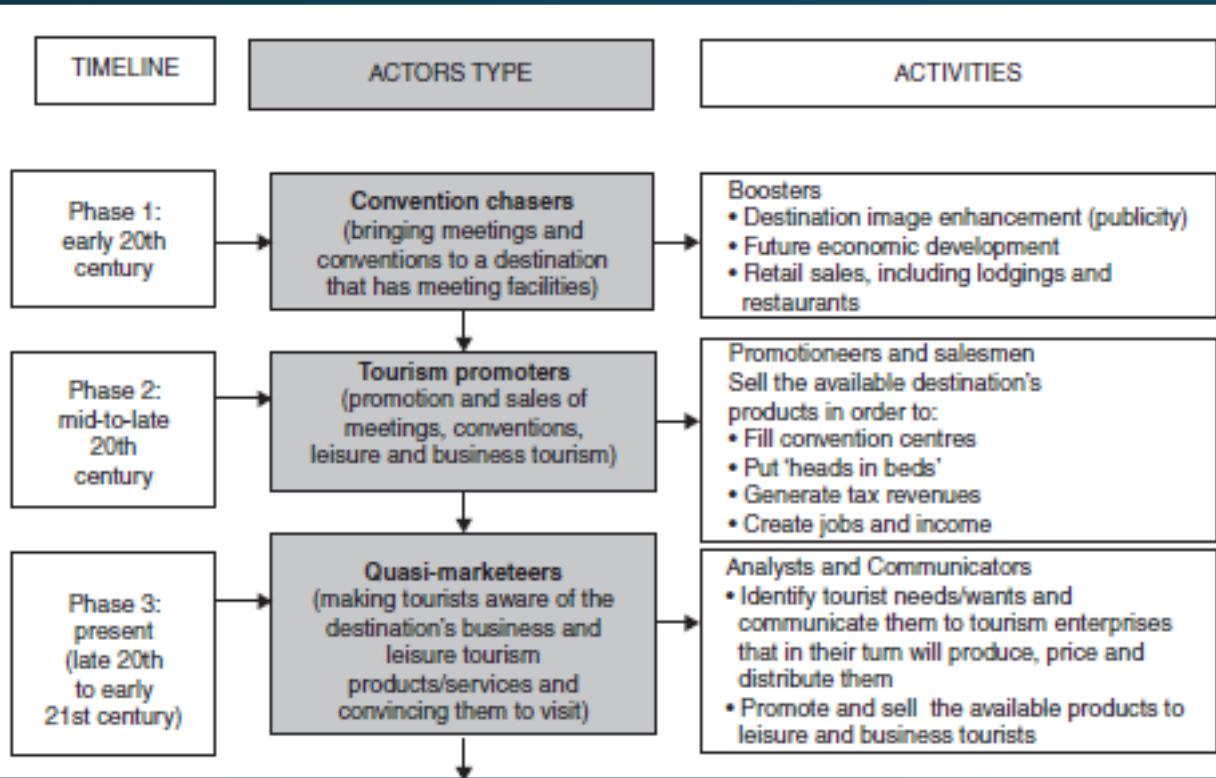
The Strategic Roles and Responsibilities of DMOs in Destination Marketing



- ❑ To do **research**, ‘identify their target markets’, ‘meet **visitors’ expectations**’, and ‘share the **information**’ with the local constituents
- ❑ Responsible for **marketing** the whole destination
- ❑ The role of **community convener** on significant issues and the ‘**facilitator**’ for marketing programmes
- ❑ To stimulate discussion with a longer term **collaboration strategy** in mind
- ❑ The **advocate** to the tourism industry
- ❑ To understand what **marketing activities** are viable for the local destination
- ❑ To encourage a variety of **collaborative marketing activities**
- ❑ To make sure that the empowering partners ‘**share risks, responsibilities, resources and rewards**’ in collaborative marketing efforts
- ❑ The network management organization, acting in its capacity as **agent for the community** and as **principal to its network members** to ‘guide, coordinate, and legitimize’ marketing network activities.

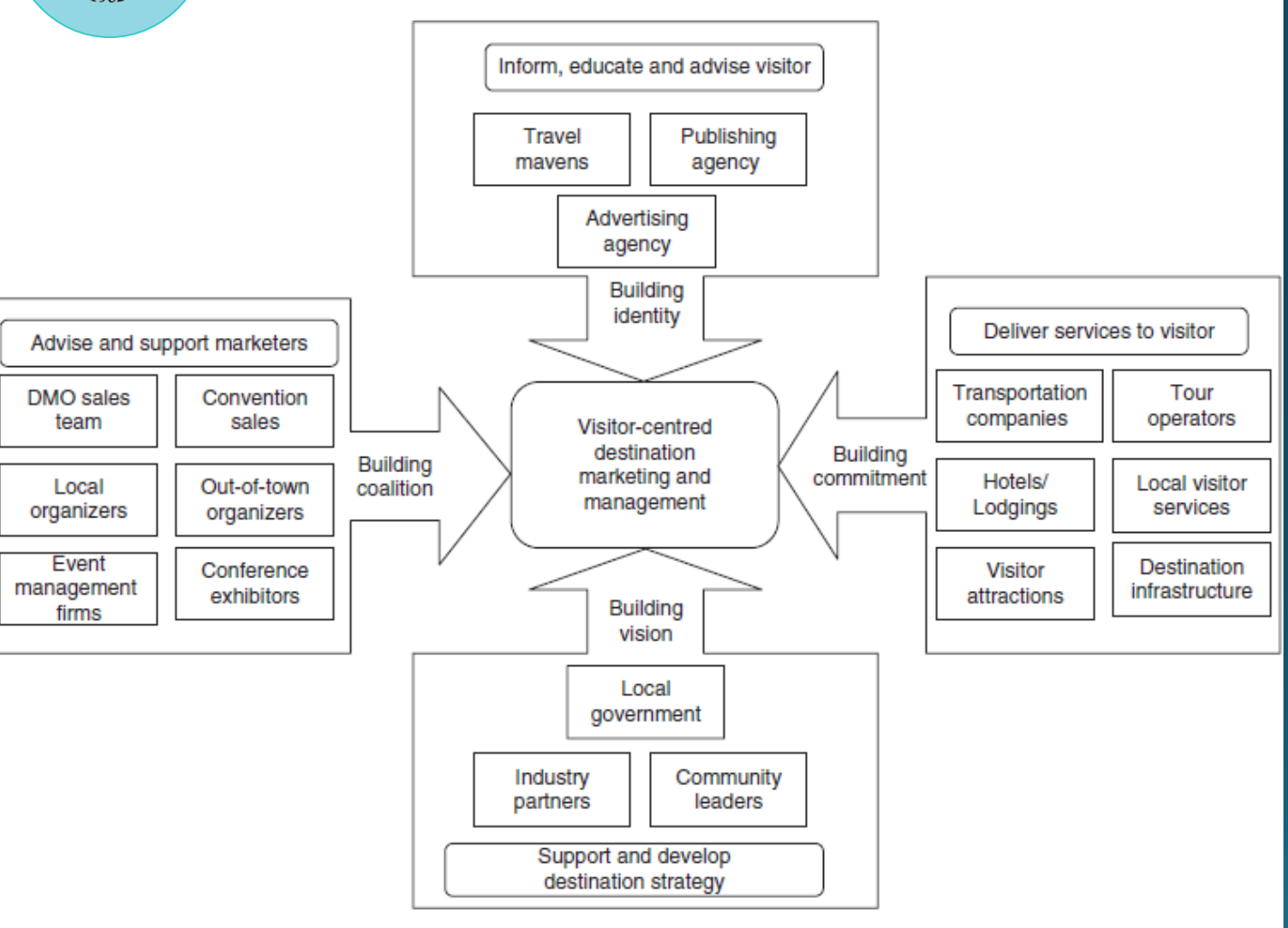


Future Directions of DMOs and DM&M





Future Directions of DMOs and DM&M



BUILDING IDENTITY: the ongoing effort to build a brand identity for the DMO itself.

BUILDING COALITION: the systematic and continuous process of building connections to and coalitions with the many stakeholders.

BUILDING COMMITMENT: the continuous and never-ending practice of teaching, preaching, promoting and modelling a visitor-centred doctrine to all stakeholders in the destination community.

BUILDING VISION AND LEADERSHIP: the development of the destination, leading the strategic conversation within the community around these key issues and questions, and helping the community leadership to make wise and well-informed policy decisions



Conclusion

- The local DMO/CVB is regarded by **most of the industry representatives** as the umbrella destination marketing organization.
- Major **strategic roles** of DMOs include: information provider, community brand builder, convener, facilitator and liaison of community tourism activities, catalyst of the collaborative initiative, advocate of the tourism industry, organizer of destination marketing campaigns, funding agent for collective marketing activities, partner and team builder, and network management organization.
- Concurring with the proposal by DMAI (2008), it is believed that there will be several broad themes that will preoccupy the business models of DMOs:
 - ✓ **Relevance:** To varying degrees, DMOs are perceiving an increasingly noisy, confusing and evolving marketplace.
 - ✓ **Value proposition:** The value proposition issue embodies a long-term question of focus.
 - ✓ **Visibility:** DMOs as a collective information source have been largely bypassed, outflanked or shortstopped by content aggregators located upstream from them.