**Standing Committee
for Economic and Commercial Cooperation
of the Organization of Islamic Cooperation (COMCEC)**

COMCEC

Destination Development and Institutionalization Strategies In the OIC Member Countries

**COMCEC COORDINATION OFFICE
January 2018**

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List of Abbreviations

COMCEC	The Standing Committee for Economic and Commercial Cooperation of the Organization of the Islamic Cooperation
DMAI	Destination Marketing Association International
DMO	Destination Management Organization
KPIs	Key Performance Indicators
ITC	International Trade Center
OIC	The Organization of Islamic Cooperation
UNWTO	The World Tourism Organization

Executive Summary

Study Objective and Methodology: The objective of this study is to enable tourism stakeholders to identify characteristics of potential destinations and destination development strategies, to present destination governance structures and institutionalization strategies, to explore stakeholder responsibilities with regards to destination development, to explore destination product development processes and to provide policy recommendations for effective destination development strategies for the OIC member countries.

The study combined primary and secondary research tools and sources to fulfill its objective. The secondary sources used include previous market studies, trade and sector reports, academic articles and research papers, government, international organizations and press publications. The primary research tools comprised of in-depth interviews, online structured interviews and eight case studies.

Twenty-seven in-depth interviews were conducted in person and by telephone with respondents from destination management organizations and other tourism stakeholders to provide insights into best practices in areas of product development and destination management.

Furthermore, thirty one structured interviews were conducted online in December 2017 to get tourism stakeholders' feedback regarding destination management practices in their destinations, and eight country case studies to provide insights into destination development and management strategies.

<u>**Report Key Findings**</u>

(1) DMOs play a critical role in implementing a country's tourism strategy

Tourism plays an important economic role, directly adding $2.3 trillion to global GDP in 2016, and indirectly contributing a further $7.6 trillion in GDP to the global economy, and account for 109 million jobs, according to the World Travel and Tourism Council Report on "Travel and Tourism: Global Economic Impact and Issues 2017". Most countries in the world have a ministry that is responsible for overseeing the sector and its development.

However, in the 57 OIC-Member states, there is substantial potential to improve tourism and enhance economic growth. This report has found that a destination, rather than national-level focus, has yielded benefits for many countries. Destinations are by definition, specific geographic areas within their countries and naturally vary substantially by the experience they offer, with six broad categories identified in this report, and their respective stage of development, ranging from early identification through to more advanced stages of consolidation, and possible decline/ rejuvenation.

DMOs in the Tourism Chain of Command

Role
Develops tourism strategy, accountable to federal government
Tasked with delivering overall tourism strategy at a national level
Provides support to individual DMOs
Ownership of developing destinations at a local (part of a state/region) or regional (a full state/region) level
Accountable to regional government

National Tourism Body

National Management Office

National Steering Committee

DMO　DMO　DMO

Industry Associations

Role
Convenes all stakeholders at a national level to facilitate tourism industry development
Represents industry participants from individual segments of the value chain – such as hotels, restaurants, transportation

Source: DinarStandard Analysis

DMOs oftentimes, although not always, play a critical role in enhancing a country's tourism industry at the destination level, overseen by a National Management Office with local government accountability, with 10,000 estimated to be in existence.[1] They are tasked with directly managing the development of resources and attracting tourists to benefit local communities.

(2) The most developed DMOs are independent, well-funded organizations at the forefront of attracting tourists to a destination

DMOs are shifting away from being predominantly government entities over the past 40 years to public-private partnerships, with their functions predominantly centered around product development and promotion, stakeholder engagement and at more sophisticated levels, resource stewardship and strategy.

At the more sophisticated levels, DMOs follow a number of differentiating best practices:

- **Functions:** Leading DMOs have four distinguished functions, usually operating independently of local or national tourism ministries or offices – in addition to developing destinations and promoting destinations, they are also effectively engaging stakeholders and communities, and playing a strategic role in managing resources and obtaining feedback**.**

- **Product development and marketing:** DMOs play a critical role in developing destinations as products, supported by multi-pronged online, offline and event-based promotional activities. In terms of destination development, DMOs ensure the core resources, supporting infrastructure and amenities, and the broader ecosystem, is conducive to tourists. This role is dynamic and has seen

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[1] Pike, S., & Page, S. J. (2014). Destination Marketing Organizations and destination marketing: A narrative analysis of the literature. *Tourism Management*, 41, 202-227. doi:10.1016/j.tourman.2013.09.009

DMOs reinvent localities as tourism hotspots, an example of which is a timber town in Oregon redeveloped as a mountain biking destination for tourists.

- **Stakeholder engagement:** Well-developed engagement models have three core pillars – formal organizations that tie the DMO together with industry representatives, formal and regular meetings with stakeholders to discuss strategy and feedback, and an ongoing process which involves regular interaction and feedback mechanisms, such as focus groups and surveys.

- **Funding:** Predominantly, public funding is the most common form of funding, with 97% of funds on average coming from a lodging tax which is then used by the DMO to cover its expenditures as well as local development, according to the Destination Marketing Association International 2017 Report on DMO Organizational and Financial Profile Study. Private funding, through sponsorships and advertising, as well as other sources, represents a fractional share of funds.

KPIs: The measurements of a DMO's success has moved beyond a tradition focus on marketing activities and visitor metrics towards broader outcomes, including changes in consumer-based brand equity as a result of DMO activities, and stakeholder evaluation of DMO performance.

Key Performance Indicators

Measurement Approach/Model	KPI	Measurement
Visitor Metrics	Visit Statistics	Number of Visitors Average Length of Stay Tourist Spending
	ROI	Ratio of Visitor Spending to DMO Spending
Marketing Communications	Activity	Number of Programs/Campaigns Total Reach Total Frequency
	Performance	Advertising Awareness Brand Image Changes
	Productivity	Conversion Rates Cost-per-Conversion Rate Return on Investment
Consumer-Based Brand Equity (CBBE)	Brand Salience	Top of Mind Decision Set
	Brand Associations	Cognitive Attributes Affective perceptions
	Brand Resonance	Previous Visits Intent to Visit
	Brand Loyalty	Repeat Visits Word of Mouth Referrals
Organizational Effectiveness	Appropriateness of Objectives	Clarity of Objectives Feasibility of Objectives
	Achievement of Objectives	Progress towards Objectives
	Implementation Efficiency	Efficient Resource Allocation Cost-effectiveness
Stakeholder	Tourist Evaluation	Satisfaction with Access to Services Satisfaction with Accommodation Satisfaction with Transport
	Local Industry Evaluation	Satisfaction with Destination Promotion Satisfaction with Industry Support
	Local Community Evaluation	Satisfaction with Quality of Life

Source: DinarStandard Analysis

(3) Product development is a critical function of DMOs and is oftentimes the first step in building an enduring tourism proposition

Effective product development comprises a five-step process, which when followed, enables DMOs to deliver on their core KPIs.[2] **The key steps can be summarized as follows:**

- **(1) Identifying tourism resources:** Core tourism resources represent the main attraction to a destination – broadly, natural, in the case of ski resorts; or cultural, in the case of event-based and architectural attractions. Understanding the core assets is a necessary first step, and needs to involve a preliminary assessment of a destinations tourism potential, backed by political will to boost tourism. The core tourism resources have been identified in the model of destination competitiveness and sustainability developed by Ritchie and Crouch (2012). Such is the case, for instance, in Cross River State in Nigeria, where tourism became a priority after oil-rich territory was ceded to a neighboring country, causing a loss in state revenues.

- **(2) Assess and develop infrastructure:** Infrastructure is critical to ensuring tourists are able to visit – and include transportation methods, essential services for communication, comfort and a safe environment - which increase a destination's accessibility, livability, and attractiveness. In top destinations such as Barcelona and Oregon, substantial infrastructure investment is evident, but less so in developing destinations, such as Nigeria and Azerbaijan.

- **(3) Assess and develop strong supporting environment across the value chain:** Well-developed destinations ensure a strong supply chain exists that benefits the local environment – this includes strong activities, developed and marketed through partnering with tour companies, ease of accessibility through lobbying (although not directly responsible) for flexible visa policies, and a well-developed set of supporting hotels and restaurants.

- **(4) Engage with the community:** DMOs play a central role in ensuring the community supports tourism and directly benefits, through enhanced employment opportunities, entrepreneurship opportunities and support, and training to develop local tour guides and hospitality skills.

- **(5) Activation:** As a final, critical step, destination development involves facilitating investments and encouraging supportive legislation, for instance, adjusting the opening hours of museums in Barcelona to ensure traffic is managed.

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[2] Pike, S. (2008). *Destination Marketing: an Integrated Marketing Communication Approach.* London: Routledge.

The Product Development Process

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                    Product
                  Development
                   Elements
                       |
        _____
        |                  |              |
   Core Resources    Supporting      Supporting
                     Resources       Environment
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| Natural resources | Cultural resources | Infra-structure | Activities | Linkages | Accessibility | Supra-structure | Community Support | Facilitating resources and services |
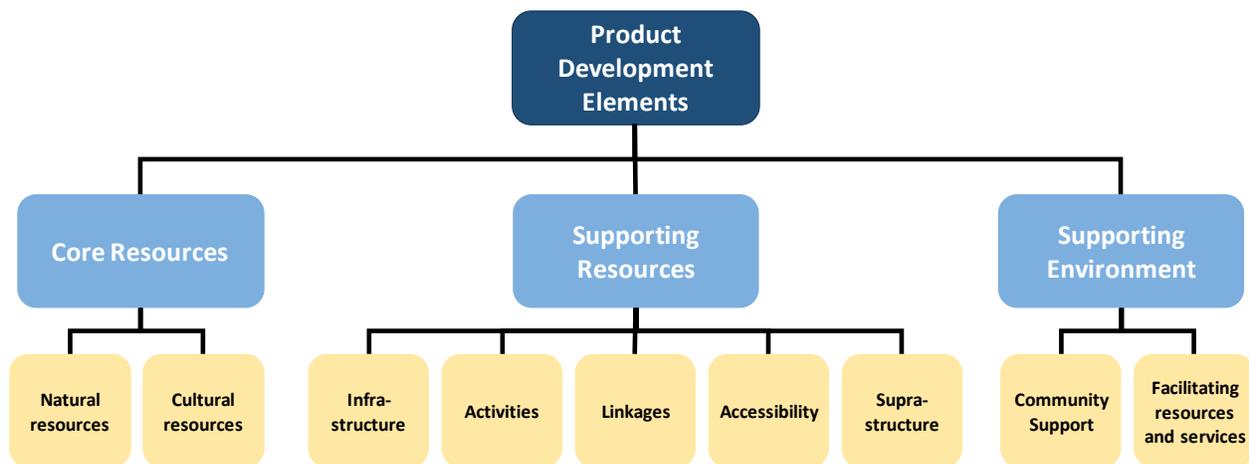
Source: DinarStandard Analysis

(4) The OIC countries vary in their maturity, but lessons can be inferred from benchmarking four OIC and four non-OIC countries

The case studies for the OIC looked at four developing economies according to the UN Country Classification, including OECD member Turkey, the UAE (Dubai), Nigeria (Cross River State) and Azerbaijan. These were compared to destinations in developed non-OIC economies, namely the U.S., Spain, Italy and Australia.

The following core lessons were learned from the case studies, and benchmarking the OIC countries to best practices:

- The OIC case study countries overall had less devolved DMO organizations, with governments playing a bigger role in decision-making and stakeholder engagement. Developed Non-OIC countries had decentralized decision-making and tourism is managed at a local level which empowers local cities, states and communities.

- Destination development was considered an important function, but was oftentimes subject to political will and lacked sufficient, broad support, such as the case in Nigeria.

- There was substantial scope to improve stakeholder engagement, with a stronger focus needed on more ongoing engagement and formal data collection, including surveys, to ensure alignment with best practice KPI management.

The case studies conducted in the context of this study showed variation between the OIC and the non-OIC case study countries in a number of areas. In terms of DMO legal forms, the OIC case study countries' DMOs were mainly governmental entities, while the non-OIC countries DMOs had more varied legal forms from governmental, private and public-private partnerships. In terms of funding, the OIC case study countries, with the exception of Turkey, such as CVBs, receive their funding solely from government sources, while the non-OIC case study countries have developed more diversified revenue streams including membership

fees, and commercial activities. In terms of scope of operation, both Azerbaijan and Nigeria have only governmental national tourism agencies, while in the case of the UAE and Turkey, destination management activities are carried on by national and regional entities. In the non-OIC case study countries, DMOs existed at the national, regional, and local levels, with DMOs at the regional level having great latitude in terms of deciding on scope of activities.

The case study's countries provide rich examples of product development and marketing strategies as well as stakeholder engagement methods used by destination management organizations. Some OIC destinations have focused on lucrative niche markets, such as Turkey's focus on the MICE industry, while Dubai has developed creative marketing techniques to promote itself through being a location for filming TV programs/movies (*Mission Impossible* and the recent movie *Geostorm* both feature Burj Khalifa). The non-OIC countries' case studies show an overall high involvement of stakeholders in destination management planning and implementation of strategies, such as in the case of Italy, whether on the national or regional levels. The case studies also highlighted the key performance indicators used by DMOs, such as Destination New South Wales' (NSW) use of performance measures in four main areas: growth in total NSW visitor nights, growth in total NSW overnight expenditure, media exposure, and consumer response to marketing activity.

(5) This study has recommendations for the OIC countries across six core parameters, aimed at putting DMOs at the front line of driving growth and economic diversification

Before deciding on the appropriate destination product development strategy, each country should determine where it stands in three key areas: (1) Destination Life Cycle Stage, (2) Tourism Resources, (3) Tourism Budget.

Recommendations for Destination Product Development

Countries with high natural and cultural resources should improve the facilities and amenities available at heritage and natural sites, and implement measures to protect those resources even in the early phases of destination development. Countries that have limited natural and cultural resources should focus on developing activities and events since they are within the control of destination managers, which is the new focus of progressive DMOs who are moving away from relying on inherited attractions and toward developing their own. They should also focus on the living culture and the lifestyle of the locals. Destinations should encourage the visiting friends and relatives (VFR) segment by making special offerings for visitors coming to visit family and friends, such as offering attractions at discounted rates. Destinations that receive business travelers can offer short tour packages.

Recommendations for DMO Structure and Governance

DMOs require legislation to be issued to govern setting up the DMO, define its authority, accountability and source of funding. In terms of legal structure, public-private DMOs offer the best legal structure. They usually receive funding from the government and have industry players on the board, which encourages collaboration among stakeholders. This legal structure allows DMOs to take swift actions, while at the same time being monitored by the government, and ensuring that the DMO takes a long-term view to destination development.

Stakeholders that DMOs should engage with include associations and universities, as well as to tourists and the local community. DMOs should create platforms that facilitate engagement and help increase

stakeholder involvement, such as stakeholder meetings and seminars, in addition to a digital portal. DMOs should also allocate staff to manage stakeholder relations.

Recommendations for DMO Activities

DMOs should be responsible for developing the branding of the destination and for promoting the destination, in addition to product development, in collaboration with the industry as well as with city planners. DMOs are also responsible for stakeholder coordination and industry support as well as for resource stewardship, monitoring and evaluation, and crisis management.

Recommendations for DMO Funding

DMOs should diversify their funding sources to ensure financial stability. They should receive a combination of direct government funding, funding generated from tourism taxes, such as the hotel room tax, and funding from local businesses and tourists (events, entrance fees).

Performance Measurement

Key Performance Indicators against which DMO success is measured should include visitor metrics, marketing campaign return on investment and conversion rates, brand equity, organization effectiveness, and stakeholder satisfaction.

Recommendations for Strategic Alliances

International cooperation should focus on knowledge exchange, and the cross-promotion of destinations. DMOs in the same region should consider pooling their resources for joint product development as well as for promoting the region as a whole. Additionally, DMOs can form strategic alliances with national airlines, sports federations, and retail outlets. Examples of strategic alliances with airlines include Tourism Malaysia forming an alliance with Etihad Airways to boost inbound tourism to Malaysia, and the Dubai Department of Tourism and Commerce Marketing forming a strategic alliance with Emirates Airlines to promote Dubai.

Introduction and Methodology

Background

Tourism plays an important economic role, adding $2.3 trillion to global GDP in 2016, and indirectly, contributing a further $7.6 trillion to the global economy, and account for 109 million jobs.[3] Most tourism destinations have established and entrusted destination management organizations (DMOs) with the task of developing and managing their destination in response to increasing competition. Destination management is defined as "the strategic, organizational and operative decisions taken to manage the process of definition, promotion and commercialization of the tourism product [originating from within the destination], to generate manageable flows of incoming tourists that are balanced, sustainable and sufficient to meet the economic needs of the local actors involved in the destination".[4] Acknowledging that the 57 Member states of the Organization of Islamic Cooperation (OIC) have is substantial potential to improve tourism and enhance economic growth, this study aims to provide tourism policy-makers in member states' governments with recommendations regarding measures that can be taken by governments to ensure successful and sustainable destination development through institutionalization.

In this study, chapter one explores the potential of tourist destinations, the impact of tourism, and how to add value to tourism stakeholders, particularly tourists and local communities. Chapter two outlines the destination management organizations' characteristics and structures, their activities, funding models and resources, and key performance indicators that are used to measure DMO effectiveness. Chapter three offers a step-by-step process for destination product development, from identifying tourism resources, assessing and developing infrastructure, assessing and developing a strong supporting environment across the value chain, engaging with community, to activating the destination product development strategies. Chapter four presents eight case studies from the OIC and the non-OIC countries to shed light on best practices in destination management and destination product development. Chapter five compares practices of the OIC and the non-OIC countries in areas of destination management and product development. Chapter six provides recommendations based on study findings for policy-makers in the OIC member states for destination management and product development.

Objective

The objective of this study is to enable tourism stakeholders:

- To identify characteristics of potential destinations and destination development strategies and their implications,
- To present ideal destination governance structures and institutionalization strategies,
- To explore stakeholder responsibilities with regards to destination development,
- To explore destination product development processes,
- To provide policy recommendations for effective destination management and destination development strategies for the OIC member countries.

Methodology

The study combines primary and secondary research tools and sources to fulfill its objectives:

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[3] *Travel & Tourism Global Economic Impact & Issues* 2017 (Rep.). (2017, March). Retrieved from https://www.wttc.org/-/media/files/reports/economic-impact-research/2017-documents/global-economic-impact-and-issues-2017.pdf

[4] Presenza, A. (2005). The performance of a tourism destination. Who manages the destination? Who plays the audit role? *XIV International Leisure and Tourism Symposium ESADE*, 1-14. doi:10.1.1.115.1245

- Primary Research: A number of tools/strategies were used including:
  - o In-depth Interviews: 27 in-depth interviews were conducted face to face and by telephone with tourism stakeholders with emphasis on respondents from destination management organizations providing insights into the destination management and product development strategies in general and providing information on specific destination management strategies. Interviewee names are listed in the appendix.
    Interviewees were selected from experts that would supply valuable information on destination development strategies, with referrals used to identify respondents. Content analysis was used to analyze interview transcripts, and qualitative data insights were integrated in relevant areas of the study.
  - o Online Structured Interviews: 31 structured interviews were conducted online with tourism industry stakeholders from November 29th, 2017 to January 7th, 2018 to understand the importance of various destination strategies and characteristics of successful destination governance. The online form included both open and close-ended questions. Content analysis was used to analyze the online interview transcripts and qualitative data insights were integrated in relevant areas of the study. Responses were collected from 10 travel agencies, 5 tour operators, 4 accommodation facilities, 2 professional associations, and one respondent each for various other stakeholder entities including travel transport companies, online travel agencies, etc. Eighteen of the 31 responses were from the OIC countries and the remaining from non-OIC countries. With respect to regional distribution, 11 of the responses were from European entities, 8 from the MENA region, 5 from Asia, 4 from Africa, and 3 from North America.
  - o Case Studies: Eight country case studies, four OIC member countries and four non-OIC, were selected to provide insights into destination management and product development strategies. The countries covered were Australia, Azerbaijan, Italy, Nigeria, Spain, Turkey, the United Arab Emirates, and the United States of America. Both field visits and in-depth interviews were used to collect data in the case studies of Azerbaijan, Spain, Turkey, and the United Arab Emirates, while in-depth interviews were used to complement secondary data in the desk case studies.
- Secondary Research: A number of secondary sources were used, including:
  - o Previous Market Studies: Market research on tourism and destination management, including Destination Marketing Association International 2015 Report on "DMO Organizational and Financial Profile Study".
  - o Trade and Sector Reports: Information was gathered from the reports published by Business Monitor International, Euromonitor, Datamonitor and Skift.
  - o Academic Articles and Research Papers: Information was gathered from *Brazilian Public Administration Review*, *Tourism Management*, *Tourism Review*, *Public Administration and Information Technology*, *UTMS Journal of Economics*, *Journal of Sustainability*, *Eco-Forum Journal*, *Journal of Destination Marketing & Management*, and *Journal of Travel and Tourism Marketing*.
  - o Government Data: Data was collected from various government publications and websites, including ministries' and official destination management organizations' websites.
  - o International Organizations Publications: including the UNWTO, UNEP, UNESCO, the World Bank, the World Travel and Tourism Council (WTTC), and The Organization for Economic Co-operation and Development (OECD).
  - o Press Publications: Press releases from various tourism industry players were reviewed, as well as articles covering destination management in various publications and news websites including Europa Press, La Vanguardia, and Hurriyet.

1. Features of Potential Tourism Destinations

1.1. The Potential of Tourism Destinations

Definition and Types of Tourism Destinations

Destinations are defined as "amalgams of tourism products, offering an integrated experience to consumers". Destinations were viewed traditionally as "well-defined geographical areas", however, they are becoming increasingly perceived as a "perceptual concept". While some tourists on a cruise ship may consider the ship itself as their destination, others may consider the ports of the visited countries as their destination. Some destinations, such as the Alps, are not part of a single country but a natural resource in four countries/geographical areas. Skiers may consider the Alps as a single destination, even though it would have been traditionally defined as four different destinations. In this study, the focus will be on the traditional definition of destinations as a "defined geographical region which is understood by its visitors as a unique entity, with a political and legislative framework for tourism marketing and planning" since this definition is more relevant to planning and marketing activities of destination management organizations (DMOs). [5]

Figure 1: Types of Destinations[6]

Source: Buhalis (2000)

As destinations evaluate their tourism credentials, a critical first step is determining how to characterize the destination. The six main types of destinations are presented in the diagram above.[7] Urban destinations have been at the center of tourism as it started; people travelled to visit cities for a variety of reasons whether for leisure, education, health, business, religion or sports. Seaside, rural, and alpine destinations are mainly visited for leisure purposes and enjoyment of the natural environment and activities particular to these types of destinations. Seaside destinations were essentially visited for leisure purposes to enjoy nice climate and engage in sea sports and beach activities, however, seaside mature destinations are facing competition from newer third world less developed and more exotic destinations which can also offer sea sports and beach activities besides their unique experience. Alpine destinations have been also attracting leisure travelers who are interested in winter sports as well as those interested in nature and other type of sports activities from mountain climbing to cycling. Rural destinations are witnessing increasing levels of interest from tourists who are interested in going back to nature; these destinations attract those seeking leisure as well as those interested in learning about agriculture. Authentic destinations, which are usually in third world countries and can be also perceived as emerging destinations, offer authentic experiences to tourists interested in culture and interaction with local communities in a natural unspoiled setting. Unique or exotic destinations, which are usually promoted as offering a "once in a lifetime

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[5] Buhalis, Dimitrios. (2000). Marketing the competitive destination of the future. *Tourism Management* 21: 97-116.
[6] Ibid
[7] Ibid

experience", can charge a premium price and aim to attract limited number of tourists celebrating special occasions such as honeymoons or anniversaries. [8]

Tourism Destinations' Life Cycle

The concept of product life cycle has been adapted to destinations leading to a model that starts with destinations being in discovery or exploration phase and ending with a stagnation phase where destinations can either face a decline or develop strategies for rejuvenation. The destination essentially moves from having limited tourism facilities and low numbers of tourists in the exploration stage to having regular tourism with services provided by locals but still a limited number of tourists in the involvement phase. In the following development and consolidation phases, first tourism investments and tourist arrivals grow, then tourist numbers become stable and investments start to decrease. Eventually, stagnation occurs with no growth in tourist arrivals and possible exit of some tourism industry players or tour operators. In the post-stagnation phase, destinations either face decline with lower number of tourist arrivals or rejuvenation if they find new ways to market themselves or appeal to new segments.[9]

Figure 2: Destination Life Cycle[10]
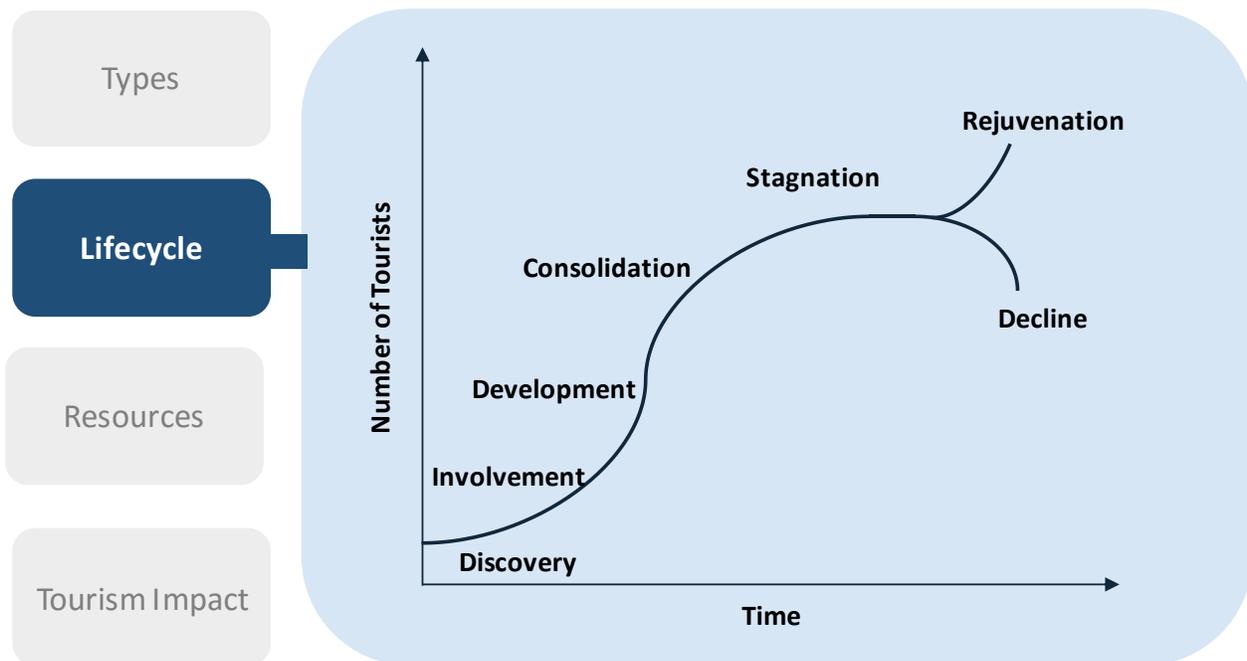
Source: Butler's Tourism Area Life Cycle (TALC)

Tourism Destinations' Resources

Tourist destinations will differ on what they offer to visitors, essentially, the core of their value propositions. All will have variations in natural endowments, which encompasses cultural and regional elements, or a combination of the three. Building upon these endowments, resources have supporting aspects, which encompasses activities, linkages and superculture, with value propositions being further

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[8] Ibid.
[9] Thiel-Ellul, Daniela F. and Navarro-Jurado, Enrique. (2015). "Destination Life Cycle." In: J. Jafari, H. Xiao (eds.), *Encyclopedia of Tourism*, Switzerland: Springer International Publishing.
[10] Based on Butler's Tourism Area Life Cycle (TALC).

enhanced through a strong supporting ecosystem as shown in Figure 3. How to identify the key resources and the process for developing a destination in a sustainable manner is discussed further in Section 3 of this report.

Figure 3: Tourism Resources[11]
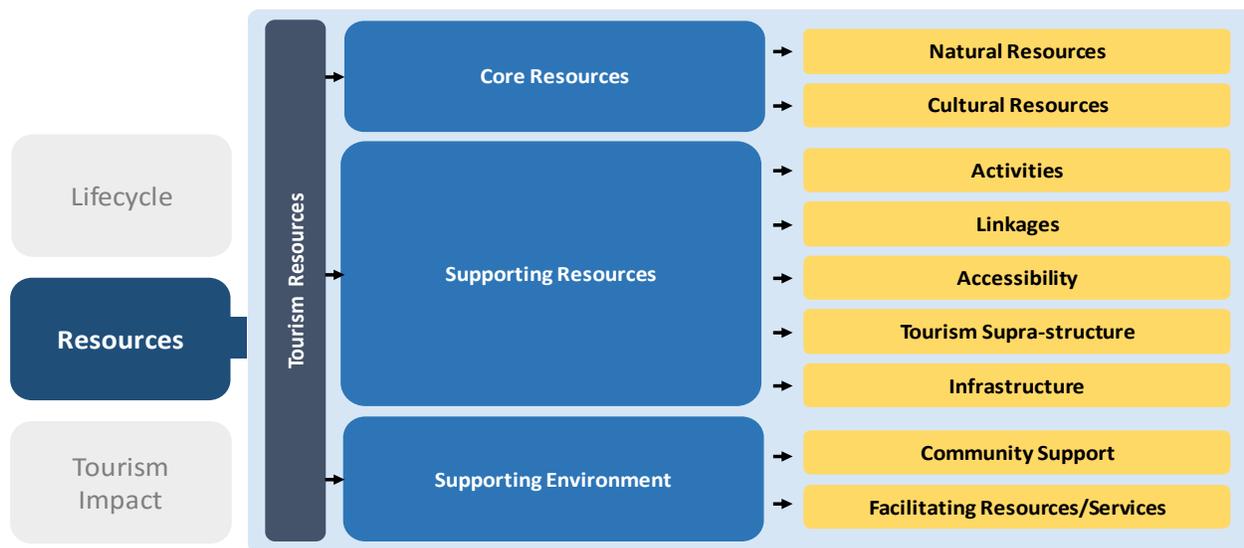
Source: Based on the destination competitiveness/sustainability model by Richie and Crouch

1.2. The Impact of Tourism

The economic impact of tourism is predominantly positive for host communities; however, its socio-cultural and environmental impacts can be primarily characterized as mixed. The positive economic impacts of tourism can be witnessed in its contribution to gross domestic product and employment in host communities. Tourism direct contribution to the global economy in 2016 reached $2.3 trillion (3.1% growth rate as compared to only 2.5% for the global economy), while its indirect contribution reached $7.6 trillion. In terms of Jobs in the industry, tourism jobs reached 109 million jobs (1.8% growth rate) in 2016, while the industry supported 292 million jobs. Tourism accounted for 10.2% of global GDP and 1 in every 10 jobs around the world. Tourism exports reached $1.4 trillion in 2016 (6.6% of total world exports, 30% of total world services exports in 2016). By 2027, the tourism industry is expected to outperform major economic sectors including financial and business services, communications, manufacturing, retail, and distribution. The tourism industry is forecasted to reach 11.4% of GDP (average growth rate of 3.9% per year), to support more than 380 million jobs (1 in every 9 jobs around the world), and for its exports to account for 7.1% of total global exports by 2027.[12]

As for negative economic impact of tourism, it is more noticeable in the case of less-developed countries, which mainly import products to satisfy tourists leading to import leakage. The import leakage is compounded by the fact that local companies do not possess the ability to operate in the less-developed countries, thus, tourism services are mainly provided by multinationals which repatriate their profits leading to an export leakage. Furthermore, the adoption of "all-inclusive" tourism packages create a form

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[11] Developed based on information from the model of destination competitiveness/sustainability developed by Richie and Crouch.
[12] *Travel & Tourism Economic Impact 2017* (Rep.). (2017). London, UK: World Travel & Tourism Council. Retrieved from https://www.wttc.org/-/media/files/reports/economic-impact-research/countries-2017/unitedarabemirates2017.pdf.

of "enclave tourism" that benefits only the establishments that created the packages rather than benefiting the local businesses.[13]

Figure 4: Impact of Tourism

Source: DinarStandard

To sustain the natural resources of the destination, the negative environmental impact of tourism needs to be mitigated carefully. Because of tourism activities, a certain amount of waste is generated which necessitates also the development of infrastructure, both leading to degradation of the environment which is primarily paid for by the local community. This degradation happens gradually starting with low level of impact with the initial development of tourism to a higher level of destruction because of mass tourism, which may give rise to "green" tourism initiatives and finally lead to a stage where solutions are developed to "balance the needs" of tourists, locals and the environment. Furthermore, tourism puts pressure on the carrying capacity of the destination due to the development of tourist facilities. It is important to note that some argue that the negative impact of tourism on the environment cannot be measured precisely as it is difficult to separate the effect of tourism activities versus all other activities on the environment, while others believe that tourism actually benefited the environment as it has led to more conservation efforts and measures and it is a more environmentally "friendly" activity as opposed to other industries that locals could engage in to benefit economically.[14] This highlights the importance of managing the destination at the macro level by DMOs.

Tourism also plays an important role in boosting host communities, provided cultural clashes can be managed. Tourism encourages civic involvement and pride as local communities start appreciating the value of their natural and cultural resources and start to become increasingly interested in conserving these resources and to have a sense of pride in their heritage. Interaction with tourists exposes local communities to different lifestyles and customs while tourist get to experience a different culture with all its aspects including lifestyle, food, and customs. This form of intercultural exchange can promote "respect for the other". However, many studies have indicated that this cultural exchange may not materialize as tourists may be motivated more to "consolidate" their own image of the destination rather than "exchange experiences" with the host communities of their chosen destinations. On the other hand, tourist and host communities' interaction can result in "cultural clashes" because of the pressure exerted on the social and cultural "carrying capacity" of the destination, resulting from exceeding the limits of acceptable change to the social system and the culture of host communities. These culture clashes can be caused by the failure of tourist to respect local culture and values, the consumption patterns of affluent tourists in low income destinations and the lack of access of local communities to natural resources earmarked for tourism.

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[13] Impacts of Tourism. (n.d.). Retrieved from http://drustage.unep.org/resourceefficiency/impacts-tourism
[14] Bâc, D. P. (2012). The Impacts of Tourism on Society. *Annals of the University of Oradea, Economic Science Series*, 21 (1): 500-6.

Tourism may also cause changes to the "indigenous identity" of host communities and their values due to the increasing "commodification" of traditional, ethnic and religious customs and sites as well as the pursuit of "standardization" to satisfy tourist need for familiarity.[15]

The variation in the impact of tourism on destinations can be seen during the different stages of a destination's life cycle due to the varying level of supply and demand that characterize the different stages. As the discovery or exploration stage is mainly characterized by both low supply and demand, impacts of tourism is minimal on the destination's economy, environment, society and culture. As the destination moves towards development, high growth in terms of positive economic impacts are witnessed in areas of employment and revenue with initially positive impact on environment in terms of conservation efforts which has also a positive impact on society in terms of civic pride. However, as the destination moves to the next phase of consolidation, while economic impacts are still mainly positive, damage to the environment occur as a result of high inflow of tourism. In the stagnation phase, positive economic impacts decrease and environmental decay increases leading to societal discord and less acceptance to tourism by local communities. [16]

Tourism should also be sustainable so that it can retain a long-term value, both for the destination and tourists. Sustainable tourism, as defined by the World Tourism Organization, is "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." To guarantee long term sustainable tourism, conservation of natural resources and biodiversity and maintenance of ecological processes, respect for the cultural heritage and traditional values of society, and fair distribution of tourism's benefits to all stakeholders are essential. Furthermore, as the definition implies, the satisfaction of tourist needs is an important factor for the development of sustainable tourism; tourists need to be made aware of the importance of sustainable tourism and its practices. To achieve sustainability, continuous measurement and monitoring of tourism impact is important to ensure necessary measures are taken to take full advantage of positive impacts and to correct any negative impacts.[17] Research and monitoring and balancing the needs of different stakeholders consist an integral part of DMOs' activities.

There are several indicators that destination managers can use to track their destination's sustainability performance allowing them to intervene and introduce corrective measures when needed. The UNWTO's Indicators of Sustainable Development for Tourism Destinations tracks 40 sustainability issues including management of natural resources, preservation of cultural heritage, economic leakages, and climate change among others. The Global Sustainability Criteria for Destinations, provided by the Global Sustainable Tourism Council, uses performance indicators provides benchmarks for best sustainability practices around the world, while, the European Tourism Indicator System is used in Europe to monitor European destinations performance on a number of sustainable tourism criteria. The World Economic Forum's Travel & Tourism Competitiveness Index provides a comparison of 140 countries' performance on enabling environment, travel and tourism policy and enabling conditions, infrastructure, and natural and cultural resources.[18]

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[15] Impacts of Tourism. (n.d.). Retrieved from http://drustage.unep.org/resourceefficiency/impacts-tourism
[16] Ritchie, J.R. & Crouch, G. I. (2010). A Model of Destination Competitiveness/Sustainability: Brazilian Perspectives. *Brazilian Public Administration Review* 44(5):1049-66
[17] *Making Tourism More Sustainable: A Guide for Policy Makers* (Rep.). (n.d.). UNEP.
Retrieved from http://www.unep.fr/shared/publications/pdf/dtix0592xpa-tourismpolicyen.pdf
[18] *Towards More Effective Impact Measurement in the Tourism Sector* (Rep.). (n.d.). World Bank Group. Retrieved from
https://consultations.worldbank.org/Data/hub/files/consultation-template/towards-more-effective-impact-measurement-tourism-sector-openconsultationtemplate/phases/wbg_towards_more_effective_impact_measurement_in_the_tourism_sector_consultations.pdf

1.3. Adding Value for Tourists and Host Communities

Beyond destination development and marketing, the ability of destination management organizations to minimize leakages along the tourism value chain, enhance the experiences of tourists and the quality of life of the host community is key to the sustainability of tourism in a destination. As mentioned earlier in the negative impacts of tourism, the import leakage resulting from import of foreign goods to fulfill tourist needs can be compounded by an export leakage resulting from multinationals operating in the tourism sector repatriating their profits.[19] Destination managers need to encourage local entrepreneurship in the tourism sector to stop leakages and ensure a more profound positive impact on the economy by assisting them to secure funding through the provision of information on tourism demand and its expected growth as well as tourism products needs and opportunities for investment. Destination managers can also play an important role in the development of human resources entails the provision of educational and training programs that imparts the skills needed at all levels for working in the tourism industry, starting from education programs at the school level to retraining programs for those who want to change their careers. Even though DMOs do not provide nor control educational and training programs, they can work with tourism stakeholders to influence the entities responsible for the development of these programs. [20]

Host community support for tourism is critical for destinations' tourism development and management. Residents' perceptions of tourism impacts influence their support for tourism development in their communities; residents are more likely to support tourism development if they perceive it as beneficial without "incurring unacceptable costs". According to research studies, the main benefits from tourism affecting local communities' perceptions result from its positive economic impacts including the creation of job opportunities for the local population in addition to increasing the standard of living and the development of infrastructure among others. Local communities' perceptions of social and cultural impacts are negatively influenced by traffic jams, noise and increasing crime rates that can be associated with high level of tourism exceeding the carrying capacity of their areas,[21] which is defined as "the number of individuals who can be supported in a given area within natural resource limits, and without degrading the natural, social, cultural and economic environment for present and future generations".[22]

Destination managers need to set clear objectives for improving the quality of life of local communities which can be a challenging task as the impact of tourism on quality of life varies across stakeholders in a destination. Thus, it's essential to actively engage local communities in the development of tourism and to understand their value system and quality of life objectives to ensure that tourism impacts improve rather than worsen their quality of life. Destination managers also need to monitor the level of satisfaction and well-being of local communities as well as get their feedback on proposed tourism development strategies and projects.[23] Thus, destination managers need to ascertain the quality of life objectives that are important to the local residents and incorporate them in the destination "vision" while working on creating a positive experience for tourists.[24] In Holland, Amsterdam Marketing identifies its goal as "and to make the city livable and loveable and prosperous" for the local community, who are continuously

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[19] Environmental Impacts of Tourism. (n.d.). Retrieved January 08, 2018, from http://drustage.unep.org/resourceefficiency/impacts-tourism

[20] Presenza, A. (2005). The Performance of a Tourism Destination. Who Manages the Destination? Who Plays the Audit Role? *XIV International Leisure and Tourism Symposium ESADE.*

[21] Yoon, Y. (2002). Development of a Structural Model for Tourism Destination Competitiveness from Stakeholders' Perspectives. Virginia Polytechnic Institute and State University.

[22] Kerstetter, D. L., & Bricker, K. S. Relationship Between Carrying Capacity of Small Island Tourism Destinations and Quality-of-Life. In Uysal M., Perdue R., Sirgy M. (eds*) Handbook of Tourism and Quality-of-Life Research. International Handbooks of Quality-of-Life.* Springer, Dordrecht.

[23] Crouch G.I., & Ritchie J.R.B. (2012) *Destination Competitiveness and Its Implications for Host-Community QOL.*

[24] Ibid.

engaged with and included as well in marketing activities to encourage them to enjoy the local cultural venues.[25]

Destination managers need to also mitigate the negative impacts of tourism, primarily by ensuring that the carrying capacity is not exceeded and that tourism is "socially acceptable" to the local community. To ensure that carrying capacity is not exceeded and the visitors and locals can best enjoy the destination, destinations need to take a management role and regulate the number of visitors to museum, attractions, activities and the accommodation options that are offered — including Airbnb, either via integrated booking systems and transparency of supply or by controlling the number of cultural passes distributed to visitors.[26] Destination managers also need to take into consideration a number of guidelines to ensure tourism is "socially acceptable" to local communities, including: respecting the lifestyle, traditions, and customs of the local communities, safeguarding the biodiversity of the destination, making local communities aware of tourism benefits to their communities through promotional campaigns, engaging local communities in tourism planning to ensure it takes into account their quality of life goals, getting local communities' feedback and endorsement for local tourism promotional activities and tourism themes and events to ensure it "reflects" their culture and traditions, and supporting members of local communities if they wish to get involved in tourism projects by providing them with financing and entrepreneurship support for creating their own local tourism businesses.[27] Improving local communities quality of life has been identified as an important target by DMOs around the world. In the US, Travel Oregon vision statement indicates that it aims to achieve "a better life for all Oregonians through strong, sustainable local economies".[28] In the UAE, the hotel industry started an initiative, which was joined by Emirati authorities, for the Emiratization of jobs in hotels as they noticed that Emiratis were underrepresented in the industry.[29]

As for adding value for tourists, destination managers should look beyond tourism products' price and delivery and consider enhancing the tourism experience, which can be described as a "chain of emotional sensations"[30] or as "an impression of experiencing a trip". While the tourism experience can be characterized in a variety of ways from authentic and memorable to positive or negative, it is harder to determine and measure the authenticity and memorability as opposed to the positivity or negativity of an experience. A positive experience, can be defined as an experience "which results from the impression associated with fulfillment or satisfaction and which has a positive influence on tourists' lives".[31] To ensure a positive tourism experience, destinations managers need to both shape the "physical" and "emotional tourist milieu" by taking a "holistic" approach to the development of tourist attractions areas. Given that the tourism experience extends beyond the area of attractions to all areas that tourists move through during their visit to the destination, it is important to expand tourism chain of services beyond the attraction areas. Following the development of the physical milieu, destinations managers need to work on the "emotional milieu" by working on the elements that can create positive emotional reactions. Destination managers need to consider a number of elements: constructing a "storyline" for the destination using its natural and cultural resources, providing "immersive" experiences for tourists

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[25] Interview with team member of Amsterdam Marketing.
[26] Interview with Doug Lansky, Destinations Adviser and Travel Writer.
[27] Uysal, M., Woo, E., & Singal, M. (2012). The Tourist Area Life Cycle (TALC) and Its Effect on the Quality-of-Life (QOL) of Destination Community. n: Uysal M., Perdue R., Sirgy M. (eds) *Handbook of Tourism and Quality-of-Life Research. International Handbooks of Quality-of-Life*. Springer, Dordrecht.
[28] Please refer to the United States case study for more details.
[29] Interview with CEO of Emaar Hospitality.
[30] Lekić, R., Trezner, Ž., & Mance, N. (2014). DMC as a creator of memorable experiences in tourist destination. Retrieved from https://econpapers.repec.org/paper/thoiscthi/section2-2.htm
[31] Shen, Y. (2016). Perceived Value in Tourism Experience. 2016 Tourism Travel and Research Association International Conference.

through the use of technology to create "interactive narratives" for attraction sites where tourists can be "active participants", and encouraging interaction between local communities and tourists to build emotional connections and enrich the tourist experience.[32]

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[32] Lekić, R., Trezner, Ž., & Mance, N. (2014). DMC as a creator of memorable experiences in tourist destination. Retrieved from
https://econpapers.repec.org/paper/thoiscthi/section2-2.htm

2. Destination Development Institutional Strategies

Most destinations have established and entrusted destination management organizations (DMOs) with the task of developing and managing their destination in response to increasing competition. Destination management is defined as "the strategic, organizational and operative decisions taken to manage the process of definition, promotion and commercialization of the tourism product [originating from within the destination], to generate manageable flows of incoming tourists that are balanced, sustainable and sufficient to meet the economic needs of the local actors involved in the destination".[33] According to the World Tourism Organization (WTO), a destination management organization (DMO) is "the leading organizational entity which may encompass the various authorities, stakeholders and professionals and facilitates tourism sector partnerships towards a collective destination vision". [34]

It is estimated that there are more than 10,000 DMOs in existence globally today, from governmental and private entities to public private partnerships.[35] DMOs exist and operate at different levels; national tourism organizations (NTO) operating at the national level, regional, provincial or state DMOs operating at the level of a geographically defined region for tourism marketing purposes, and local DMOs operating at the city or town level.[36]

In terms of DMO development timeline, regional tourism organizations (RTO) were the first type of DMOs founded, with the establishment of the Swiss St Moritz RTO in 1864. The first national tourism office (NTO) was established by New Zealand in 1901, to be followed by a French NTO in 1910, an Italian NTO in 1919, which were followed by a myriad of other NTOs established around the globe. The first state tourism organization (STO) was established in Hawaii in 1903, and was followed by 26 STOs in various US States by 1946.[37] While the role played by destination management organizations (DMOs) today encompasses both marketing and management activities, they started off with a focus on marketing activities. Early DMOs, established at the local level in the 1800, developed travel guides and advertising campaigns to promote their destinations.[38]

2.1. DMO Characteristics and Structure

Currently, DMO legal forms around the globe vary from governmental bodies to private entities, and public-private partnerships. However, the past 40 years witnessed a shift from governmental DMOs, that include ministries, authorities and departments, to public-private partnerships, which are in many instances non-governmental organizations funded partially by the government but run as autonomous entities. [39]

Traditionally, NTOs were essentially governmental organizations, however, in some instances governments grant NTOs a separate legal identity to allow them more financial and administrative latitude. Governmental DMOs can directly influence government policies. RTOs can cover the whole

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[33] Presenza, A. (2005). The Performance of a Tourism Destination. Who Manages the Destination? Who Plays the Audit Role? *XIV International Leisure and Tourism Symposium ESADE.*.

[34] Presenza, A., Sheehan, L., & Ritchie, J.R. Brent. (2004). *Towards A Model of the Roles and Activities of Destination Management* Organizations. Spain: World Tourism Organization.

[35] Pike, S., & Page, S. J. (2014). Destination Marketing Organizations and destination marketing: A narrative analysis of the literature. *Tourism Management*, 41, 202-227. doi:10.1016/j.tourman.2013.09.009

[36] Presenza, A., Sheehan, L., & Ritchie, J.R. Brent. (2004). *Towards A Model of the Roles and Activities of Destination Management* Organizations. Spain: World Tourism Organization.

[37] Pike, S. (2008). *Destination Marketing: An Integrated Marketing Communication Approach*. Oxford: Butterworth-Heinemann.

[38] Pike, S., & Page, S. J. (2014). Destination Marketing Organizations and destination marketing: A narrative analysis of the literature. *Tourism Management*, 41, 202-227. doi:10.1016/j.tourman.2013.09.009

[39] Ibid.

country or a region within a country, while some cover a group of countries such as the European Travel Commission, the Caribbean Tourism Organization, and the Asia Pacific Tourism Organization. In the case of regional tourism organizations (RTOs), some countries impose an organizational structure they need to follow to receive public funding, while in other countries the choice is left to RTOs to create their own organizational structures. Public-Private Partnerships are becoming more widespread with more DMOs at the national, regional and local level adopting that model around the world. Most provincial and local DMOs in Canada, many state tourism organizations in the United States, and many local DMOs in the UK have been formed as Public-Private Partnerships.

 The legal structure of a DMO affects its decision-making process. DMOs established as private-public partnerships make it possible for all stakeholders to be represented, which allows for pooling of knowledge and expertise as well as encouraging cooperation and communication between stakeholders, which ensures better coordination and avoids duplication of efforts.[40] However, the balance of power between the different actors can affect decision making in Public-Private Partnerships due to the varying levels of influence of the diverse partners from the tourism industry and government. [41] Public DMOs are more risk averse and have a slower decision making process as opposed to private DMOs, however, they have more resources at their disposal as opposed to private DMOs. Public DMOs also take a long term strategic approach to destination development as opposed to private DMOs who are interested in exploitation of current market opportunities and increasing sales. [42]

The geographic scope of DMOs also varies substantially, which necessitates different level of activities. National DMOs, which are mostly governmental or public-private partnerships as shown in the case studies, are responsible for marketing and branding the country as a whole. In Spain, the national DMO Tour Espana promotes the whole destination while each region and province promote themselves. In tourism fairs, Tour Espana allocates space to the different regions which in turn allocates space to the different provinces. So, in that setting, Tour Espana would promote brand Spain, while Andalucia would promote itself and Granada would do the same.[43]

Figure 5: DMO Characteristics
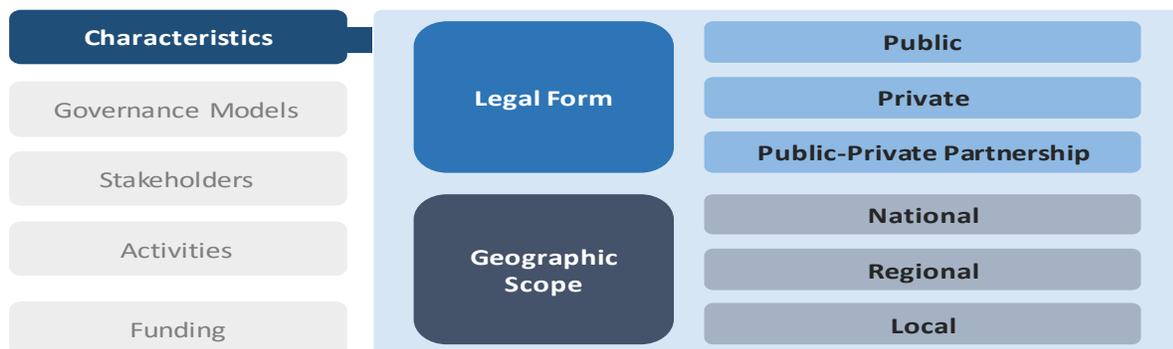
Source: DinarStandard

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[40] Pike, S., & Page, S. J. (2014). Destination Marketing Organizations and destination marketing: A narrative analysis of the literature. *Tourism Management*, 41, 202-227. doi:10.1016/j.tourman.2013.09.009

[41] Pike, S., & Page, S. J. (2014). Destination Marketing Organizations and destination marketing: A narrative analysis of the literature. *Tourism Management*, 41, 202-227. doi:10.1016/j.tourman.2013.09.009

[42] Carter, R., & Fabricius, M. (2006). *Destination Management – An Overview.* UNWTO Conference on "Creating competitive advantage for your destination".

[43] Interview with team member, Tourism Planning and Development, Patronato Provincial de Toursimo de Granada.

In the context of the stakeholder structured interviews conducted within the scope of this study, respondents were asked to identify the legal forms and geographic scope of DMOs operating within their destinations. Many respondents reported having government entities that operate as DMOs both on the national and regional levels, with some entities also operating at the local level. Some respondents cited the presence of private destination management companies in their destinations; these companies were mainly prevalent at the local level. Few respondents mentioned the presence of private-public partnership destination management organizations, which were present at the various levels.

In terms of governance, there are four main DMO models or typical structures: the normative or regulatory model, the entrepreneurial, the leading firm and the fragmented model. In the normative/regulatory model, the local authority makes sure all the interests of stakeholders are represented and all structures and processes are established according to set regulations. DMOs in this model can be funded by both the public and private sector. Examples of this model are DMOs in Vienna, Austria, and St Moritz, Switzerland. In the entrepreneurial model, the DMO structure and operations are defined and can be modified by its members, whether public or private sector entities. DMOs in this model can be funded through contributions from members. Examples of this model are DMOs in Barcelona and Berlin. In the leading firm model, a single entity, whether a company or institution, takes the lead in promoting the destination and or the allocation of resources. In this model, collaboration is very low as a single entity cannot provide incentives to all stakeholders to work on developing joint strategies. An example of this model is the Trade Fair in Milan, Italy. In the fragmented model, which is common to many destinations where tourism developed spontaneously, collaboration is limited to promotional activities that are focused on short term, however, this model can evolve with collaboration extending to other areas. Examples of this model the Festivaletteratura of Mantua and art exhibitions in Perugia, Italy. [44]

Figure 6: DMO Governance Models[45]
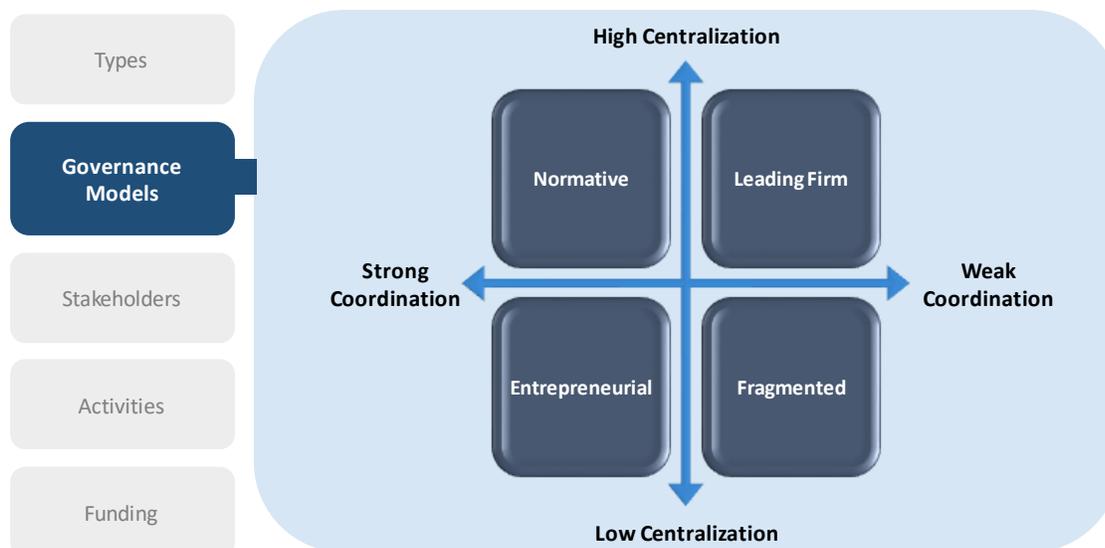
Source: D'Angella and Sainaghi, R. (2010)

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[44] D'Angella, F., De Carlo, M., & Sainaghi, R. (2010). Archetypes of destination governance: a comparison of international destinations. *Tourism Review*, 65 (4): 61-73.
[45] Ibid.

Traditionally, DMOs were classified into two categories, the corporate and the community model, until the development of the four-category model discussed above. In the community model, which can be classified as highly decentralized, all other tourism providers are on equal footing and follow their own strategies, while in the corporate model, which can be classified as highly centralized, one firm creates a network of relationships with the other providers but manages the destination by itself. It is worth noting that various studies in the area of governance concluded that each country needs to create the structure that suits its purpose as long as this structure allows the DMO to get support from both the government and the tourism industry to carry out its activities. [46]

Research into governance of DMOs is rather limited, which has hindered the development of a DMO governance model, as access to information about organizational processes and operations is not publicly available. Some academic studies, that drew attention to shortcomings in DMO governance, have led to more restrictions on public access to information. [47]

Most public-private partnership DMOs have a board of directors with an executive director or a chief executive officer as opposed to governmental DMOs who have directors and deputy directors without a board of directors. The board of directors of public-private partnership DMOs is responsible for monitoring the financial and overall annual performance of the DMO and change its by-laws when needed as well as represent the DMO and tourism stakeholders within the destination. Specialized standing committees are usually formed from board members to deal with various areas such as executive, finance and audit functions.[48]

In terms of departments, DMOs on the national level, particularly governmental entities, tend to have more departments reflecting their larger size and responsibilities. In Nigeria, the Ministry of Information, Culture and Tourism, which is the government body responsible for tourism on the national level, has five departments; the finance and administration, the planning, research and statistics, the domestic cultural operations, the external cultural relations, and the international tourism promotion and cooperation.[49]

There is a great variety in terms of departments organization in regional DMOs depending on their size and activities. Tour Granada has four departments: tourism promotion, planning and development, communication, and information departments.[50] In Guam, the DMO is divided into three departments: marketing, management and development. The development department works on improving the destination in terms of carrying out improvement campaigns and adding up a new museum. The department also engages with city planners and tourism industry stakeholders to ensure that new developments and offerings take tourists' needs into account. The management department activities include ensuring that carrying capacity is not exceeded, pushing for environmental policies to ensure the sustainability of the destination and managing tourists' experience by implementing solutions to reduce overcrowding of attractions and providing service training to tourism industry staff to ensure a seamless experience. The marketing department, which is more concerned with short-term objectives as opposed to the management department's strategic outlook, is focused on promoting the destination brand and attracting tourist.[51]

[46]Ibid.

[47] Pike, S., & Page, S. J. (2014). Destination Marketing Organizations and destination marketing: A narrative analysis of the literature. *Tourism Management*, 41, 202-227. doi:10.1016/j.tourman.2013.09.009

[48] Morrison, A. M. (2016). *Marketing and managing tourism destinations*. Vancouver, B.C.: Langara College.

[49] Interview with team member of the Nigerian Ministry of Information, Culture and Tourism.

[50] Interview with team member of Tourism Planning and Development, Patronato Provincial de Toursimo de Granada.

[51] Interview with Doug Lansky, Destinations Adviser and Travel Writer.

Table 1: DMO Departments[52]

	Nigerian Ministry of Information, Culture and Tourism	Granada DMO	Guam DMO
Scope	National	Regional	Regional
Departments	1. Finance and Administration, 2. Planning, Research & Statistics, 3. Domestic Cultural Operations, 4. External Cultural Relations, 5. International Tourism Promotion	1. Tourism Promotion 2. Communication 3. Information 4. Planning & Development	1. Marketing 2. Management 3. Development

Source: DinarStandard

Staff numbers also vary considerably, although averaging around 16 in the U.S. A recent study by Destination Marketing Association International (DMAI), the "2015 DMO Organizational and Financial Profile Study" which consisted of a survey of 246 DMOs from the United States, Canada and Bermuda, reported that the median number of full-time equivalent employees among all surveyed DMOs to be 16 employees. The study found a great variation in the number of employees based on the budget size of the DMO, with DMOs that have budgets of less than $1 million having a maximum of 5 employees, DMOs with a budget between $1 and $5 million having a maximum of 15 employees, DMOs with a budget between $5 and $10 million having a maximum of 25 employees, and DMOs with a budget of more than $10 million having an average of 60 employees.

Staff, in the U.S. study by DMAI, were primarily allocated to marketing, business development, and visitor servicing departments. The study also indicated an increase in staff allocation to areas of sport/event marketing, convention sales, visitor servicing, and travel trade support. The study found that on average 25% of the staff of the surveyed DMOs were allocated to marketing and communications, 23% to general administration, 18% to convention sales, 13% to visitor services, 7% to sport/event market, and 5% each to trade travel and convention services and housing. With regards to staff salaries, DMOs surveyed in the context of the DMAI study reported allocating on average more than half of their budget to marketing and promotional activities, and more than a third to employee salaries with the rest mainly spent on administrative expenses. The bigger the budget of the DMO, the higher was the percentage allocated to marketing and promotional activities and the lower was the percentage allocated for employee salaries out of total expenses.[53]

2.2. Tourism Industry Stakeholders

Identifying Stakeholders

There are several types of stakeholders, shown in the following diagram, that need to be considered in developing destinations. DMOs need to cultivate relationships with stakeholders, understand their needs and coordinate with them to increase the efficiency of usage of resources.

Given that stakeholders' interests can be divergent, the DMO needs to create a balance between the different interests in a way that ensures relationships between stakeholders are preserved. Destination managers may need to help develop and use legislation to ensure that different stakeholders' interests are protected and that best practices are used to ensure the sustainability of tourism products.[54] Some destinations such as Amsterdam have introduced regulations to ensure the welfare of local communities from negative impacts associated with high number of tourists and also regulations to safeguard the interest

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[52] For more information on the mentioned DMOs, please refer to the case studies chapter.
[53] Destination Marketing Association International (2015). *DMO Organizational and Financial Profile Study*
[54] Buhalis, D. (2000). Marketing the competitive destination of the future. *Tourism Management*, 21(1), 97-116. doi:10.1016/s0261-5177(99)00095-3

of the tourism industry players. These regulations included laws to prevent the building of additional hotels in the city center as well as limiting Airbnb renters to only rent their home for a maximum of 60 days throughout a year and to register their accommodation with the government. They also released a law limiting the number of tourist shops in the historic city center.[55]

Stakeholder engagement is defined as "the practices an organization undertakes to involve stakeholders". Collaboration with stakeholders allows sharing of knowledge and resources thus enhancing collective capabilities and adaptability enabling an increase in the value added of the destination. Furthermore, collaboration between public and private sector partners lowers potential of conflict and increases the legitimacy of decision making leading to acceptance of decision making outcomes and increased cooperation in their implementation.

Destination managers need to identify all relevant stakeholders and to create proper structures and platforms as well as dedicate the necessary human resources to involve the diverse stakeholders to achieve synergy and benefit from the collaborative efforts and to ensure the representativeness of the different stakeholder groups as this may create conflict as a result of the dissatisfaction for unrepresented and underrepresented stakeholder groups.[56]

As a stakeholder is defined as "any person, group, or organization that can place a claim on an organization's attention, resources, or output or is affected by that output" [57], destination managers need to include a variety of different groups in their engagement efforts. The following figure illustrates the various groups of stakeholders a DMO needs to engage including: tourists who are the destination's end consumers and as such have a claim on DMO resources, the local community which is directly affected by DMO activities and tourism in general, tour operators and local tourism industry as they both shape the destination product and thus can affect the DMOs output to a large extent, and government institutions which control both the regulating and the infrastructure environment of the destination. Educational institutions and professional associations can play an important role in assisting DMOs in making informed decisions by providing relevant information and research.

Figure 7: DMO Stakeholders

Source: DinarStandard

[55] Interview with CEO, Amsterdam Marketing
[56] Lally, A. M., O'Donovan, I., & Quinlan, T. (2015). Stakeholder Engagement in Destination Management: Exploring Key Success Factors. *11th Annual Tourism and Hospitality Conference*. Ireland.
[57] Gomes, R. C. (2005). Who are the relevant stakeholders to the local government context? Empirical evidences on environmental influences in the decision-making process of English Local Authorities. *Revista de Administração Contemporânea*, 9(Spe1), 177-202. doi:10.1590/s1415-65552005000500009

Engaging Stakeholders

Following the identification of stakeholder groups, destination managers need to develop engagement strategies based on the prominence of the various stakeholders' groups, which is determined by these groups' level of interest in and their ability to influence the DMO's efforts to increase the competitiveness of the tourism destination.

The hierarchy of stakeholder engagement, according to the International Association for Public Participation, starts with informing stakeholders then progresses to consulting and involving stakeholders and reaches its highest level with collaborating and empowering stakeholders.[58] Destination managers choice of engagement level should be based on the stakeholders' level of interest in destination development strategies and policies and their ability to affect the results. Thus, in the case of stakeholders who have low influence as well as low interest in the destination development, destination managers can opt for the first level of engagement which is keeping those stakeholders well-informed by providing them with complete and accurate information about DMO strategies and plans for managing and marketing the destination. Destination managers can use a variety of tools to inform stakeholders such as DMO website, emails, fact sheets, newsletters, internal networks, etc.[59]

Figure 8: Stakeholder Engagement Levels & Tools
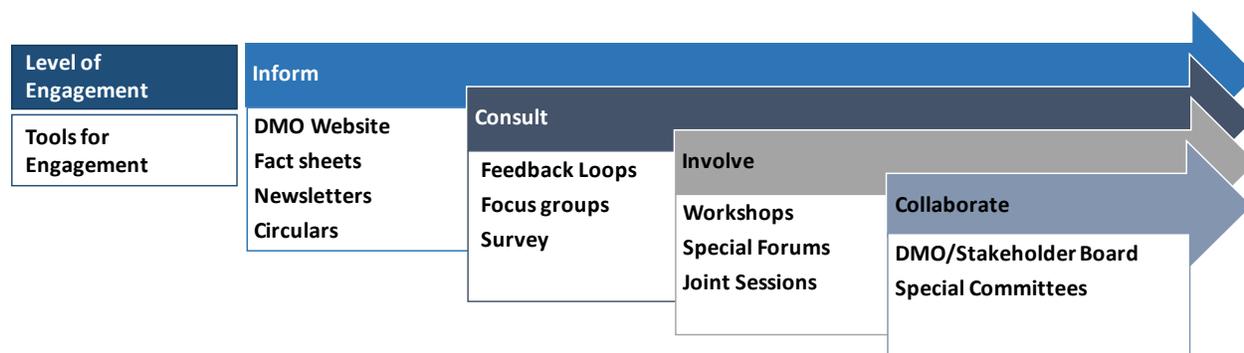
Source: DinarStandard

In the case of stakeholders with low influence but high level of interest in the DMO management and marketing strategies and plans, such as universities and the local communities, destination managers should consult them in the development of plans and strategies for the destination. Destination managers can use a variety of tools to consult stakeholders such as feedback loops, focus groups and surveys. As for stakeholders with high influence but low interest in the DMOs' plans and strategies, destination managers need to involve them to make sure that their needs and interests are being served by the planned policies and strategies so that they can avoid potential conflicts.[60] Destination managers can hold workshops and create special forums to identify those stakeholders' needs as well as include them in joint planning and strategy formulation sessions.[61]

For stakeholders who have both high influence and high interest in the DMOs plans and strategies, such as tourism industry players, global tour operators and government entities, destination managers need to

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[58] *Stakeholder Engagement Framework* (2015). Department of Education and Early Childhood Development, Melbourne, October 2011.
[59] Helbig N., Dawes S., Dzhusupova Z., Klievink B., Mkude C. (2015)*. Stakeholder Engagement in Policy Development.*
Epp, A. (2013). *Assessing the Impact of Stakeholder Engagement on Perceptions of DMO Performance* (Working paper). The International.
[60] Helbig N., Dawes S., Dzhusupova Z., Klievink B., Mkude C. (2015) Stakeholder Engagement in Policy Development.
Epp, A. (2013). *Assessing the Impact of Stakeholder Engagement on Perceptions of DMO Performance* (Working paper). The International
Centre for Responsible Tourism. Retrieved from https://pdfs.semanticscholar.org/9a45/66f5fdb0e9bb847c8d6949be28fefd409216.pdf

collaborate and empower these stakeholders by assimilating their opinions and suggestions in developing the plans and strategies for the destination's development and making them part of the decision making. [62] At this level, stakeholders should be included in regular meetings and can be included in the DMO board if possible or be part of a stakeholder board as well as collaborate with them in special committees in the formulation of the destination's development plans and strategies; this also ensures stakeholders cooperation in implementing the developed policies and strategies.[63]

There are a number of elements that determine the level and effectiveness of stakeholder engagement activities, including the degree of centralization of decision making, the density and centrality of stakeholder networks, the presence of a strong shared identity, and the abilities of destination managers. Highly centralized decision-making systems leads to lower level of stakeholder involvement as their inputs may not be taken into account in decision making. Higher density stakeholder networks, in terms of stakeholder interconnectedness, facilitates collaboration and enables stakeholder networks to have more influence on decision makers while lower density networks are generally marred by conflicts leading to lower ability of stakeholders to influence decision making. The level of centrality of stakeholder networks, in terms of position, level of access and degree of influence relative to other networks, can also shape the nature of their engagement in terms of control over outcomes of collaboration[64]

The presence of a strong shared identity strengthens the norms of affinity and interdependence among destination stakeholders leading to increased levels of collaboration. Destination managers need to possess vision, diplomacy, persistence, and social expertise as opposed to only technical expertise, which is inadequate on its own to motivate stakeholders to be actively involved in the DMOs activities. It is also important to note that DMO efforts to involve all stakeholders may be curtailed by those stakeholders who either do not have the time or human resources to become involved, or who chose to remain passive knowing that their interests will be served nonetheless since other stakeholders are involved. Thus, DMOs need to make stakeholders aware of collaboration benefits to encourage their participation.[65]

DMOs around the globe are aware of the importance of stakeholder engagement in creating a shared vision for the destination and have been actively seeking their input in a variety of areas from planning to implementation and marketing of tourism activities in their destinations. In Spain, to develop Granada's strategic tourism plan, the DMO Patronato Provincial de Toursimo de Granada carried out interviews and work groups with stakeholders through an external consulting agency to understand their needs and expectations.[66] In the US, the Go Great lakes, which is a private DMO that aims to market the Great Lakes Bay in Michigan, engages regularly with a variety of stakeholders including: the tourism industry players, government officials on all levels, chambers of commerce, and educational organizations. The Go Great lakes holds regular monthly meetings as well as uses electronic media channels including its website and social media platforms to collaborate with stakeholders.[67] In Dubai, the Department of Tourism and Commerce Marketing (DTCM) has included tourism industry stakeholders, such as hotels and airlines, in committees to coordinate destination promotion activities.[68]

In the context of the stakeholder structured interviews conducted within the scope of this study, respondents were asked how destination management organizations interact with them and what is the aim of the engagement. Responses were divided between those reporting destination management organizations interacting with them and those citing no formal efforts by destination management

[62] Ibid.
[63] Epp, Aimee. (2013). Assessing the Impact of Stakeholder Engagement on Perceptions of DMO Performance.
[64] Ibid.
[65] Lally, A. M., O'Donovan, I., & Quinlan, T. (2015). *Stakeholder Engagement in Destination Management*.
[66] Interview with team member of Tourism Planning and Development, Patronato Provincial de Toursimo de Granada.
[67] Interview with CEO of Go Great Lakes.
[68] Interview with Executive Vice President and Chief Commercial Officer of Emirates Airlines.

organizations to engage them. With regards to the aim of engagement, respondents mentioned being informed, involved and engaged with the aim of collaborating in the formulation of tourism policies. Workshops and DMO stakeholder boards were the main tools used for engagement mentioned by respondents followed by joint sessions, special forums and committees. Respondents made several recommendations to improve stakeholder engagement, including formalizing engagement channels and engaging regularly with stakeholders as well as ensuring that all types of stakeholders are involved to create synergy. Other suggestions included involving industry players in decision making through recruiting them into leadership positions at destination management organizations.

2.3. The Role of DMOs

The goal of DMOs is to ensure sustainable destination competitiveness, which is a challenging task in an increasingly competitive global market where market leaders and mature destinations are constantly confronted with innovative strategies of new market entrants who can offer unspoiled natural landscapes.[69] To achieve their goal, DMOs carry out a variety of activities that evolved from solely focusing on destination promotion to encompass a wider range of destination marketing and management activities. DMOs marketing activities expanded to cover product development, pricing guidance and distribution support. Their role expanded further recently to cover a variety of activities such as resource stewardship, management of visitor experience, stakeholders coordination, industry support, monitoring and evaluation, and crisis management.[70] However, it is important to note that DMOs' management of the destination faces serious challenges as it is constrained by its inability to control stakeholders' product development and marketing strategies, the quality of the actual visitor experience, the attitude of the local communities towards tourists, and the destination's accessibility and transport infrastructure.[71] The following figures presents an overview of the activities DMOs undertake to fulfill their role in marketing and managing their destinations.

Figure 9: DMO Activities[72]

Source: DinarStandard analysis based on Buhalis (2000)

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[69] Pike, S., & Page, S. (2014). "Destination Marketing Organizations and Destination Marketing".
[70] Buhalis, D. (2000). Marketing the competitive destination of the future. *Tourism Management*, 21(1), 97-116. doi:10.1016/s0261-5177(99)00095-3
[71] Pike, S., & Page, S. J. (2014). Destination Marketing Organizations and destination marketing: A narrative analysis of the literature. *Tourism Management*, 41, 202-227. doi:10.1016/j.tourman.2013.09.009
[72] Developed based on information from Buhalis, D. (2000). "Marketing the competitive destination of the future".

Marketing Activities

Destination management organizations' marketing activities include product development, destination promotion, pricing guidance and distribution support. The destination product, the development of which is discussed further in Section 3, includes a multitude of elements, from transportation to accommodation and entertainment among others that are primarily provided by small and medium size enterprises, that need to be collectively branded under the destination's name. As such, DMOs are seen as fundamentally responsible for bringing all the product elements under the destination brand; they are perceived as the creators and "guardians of the image" of the destination, which encompasses various product development related activities from product design/development to branding and positioning. DMOs need to be proactive in encouraging local public and private partnerships to create a "seamless" experience for destination visitors as well take a leading role in developing innovative and well-diversified tourism products through incentives and supportive policies. DMOs also need to differentiate their destination product from other destinations through the development of "unique" experiences to ensure competitiveness and sustainability of their destination. Tourists have become more sophisticated which makes "generic" branding, such as sun and beach for Mediterranean destinations, doesn't help differentiate a destination product, as opposed to "themed" branding that builds on unique destination resources, such as mythology in Greece and arts and cuisine in Italy.[73]

Destination promotion was always at the heart of early DMO activities and continues to be a key activity for DMOs on all levels. Promoting destinations necessitates coordination with stakeholders to create a shared vision and a harmonized message that can be utilized by tourism industry players. At the destination level, typically DMOs are responsible for the design and development of promotional events and materials, which can be funded either fully or in part by industry players. Destination managers generally use both above and below the line promotional activities. Above the line activities, including advertising in various media channels, have proven to be quite expensive but instrumental in branding destinations. Below the line tools, such as tourism fairs, brochures, guidebooks, and public relations activities, are extensively used by destination managers to raise awareness of the destination and encourage tourists to visit.[74] Other tools for promotional purposes that can be used by destination management include familiarization tours for tour operators, the media, and influencer and social media trend setters. Industry stakeholders can play an active part in in supporting DMOs in these activities as in the case of Emirates airlines which has worked with Dubai's Department of Tourism and Commerce Marketing to promote the destination; they have carried out joint global marketing campaigns such as "Hello Dubai" and joint familiarization tours for influencers and journalists in addition to undertaking a number of promotional activities aimed to attract tourists to Dubai including offering tourists special fares from various destinations as well as complimentary products such as visa, room nights, and theme park tickets. They have also developed "My Emirates Pass" which offers discounts to tourists for various activities and attractions simply by using the airline's boarding pass at the different outlets.[75]

Pricing can be a challenging area for DMOs in terms of coordinating the pricing strategies of the different tourism products and services suppliers within the destination. Pricing plays an important role in destination image, attractiveness and competitiveness as tourists consider trip cost when making their choice of destination. Pricing destinations is a complex task since destinations are essentially "amalgams of individually produced tourism amenities and services", which means that destination pricing is a product of the different pricing strategies employed by the various tourism services providers.

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[73] Buhalis, D. (2000). Marketing the competitive destination of the future. *Tourism Management*, 21(1), 97-116. doi:10.1016/s0261-5177(99)00095-3
[74] Ibid.
[75] Interview with Executive Vice President and Chief Commercial Officer of Emirates Airlines.

Furthermore, tour operators also play an important role in determining destination pricing especially in the case of destinations that are dependent on mass tour operators. Economic conditions and competition also influence destination pricing. The combination of these factors makes pricing a challenging area for DMOs. While DMOs cannot completely control the pricing of the various tourism service providers, they can provide guidelines for minimum and maximum pricing, through regulation or coordination with tourism providers, to ensure competitiveness and protect both tourists and service providers. Destination managers can also provide training to stakeholders on pricing strategies and the importance of price structure standardization.[76]

Providing distribution support to tourism industry players has been a key marketing activity for DMO as distribution significantly impacts pricing since it constitutes 30% of the price of tourism products and services. The choice of distribution channel can also impact the destination image. In some markets, large travel agencies and tour operators dominate distribution. In such instances, DMOs can support their distribution activities by providing them with the necessary information and promotional materials to help them do their job more effectively. As the internet has become increasingly important for distribution, with the rise of electronic intermediaries and the availability of information for consumers enabling them to create their individual itineraries, DMOs have taken advantage of electronic platforms and developed their own websites for both distribution and promotion purposes. Electronic platforms have also allowed destination managers to be less dependent on traditional distribution channels as well as to develop specialized products for niche markets.[77]

Operational Activities

DMOs' operational activities, including management of visitor experience, stakeholders' coordination, and industry support, have proven to be quite instrumental in ensuring destination competitiveness. Positive visitor experience is critical to ensure sustained competitiveness of the destination. DMOs are typically involved in servicing tourists through visitor information centers.[78] To ensure tourists have a positive tourism experience, destinations managers, as mentioned in the earlier chapter, need to both shape the "physical" and "emotional tourist milieu" by taking a "holistic" approach to the development of tourist attractions areas by expanding the tourism chain of services beyond the attraction areas. Destination managers can construct a "storyline" for the destination using its natural and cultural resources to provide "immersive" experiences for tourists through the use of technology to create "interactive narratives" for attraction sites where tourists can be "active participants", and encouraging interaction between local communities and tourists to build emotional connections and enrich the tourist experience.[79] Furthermore, monitoring of tourist satisfaction through regular research activities, which is discussed later under strategic activities, is essential to ensure DMO strategies meeting their objectives in this area.

The task of stakeholders' engagement and coordination is instrumental in ensuring destination competitiveness. DMOs need to cultivate relationships with stakeholders, understand their needs and coordinate with them to increase the efficiency of usage of resources.[80] The fact that the diverse actors with different viewpoints regarding destination development and possibly conflicting interests are involved in the destination product, highlights the importance of the coordination role of DMOs.

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[76] Buhalis, D. (2000). Marketing the competitive destination of the future. *Tourism Management*, 21(1), 97-116. doi:10.1016/s0261-5177(99)00095-3

[77] Ibid.

[78] Presenza, A. (2005). The Performance of a Tourism Destination. Who Manages the Destination? Who Plays the Audit Role? *XIV International Leisure and Tourism Symposium ESADE.*

[79] Lekić, R., Trezner, Ž., and Mance, N. (2014). *DMC as a creator of memorable experiences in tourist destination.*

[80] Presenza, A. (2005). The Performance of a Tourism Destination. Who Manages the Destination? Who Plays the Audit Role? *XIV International Leisure and Tourism Symposium ESADE.*

Destination managers need to create an environment of trust and engage the different actors and get their input in their areas of expertise.[81] DMOs need to increase stakeholders awareness of the importance of cooperation rather than competition at the destination level for the development of marketing strategies and campaigns that allows them to compete with other destinations.[82] Destination managers' coordination with stakeholders is needed to ensure that tourists have a "seamless" and positive total experience at the destination that includes all components from transportation to accommodation.[83]

Destination development and competitiveness are highly dependent on DMOs' support of the tourism industry players both in terms of facilitating access to financial resources and supporting human resources development. Even though the provision of funding for private tourism projects is largely dependent on financial institutions and markets, DMOs can play an active role in assisting tourism developers to get access to funding. This is especially important for encouraging local entrepreneurship in the tourism sector to stop leakages and ensure a more profound positive impact on the economy.[84] Furthermore, DMOs can assist entrepreneurs in their goal to secure funding through the provision of information on tourism demand and its expected growth as well as tourism products needs and opportunities for investment. The development of human resources entails the provision of educational and training programs that imparts the skills needed at all levels for working in the tourism industry, starting from education programs at the school level to retraining programs for those who want to change their careers. Even though DMOs do not provide nor control educational and training programs, they can work with tourism stakeholders to influence the entities responsible for the development of these programs.[85] DMOs can help develop educational and training programs that target the needs of the tourism industry in terms of necessary knowledge and skills.[86] In Barcelona, subsidies are offered for innovative entrepreneurs in addition to providing specialized training for those working in the tourism industry.[87] In Granada, Tour Granada offers training and education through the Rural Tourism International School.[88]

In the context of the stakeholder interviews conducted within the scope of this study, respondents were asked about support and training or mentoring provided by destination management organizations. Many respondents mentioned destination management organizations providing tax cuts, funding opportunities, and access to tourism-related research. Some respondents mentioned personnel and management training. Some respondents mentioned receiving training in a number of areas including business and product development, customer service, use of digital media, sales and ISO certification. Respondents were also asked about how to improve coordination and cooperation between stakeholders; their suggestions included having open channels for communication and enabling face to face interactions between various stakeholders as well as ensuring stakeholder interaction is not limited to periods of crisis to create trust and encourage cooperation.

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[81] Beritelli, P., & Bieger, T. (2014). From destination governance to destination leadership – defining and exploring the significance with the help of a systemic perspective. *Tourism Review* 69 (1), 25-46.

[82] Buhalis, D. (2000). Marketing the competitive destination of the future. *Tourism Management*, 21(1), 97-116. doi:10.1016/s0261-5177(99)00095-3

[83] Ritchie, J.R. & Crouch, G. I. (2010). A Model of Destination Competitiveness/Sustainability: Brazilian Perspectives. *Brazilian Public Administration Review* 44(5):1049-66

[84] Ibid.

[85] Presenza, A. (2005). The Performance of a Tourism Destination. Who Manages the Destination? Who Plays the Audit Role? *XIV International Leisure and Tourism Symposium ESADE.*

[86] Ritchie, J.R. and Crouch, Geoffrey I. (2010). "A Model of Destination Competitiveness/Sustainability."

[87] Interview with team member of Barcelona Activa.

[88] Interview with team member of Tourism Planning and Development, Patronato Provincial de Toursimo de Granada.

Strategic Activities

DMOs have begun to expand their activities to cover strategic areas, including resource stewardship, monitoring and evaluation, and crisis management to ensure the sustainability of tourism resources and the continued competitiveness of their destinations. DMOs have realized that they need to properly manage destination resources in a way that protects and preserves these resources from damage.

The main aim of resource stewardship management is to ensure that "best practices" are implemented by all tourism players throughout their operations to both improve tourism products and services and minimize negative impact.[89] Furthermore, to ensure competitiveness, DMOs need to monitor tourism products and services quality. In other words, resource stewardship involves management of supply to ensure the provision of innovative and high-quality products to ensure the satisfaction of tourists and the management of demand to ensure capacity is not exceeded to the detriment of destination resources and the welfare of local communities.

Monitoring, evaluation and dissemination of industry performance and visitor satisfaction information as well as estimating supply and demand regularly is essential for product development and ensuring competitiveness. Destination managers can use primary research tools and management information systems to collect, analyze and disseminate performance information to stakeholders on a regular basis to take corrective measures when needed.[90] Research is needed to estimate demand and ensure tourist needs are met at the destination and to identify any gaps in current industry supply that need to be addressed.[91] In Barcelona, a tourism observatory was created to carry out research and provide relevant information to tourism industry stakeholders. Private entities also make their data available to the tourism observatory, which analyses all data to ensure the smooth management and sustainability of the destination.[92]

Occasionally, DMOs need to deal with crises that can have serious and long-lasting effects on the tourism industry and the destination's image. Whether crises were a result of terrorist events or natural disasters, DMOs must be able to respond and contain the impact of these crises effectively.[93] As such, DMOs should develop the ability to anticipate crises and be prepared to deal with potential threats that can affect their destination's attractiveness and competitiveness. DMOs should engage in risk analysis and scenario building as well as create a crisis management permanent task force with the aim of coordinating responses and efforts as well as supporting the local tourism industry in times of crisis. [94]

It is important to note that some of the responsibilities of DMOs may vary according to the level they operate at, whether national, regional, or local. While both national and regional DMOs shoulder the responsibility of shaping and promoting the destination brand image, local DMOs are more involved in service provision aspects in terms of providing information and facilitating booking for tourists and managing events and attractions. DMOs at all levels are involved in destination promotion, conducting research and developing strategies as well as providing support to the industry by encouraging entrepreneurship and dissemination of information to relevant stakeholders. However, DMOs at regional

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[89] Ritchie, J.R. & Crouch, G. I. (2010). A Model of Destination Competitiveness/Sustainability: Brazilian Perspectives. *Brazilian Public Administration Review* 44(5):1049-66

[90] Ritchie, J.R. & Crouch, G. I. (2010). A Model of Destination Competitiveness/Sustainability: Brazilian Perspectives. *Brazilian Public Administration Review* 44(5):1049-66

[91] Presenza, A. (2005). The Performance of a Tourism Destination. Who Manages the Destination? Who Plays the Audit Role? *XIV International Leisure and Tourism Symposium ESADE*

[92] Interview with team member of Barcelona Activa.

[93] Ritchie, J.R. & Crouch, G. I. (2010). A Model of Destination Competitiveness/Sustainability: Brazilian Perspectives. *Brazilian Public Administration Review* 44(5):1049-66

[94] Presenza, A. (2005). The Performance of a Tourism Destination. Who Manages the Destination? Who Plays the Audit Role? *XIV International Leisure and Tourism Symposium ESADE*

and local level are more involved with industry stakeholders in terms of providing them with training, consultations and help in product development.[95]

In the context of the stakeholder structured interviews conducted within the scope of this study, respondents were asked to identify the responsibilities and tasks undertaken by DMOs operating within their destinations. Most respondents identified product development, destination promotion, industry support, research, and crisis management as some of the tasks primarily undertaken by DMOs on the national level. Distribution support, pricing guidance, visitor experience management were identified by many respondents as tasks performed on both the national and local levels. The task of stakeholder coordination was identified as one of the tasks performed by DMOs at all national, regional and local levels by some respondents. Respondents made a number of recommendations for improving DMO performance of their role including creating formal platforms and think tanks to ensure stakeholder involvement in decision-making and planning, providing support and incentives in areas of product development, and minimizing bureaucratic procedures to make DMOs more adept in facing changes in the tourism industry.

2.4. Funding Models and Sources for DMOs

Sustainable funding is considered one of the important challenges for DMOs that can affect its spending on needed activities and as a result their effectiveness in terms of ensuring destination competitiveness, as such most DMOs seek diversification in funding and revenue streams from both public and private sources. There are four funding models adopted by destination management organizations; the appropriation, the cost recovery, the co-funding, and the industry-led models.

The following figure displays the various funding models and the public and private funding sources available to DMOs for financing their operations and activities. As the table shows, the appropriation model and the cost recovery and industry-led models occupy the ends of the spectrum with different funding sources; with the appropriation model mainly depending on public funding as opposed to both the cost recovery and industry-led model depending on private funding. The co-funding model occupies the middle position in the spectrum as it combines the use of both public and private funding tools.

Figure 10: DMO Funding Models and Sources
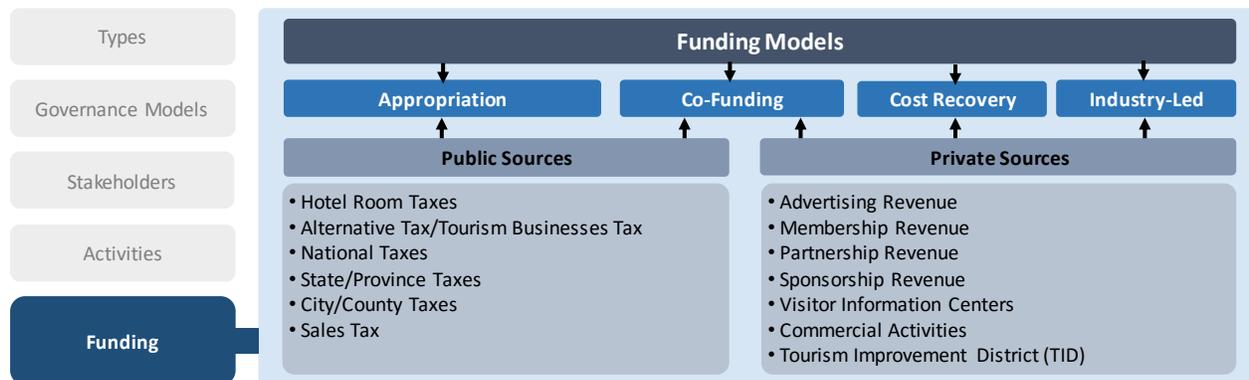
Source: DinarStandard Analysis

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[95] *A Practical Guide for Tourism Destination Management* (2007) (Rep.). WTO.

The appropriation model, where DMOs receive public funding that is raised primarily through hotel room taxes, has been the most prevalent among DMOs.[96] There are a number of public sources of funding that have been used to fund DMO activities including: hotel room taxes, alternative/tourism business tax, sales tax, national, state/province, and local taxes. The largest source of public funding is hotel room taxes which are considered a stable source of revenue and can be easily collected.[97] Hotel room taxes are mostly compulsory in many destinations and as such are one the main sources of public funding for DMOs as they generate large revenues at low cost and have the added benefit that they do not add to the tax burden of local communities. However, some hospitality service providers have voiced criticism against hotel room taxes as they perceive them as detracting from destination competitiveness.[98] Alternative tax such as taxes on all local businesses can be used to generate revenue to be used for public funding of DMOs especially in the case of RTOs. In some instances, only tourism related businesses are taxed such as accommodation, car rentals, and attractions among others, but this creates a problem in terms of defining tourism related businesses. [99]

Some destinations have tourism/recreation taxes; however, they are more difficult to apply since not all businesses who benefit from tourism can be identified, which makes the tax difficult to administer.[100] National, state, and city taxes can be used by governments as a source of public funding for DMOs. Governmental DMOs are highly dependent on funding from taxes, with municipal departments relying on local taxes for funding. The main drawback of this funding source is that as opposed to the hotel taxes, the financial burden is shouldered by local communities, in addition to the fact that DMOs will be competing with a myriad of other entities for funding from this source.[101]

Both the cost recovery and the industry-led models depend on private funding sources. The cost recovery model, which is based on DMOs charging fees for provided services, is gaining momentum as it seeks to balance local community needs and tourism business needs. The industry-led funding model, also known as Tourism Improvement District (TID) or Tourism Marketing District (TMD), is based on industry players contributing a self- assessed fee to a mutual fund run by the DMO. The self-assessed fee, which in some cases can be compulsory for local industry players, includes fees from hotels, restaurants, attractions, car rentals and other industry players. The TID model has been adopted by an increasing number of DMOs in North America, while the UK has developed its own Tourism Business Improvement District (TBID) model.[102]

With respect to private funding sources, DMOs have used a variety of tools to generate revenue streams to support their activities and operations, including the following;

- Advertising revenue, both print and cooperative sources, is an important source of private funding for DMOs. Advertising links to tourism businesses on DMO websites can also generate revenues for DMOs. [103]
- Membership revenues, in membership-based organizations, are raised through collection of fees from members, however, this type of revenue is affected by "free riders" who benefit from DMO activities but do not join its member ranks nor contribute to its efforts leading to further decline in membership and its associated revenues. Destination managers in this type of organization need

[96] Nissen, A. (2016). *Destination funding models: Can DMOs seek financial stability from their governments?* Retrieved from https://destinationthink.com/
[97] Ritchie, J.R. and Crouch, G. I. (2003). *The Competitive Destination: A Sustainable Tourism Perspective.*
[98] Pike, S. (2008). *Destination Marketing: an Integrated Marketing Communication Approach.* London: Routledge.
[99] Ibid.
[100] Ritchie, J.R. and Crouch, G. I. (2003). *The Competitive Destination: A Sustainable Tourism Perspective.*
[101] Pike, S. (2008). *Destination Marketing: an Integrated Marketing Communication Approach.* London: Routledge.
[102] Nissen, A. (2016). *Destination funding models: Can DMOs seek financial stability from their governments?* Retrieved from https://destinationthink.com/
[103] Destination Marketing Association International (2015). *DMO Organizational and Financial Profile Study.*

to identify and recruit potential members through the creation of a benefit package that is perceived as "worthwhile" to those potential members. [104]

- Tourism Improvement District (TID) generates revenue through self- assessed fee contributions by industry players, such as hotels, restaurants, attractions, car rentals, to a mutual fund that is generally administered by DMOs.[105]
- Partnerships, where the tourism industry contributes to the DMO to fund certain activities such as sales missions, travel fairs, and familiarization tours. In some instances, as in the co-funding model, these activities receive seed funding from the government which is then matched by the private sector industry players. [106]
- Sponsorships, where private companies contribute to DMOs budget in return for being included in their promotional materials, are an important source of private funding, however, they do not provide sustainable long-time revenue. [107]
- Visitor information centers can generate revenue for DMOs through commission on sales for single industry players or for a group of industry players as in the case of city cards/passes that enable tourists to visit a number of attractions, however, this revenue stream generally generates modest returns even with high turnover especially since the labor cost at those centers are usually high and the offerings are mostly low-cost items. To increase visitor center profitability, destination managers can create preferred supplier agreements where they get higher commissions from a specific supplier in each product category in return for better display of their brochures and other promotional materials. However, this option may not be feasible for visitor information centers that receive government funding since they should not in this case be giving a preferential treatment to some suppliers at the expense of others. [108]
- DMOs can engage in a number of commercial activities to fund their operations such as event hosting through convention centers, publications sales, and collection of service fees from industry players or fees from management of tourist attraction. [109] DMOs can also collect royalties on sale of items featuring their logo. In some instances, where legislation permits, DMOs can create their own travel department which can be licensed as a private company and its revenues used to fund the DMO activities, as in the case of Australia's Tourism Queensland which established its wholesale travel division.[110]

Under the Co-funding model, tourism industry players contribute to DMO funding by matching funds provided by the government.[111] DMO, following this model, receive funding from both private and public revenue streams, which is quite common according to findings from the case studies. Leading DMOs around the world are diversifying their funding sources to ensure sustainability. The following table summarizes sources of funding for a number of destination management organizations around the globe.

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[104] Ritchie, J.R. and Crouch, G. I. (2003). *The Competitive Destination: A Sustainable Tourism Perspective*.

[105] Nissen, A. (2016). *Destination funding models: Can DMOs seek financial stability from their governments?* Retrieved from https://destinationthink.com/

[106] Pike, S. (2008). *Destination Marketing: an Integrated Marketing Communication Approach.* London: Routledge.

[107] Ritchie, J.R. and Crouch, G. I. (2003). *The Competitive Destination: A Sustainable Tourism Perspective*.

[108] Pike, S. (2008). *Destination Marketing: an Integrated Marketing Communication Approach.* London: Routledge.

[109] Destination Marketing Association International (2015). *DMO Organizational and Financial Profile Study.* 1-40

[110] Pike, S. (2008). *Destination Marketing: an Integrated Marketing Communication Approach.* London: Routledge.

[111] Nissen, Aaron. (2016). *Destination funding models: Can DMOs seek financial stability from their governments?* Destination Think Website.

Table 2: DMO Funding Sources[112]

Amsterdam Marketing	Barcelona Consortium of Tourism	Granada DMO	South Tyrol DMOs
Public Funding Membership Fees Commercial Activities Revenue	Public Funding Membership Fees Commercial Activities Revenue	Public Funding Industry Support of Activities	Public Funding Membership Fees

Source: DinarStandard

Funding for Amsterdam Marketing, in Holland, comes from the city of Amsterdam, membership fees and commercial activities such sales revenue from books and maps at their visitors' centers as well as the Amsterdam City Card that gives tourists access to transportation and museums.[113]

In Spain, the Barcelona Consortium of Tourism, which promotes and markets the city of Barcelona and was founded in anticipation of the Olympic Games, gets public funding raised through hotel stay taxes in addition to getting membership fees and revenue from product sales.[114]

Funding for Tour Granada is provided through the Granada provincial government, however, some activities are supported through contributions from the tourism industry, such as hotels providing accommodation for familiarization tours groups, tour agencies providing guides, and food and beverage outlets providing meals.[115]

In Italy, the South Tyrol government had to reverse its "voluntary" approach for funding DMOs through membership fees and institute a lodging tax paid by tourists to fund the activities of destination management organizations since membership in the local tourism organizations is not mandatory thus was not sufficient to ensure sustainable funding of DMOs in the region.[116]

A recent study by Destination Marketing Association International (DMAI), the "2015 DMO Organizational and Financial Profile Study" which consisted of a survey of 246 DMOs from the United States, Canada and Bermuda, indicated that almost 90% of funding of small (less than $1M) and medium sized ($1-5M) budget DMOs came from public sources. The main source of public funding was hotel room taxes, which accounted for 73% of total public investments made available to DMOs, with more than 87% of DMOs receiving funds from it. 14% of DMOs also mentioned receiving public funds from district tourism improvement and voluntary assessments. Other sources of public funding include restaurant taxes, state, city and province funding. With respect to private sources of funding, 39% of all DMOs mentioned getting revenues from paying members, with 60% of the larger (more than $5M) budget DMOs citing getting revenues from memberships. On average, advertising revenues represented almost 25% of all private revenue of the surveyed DMOs, while membership revenues consisted 16% and partnership revenues 12%. Other sources of private funding mentioned by surveyed DMOs included corporate sponsorships, event hosting, publication sales and service fees.[117]

It is important to note that the legal form of DMOs can affect the funding sources available to them, with governmental DMOs mainly depending on public funding raised through hotel taxes and user fees, while

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[112] For more information on the mentioned DMOs, please refer to the case studies chapter.
[113] Interview with team member of Amsterdam Marketing.
[114] Interview with team member of Barcelona Activa.
Interview with team member of Tourism Planning and Development, Patronato Provincial de Toursimo de Granada.
[116] Please refer to Italy's case study for more information about DMOs in South Tyrol.
[117] Destination Marketing Association International (2015). *DMO Organizational and Financial Profile Study.* 1-40

private membership DMOs getting revenues from a variety of other sources such as membership fees, revenue from sponsorships and promotional activities, and commissions from commercial activities. [118]

The reliance on government funding is perceived as a risk to DMO operations as there are no guarantees of political commitment to tourism which can lead to extreme fluctuations in terms of revenue for DMOs. There are a number of instances where withdrawal of government funding led to the complete closure or scaling down the services of DMOs. In 1993 in Colorado, a referendum led to the cancellation of the tax that funded the tourism board, which led to its closure and subsequent decline in Colorado's share of domestic leisure travel by 30% from 1993 to 1997. In addition to the challenge of sustainable government funding, the fact that DMOs may be receiving funding from a number of different government sources create a "multiple accountability" situation, where DMOs have to report and abide by regulations of multiple entities which can be time consuming and resource draining.[119] While governmental DMOs could generally leverage public funding, they joined private DMOs in the efforts to generate revenues and seek private funding in an effort to diversify their funding sources to ensure financial stability.[120]

2.5. Legislative Frameworks and Accountability of DMOs

Legislative Frameworks

Governments' regulations in tourism are continuously evolving as governments continue to reconsider their role in tourism management.[121] Initially, governments were highly involved in developing tourism with the creation of governmental entities to manage tourism-related activities. With the increasing interest from the private sector in the tourism sector, governments started developing regulations to ensure best practice. In the past decades, governments, especially in developed economies, became less involved in regulating the tourism industry and have become more focused on tourism regulations related to consumer protection and resources sustainability.[122]

The structure and mandate of DMOs are largely dependent on the legislative framework that they operate within. In the case of governmental DMOs, they are generally established through legislation that specifies their structure, mandate and activities, as in the case of the tourism board of Scotland, Wales and England established based on the tourism act of 1969 in the UK. Public-private partnerships can also be established by legislation as in the case of Tourism Tasmania established in 1996 in Australia.[123] In some destinations, government regulations may limit the range of activities based on DMOs legal form, in terms of reserving some operational and destination branding activities for governmental entities.[124] In Poland, the Act on the Polish Tourism Organization (1999) sets the objectives and tasks of the tourism organization including its responsibilities including branding, promotion, and running regional centers and tourist information outlets.[125] In the US, the Regional Convention & Tourism Promotional Act of 2010 allowed equalized funding structure for the Go Great Lakes Bay regional DMO, essentially enabling each individual

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[118] Presenza, A., Sheehan, L., & Ritchie, J.R. Brent. (2004). *Towards A Model of the Roles and Activities of Destination Management Organizations.* Retrieved from
http://www.academia.edu/1009194/Towards_a_model_of_the_roles_and_activities_of_destination_management_organizations

[119] Pike, S. (2008). *Destination Marketing: an Integrated Marketing Communication Approach.* London: Routledge.
[120] Ibid.
[121] Pike, S., & Page, S. J. (2014). Destination Marketing Organizations and destination marketing: A narrative analysis of the literature. *Tourism Management*, 41, 202-227. doi:10.1016/j.tourman.2013.09.009
[122] *Governing National Tourism Policy* (Rep.) (2015). World Travel & Tourism Council.
[123] Pike, S. (2016). *Destination Marketing: Essentials.* London: Routledge.
[124] Borzyszkowski, J. (2013). Legal Forms of Modern Destination Management Organizations and Their Influence on the Range of Tasks and Responsibilities. *UTMS Journal of Economics*, 4 (3): 367–376.
[125] Ibid.

convention bureau in the region to move to an equal 5% assessment/tax on the cost of overnight lodging stays to create the regional DMO.[126]

Beyond the regulations pertaining to the legal form that DMOs can adopt, destination's entry visa requirements and taxation regulations have a significant effect on DMO capabilities and activities. Visa regulations can have a significant effect on the accessibility of the destination, which is one of the supporting factors for the determination of a destination's potential discussed earlier in chapter one. Concerns for safety and security have led many countries to increase visa restrictions, which affect destination competitiveness and make DMOs job to encourage demand more difficult. Many countries have recognized the impact of visa facilitation on tourism and have instituted changes to their visa requirements and visa processing systems, as in the case of Australia introducing online visa application system. [127]

In some destinations, tourist taxes on hotel stay, face opposition from tourism stakeholders, since they can make the destinations expensive and less competitive, especially if the revenue is not directed towards supporting the tourism sector. In destinations where the tax revenue is spent to improve tourism-related products and services, stakeholders have positive views of tourist taxation.[128] Some governments have abolished or limited tourist taxes, as in the case of the UK which abolished the airport departure tax on children in 2015. While taxing tourism has been a widely used tool by governments to generate revenue and alleviate its budgetary pressures, taxing local communities to support destination marketing activities has become more difficult for governments to justify especially with the fact that many companies operating in the sector are multinationals.[129] The local community and those who are not operating in the tourism industry generally object to tax revenue used for tourism especially when they are unaware of the indirect economic benefits of tourism on the economy as a whole.[130] It is important to note that many destinations are using tourism taxes, as mentioned in the funding section, as a revenue stream for destination management activities. In Italy, the South Tyrol government initially adopted a "voluntary" approach for funding DMOs through membership fees. However, a lodging tax, paid by tourists, was introduced recently to fund the activities of destination management organizations since membership in the local tourism organizations is not mandatory and revenue from membership fees would not ensure sustainable funding of DMOs.[131]

Accountability of DMOs

DMO accountability to both private and public entities is critical as it receives funding from various sources leading to need for scrutiny, which means that DMOs face "multiple accountability". Besides being accountable to their own board of directors where applicable, DMOs may be held accountable to government funding entities, tourism businesses, and tax payers. In some instances, the process of reporting to multiple funding agencies can become a burden on DMO administrative capabilities. [132] DMOs need to be transparent in terms of how they use the funding they receive and how they allocate their resources. To ensure transparency, DMOs can hold public meetings where they report on their plans and activities. DMOs also need to make their financial data, plans and strategies available whether through their websites or in annual reports. The Las Vegas Convention and Visitor Authority provides a good

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[126] Go Great Lakes Bay (2017). *Destination NEXT Strategic Roadmap 2016-2017.*

[127] *Governing National Tourism Policy* (Rep.) (2015). World Travel & Tourism Council.

[128] European Commission Public Consultation (2014). *EU Level Regulatory and Administrative Framework Affecting Tourism* [Presentation].

[129] *Governing National Tourism Policy* (Rep.). World Travel & Tourism Council. Retrieved from https://www.wttc.org/research/policy-research/governing-national-tourism-policy/

[130] Pike, S. (2016). *Destination Marketing: Essentials.* London: Routledge..

[131] Pechlaner, H., Beritelli, P., Pichler, S., Peters, M., & Scott, N. (2015). Contemporary Destination Governance: A Case Study Approach. *Bridging Tourism Theory and Practice*, 6, iii. doi:10.1108/s2042-144320140000006045

[132] Pike, Steven. (2015) Destination Marketing Essentials. Routledge.

example of a DMO that values transparency; it shares a wide range of information including board meeting records, annual financial reports, salary band of staff among other information about its operations through its website.[133]

DMO financial accountability is ensured through internal audit mechanisms and government oversight. In Spain, both Barcelona Activa and Tourism Granada reported having all their accounts checked by comptrollers to ensure regulations are followed. Accountability is assured through instituting internal control mechanisms and audits by the city council's comptroller. Transparency is achieved through publishing reports and all relevant documents on DMOs' websites as well as through various media platforms. [134] In the US, the Go Great Lakes organization reported being audited on an annual basis and having its bids process and accounting services audited every three years by responsible authorities within their region.[135] In Puerto Rico, the Comptroller reviews operations of the Promotion and Marketing Office of the Puerto Rico Tourism related to disbursements, filing of documents and following its required plan.[136]

2.6. DMO Success and Effectiveness

As recipients of both public and private funding, DMOs are under pressure to prove their success, however, the task of measuring their effectiveness has proven to be quite challenging as it is difficult to quantify the effect of DMO activities on destination competitiveness in the presence of other external factors, with various methods used to identify important elements for the success of DMOs and measure DMO effectiveness.

Effective communication with stakeholders to keep them well-informed, ensuring their needs are met and the creation of a collaborative environment for different stakeholders were perceived as instrumental for DMO success, based on a study comprising of eighty-four interviews with tourism managers and stakeholders from twenty-five Canadian destinations. Interviewees, in the context of this study, identified many operational competencies as indicators of DMO success; creation of partnership marketing, planning and strategy development, being goal- oriented and innovative. DMO management ability to maneuver, creativity, and active personality as well as availability of funding were also identified as key determinants for DMO success.[137]

In an effort to develop tools for measuring DMO success and effectiveness to encourage best practices, some organizations, such as the UN World Tourism Organization (UNTWO) and Destination Marketing Association International (DMAI), have recently developed their own models for measuring DMO effectiveness. The UNTWO's QUEST program, which aims to both measure and build DMO capacities, uses indicators to assess DMO effectiveness and efficiency evaluation in three areas; strategic leadership, effective implementation and efficient governance. The QUEST program is comprised of three stages; assessment of DMO plans and operations, improving the skills of the DMO personnel through training, and providing certification of DMOs.[138] Alternatively, DMAI has developed a diagnostic tool for DMOs through its DestinationNEXT project to help them track their performance relative to industry standards through

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[133] Morrison, Alastair M. (2013). Marketing and Managing Tourism Destinations. USA: Routledge.

[134] Interviews. Please refer to Spain's case study for more information about the mentioned DMOs.

[135] Interview with, CEO of Go Great Lakes. Please refer to the US case study for more information about the mentioned DMO.

[136] "Comptroller points out irregularities in Tourism Co." Caribbean Business. January 31, 2017.

[137] Bornhorst, T., Ritchie, J.R. Brent, & Sheehan, L. (2010). Determinants of tourism success for DMOs and destinations: An empirical examination of stakeholders' perspectives. *Tourism Management* 31: 572–589.

[138] UNWTO.QUEST Website. (n.d.). Retrieved from http://themis.unwto.org/content/unwtoquest

measurement of 20 variables related to "destination strength" and "community support and engagement".[139]

Measurement of DMO effectiveness has historically centered on assessing marketing activities as opposed to organizational effectiveness mainly due to the difficulty in obtaining information about DMO decision making. DMO marketing performance assessment included visitor metrics, and the effectiveness of the DMOs' marketing communication activities and branding efforts.[140]

There are currently different approaches used for measuring DMO effectiveness covering a wide range of areas, as shown in table (1), from simply focusing on visitor metrics to measuring DMO organizational effectiveness, marketing communications activities, changes in consumer-based brand equity as a result of DMO activities, and stakeholder evaluation of DMO performance.

Visitor metrics, including the number of visitor arrivals and length of stay as well as tourist spending, have long been used to measure destination competitiveness. While, it's difficult to establish the exact contribution of DMOs to visitor arrivals, it is still an important indicator of DMOs market performance. Visitor metrics can be collected by immigration officers as well as tourist intercept surveys. Visitor monitoring programs are currently used by DMOs in many destinations to track visitor arrivals.[141]

Table 3: Key Performance Indicators

Measurement Approach/Model	KPI	Measurement
Visitor Metrics[142]	Visit Statistics	Number of Visitors Average Length of Stay Tourist Spending
	ROI	Ratio of Visitor Spending to DMO Spending
Marketing Communications[143]	Activity	Number of Programs/Campaigns Total Reach Total Frequency
	Performance	Advertising Awareness Brand Image Changes
	Productivity	Conversion Rates Cost-per-Conversion Rate Return on Investment
Consumer-Based Brand Equity (CBBE)[144]	Brand Salience	Top of Mind Decision Set
	Brand Associations	Cognitive Attributes Affective perceptions
	Brand Resonance	Previous Visits Intent to Visit
	Brand Loyalty	Repeat Visits Word of Mouth Referrals
Organizational Effectiveness	Appropriateness of Objectives	Clarity of Objectives Feasibility of Objectives
	Achievement of Objectives	Progress towards Objectives
	Implementation Efficiency	Efficient Resource Allocation Cost-effectiveness

[139] Oates, G. (2015, July 27). The New Way for Tourism Bureaus To Measure Their Effectiveness [Web log post]. Retrieved from https://skift.com/2015/07/27/the-new-way-for-tourism-bureaus-measure-their-effectiveness/

[140] Pike, S., & Page, S. J. (2014). Destination Marketing Organizations and destination marketing: A narrative analysis of the literature. *Tourism Management*, 41, 202-227. doi:10.1016/j.tourman.2013.09.009

[141] Pike, S. (2008). *Destination Marketing: an Integrated Marketing Communication Approach.* London: Routledge.

[142] Pike, S. (2008). *Destination Marketing: an Integrated Marketing Communication Approach.* London: Routledge.

[143] Destination Marketing Association International (2011). *Standard DMO Performance Reporting: A Handbook for DMOs.*

[144] Pike, S. (2008). *Destination Marketing: an Integrated Marketing Communication Approach.* London: Routledge.

Measurement Approach/Model	KPI	Measurement
Stakeholder	Tourist Evaluation[145]	Satisfaction with Access to Services Satisfaction with Accommodation Satisfaction with Transport
	Local Industry Evaluation[146]	Satisfaction with Destination Promotion Satisfaction with Industry Support
	Local Community Evaluation[147]	Satisfaction with Quality of Life

Source: DinarStandard

As the bulk of DMO budgets is spent on marketing and communication activities, monitoring the effectiveness of those activities is essential to establish how successful DMOs are. The level of marketing activities can be measured by the number of programs or campaigns, total reach and total frequency, while their effectiveness can be measured using conversion rates and return on investments. Conversion rates, which calculate the percentage of individuals who respond to DMOs marketing efforts and subsequently visit the destination, are the most prevalent measurement of DMO marketing efforts effectiveness. Return on investment (ROI) measures the economic impact of DMO investment on the local community, in terms of visitor spending, tax revenues, among other financial impact indicators. Measuring ROI is extremely important since many DMO receive public funding which makes it imperative to demonstrate that the allocated funds are being used effectively and that the local communities' interests are being served.[148]

The Consumer-Based Brand Equity (CBBE) is based on a hierarchy of indicators for gauging DMO effectiveness, including brand salience, brand associations, brand resonance and brand loyalty.

Brand salience establishes the intensity of consumers' awareness of a destination, in terms of top of mind or unaided recall of a destination in a specific travel context and whether a destination is included in the consumers' "decision set" i.e. shortlist for destinations they intend to visit.[149] While, awareness in itself is not translated into intent to visit, it is a prerequisite for making a choice of a destination. Top of mind is usually investigated in consumer research using unaided questions. Destination brand association measures the success of positioning strategies, by studying the strength of the relationship between brand identity and brand image as well as the uniqueness and favorability of these associations. Brand associations are usually researched using surveys measuring cognitive attributes and affective benefits.

Brand resonance studies consumers' level of engagement with the destination in terms of previous visits and intent to visit the destination. While no studies have established the extent of the relationship between intent to visit and actual visits, intent to visit remains an important indicator to measure success of destination marketing efforts, Longitudinal studies are used to establish the change in intent to visit.

Brand loyalty is determined by measuring repeat visits and referrals. Investigating repeat visits and referrals is generally conducted through tourist intercept surveys at destinations. Collecting this data can help destination managers identify loyal tourists' demographic characteristics and motivation and behavioral patterns, which can help them develop better targeted marketing campaigns.[150]

DMO organizational effectiveness indicators include; appropriateness of DMO objectives, the extent to which objectives were achieved, and the efficiency of its implementation. Organizational effectiveness

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[145] Epp, A. (2013). *Assessing the Impact of Stakeholder Engagement on Perceptions of DMO Performance* (Working paper). The International Centre for Responsible Tourism. Retrieved from https://pdfs.semanticscholar.org/9a45/66f5fdb0e9bb847c8d6949be28fefd409216.pdf
[146] *A Manual for Evaluating the Quality Performance of Tourist Destinations and Services* (2003). Luxembourg: Office for Official Publications of the European Communities, 2003.
[147] Crouch G.I., & Ritchie J.R.B. (2012) *Destination Competitiveness and Its Implications for Host-Community QOL.*
[148] Destination Marketing Association International (2011). *Standard DMO Performance Reporting: A Handbook for DMOs.*
[149] Pike, S. (2007) Consumer-based brand equity for destinations: Practical DMO performance measures. *Journal of Travel & Tourism Marketing* 22(1): 51-61.
[150] Pike, S. (2008). *Destination Marketing: an Integrated Marketing Communication Approach.* London: Routledge.

measures include the assessment of the DMO strategy, the clarity and feasibility of its mission statement and objectives, the suitability of the objectives to the destination's competitive position and resources, the availability of information on achievement of objectives, the progress towards objectives, the efficient resource allocation to achieve objectives, and overall cost-effectiveness. [151]

Given the range of stakeholders DMOs have and DMO activities impact on them, measuring DMO performance from a stakeholders' point of view is both an important and appropriate tool since stakeholders' satisfaction is key to sustainability of DMOs operations and activities.[152] Tourists satisfaction surveys are valuable for establishing the quality performance of both the destination in general and the various services provided at the destination. Tourism industry evaluation of DMO performance provides important information to destination managers about areas that need improvement and enables them to meet industry needs which is essential for the sustainability of DMO activities.[153] Monitoring the impact of tourism on the local community's quality of life is also an important for DMOs performance since their hospitality towards visitors is one of the important elements for destination appeal.[154]

[151] Ibid.
[152] Epp, A. (2013). *Assessing the Impact of Stakeholder Engagement on Perceptions of DMO Performance* (Working paper). The International Centre for Responsible Tourism. Retrieved from https://pdfs.semanticscholar.org/9a45/66f5fdb0e9bb847c8d6949be28fefd409216.pdf
[153] "A Manual for Evaluating the Quality Performance of Tourist Destinations and Services". Luxembourg: Office for Official Publications of the European Communities, 2003.
[154] Crouch G.I., & Ritchie J.R.B. (2012) *Destination Competitiveness and Its Implications for Host-Community QOL.*

3. Destination Development Product Development Strategies

According to UNWTO definitions, tourism products are 'a combination of tangible and intangible elements, such as natural, cultural and man-made resources, attractions, facilities, services and activities around a specific center of interest which represents the core of the destination marketing mix and creates an overall visitor experience including emotional aspects for the potential customers.' [155]

The responsibility for developing tourism products rest with destination management organizations who are tasked with developing strategies to utilize the existing supply of resources and develop tourism within the destination to attract domestic and foreign visitors.[156] Destination product portfolios include existing resources, attractions, infrastructures, supra-structures, facilities, and services, as shown in summary in Figure 10 below.

**Figure 11: The Destination Product Development Process
(with each step explained further in the following table)**

1	Identifying tourism resources
2	Assess and develop infrastructure
3	Assess and develop robust supporting environment across the value chain
4	Engage with community
5	Activation

Source: DinarStandard Analysis

A tourism destination needs a strong product development process to effectively leverage the existing resource and infrastructure supply of the destination.[157] A destination's product portfolio should be based on existing attractions, resources, infrastructure, facilities and services needed to make the development.[158] The process of developing tourism products itself comprises five key steps, and reflects the structure of the remainder of this section.

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[155] United Nation World Tourism Organization (UNWTO) 2007 and USAID Presentation (2015).
[156] Masip, J. (2006). *Tourism Product Development: A Way To Create Value*. ESADE. Retrieved from
http://www.esade.edu/cedit2006/pdfs2006/papers/tourism_product_development_dds_esade_3r_may_2006.pdf
[157] Aziri, B., & Nedelea, A. (2013) Business strategies in tourism, EcoForum Journal, 1(2), pp. 5-11.
[158] Phillips, T. (n.d.) *The Guide to Best Practice Destination Management*. Australia Regional Tourism Network.

Table 4: The Destination Product Development Process

Steps:	Description
Step 1: Identifying tourism resources	Tourism resources are the substances and attractive phenomena in a destination that are essential to encourage tourism. [159] Tourism resources include attractive natural and cultural resources, goods and elements that stimulate tourist needs and can be categorized as tangible or intangible resources. The core resource types including natural and cultural resources have been identified in the model of destination competitiveness and sustainability developed by Ritchie and Crouch (Year). **Figure 12: Tourism Resources[160]** Source: DinarStandard Analysis; Ritchie and Crouch (2012)
Step 2: Assess and develop infrastructure	In terms of competitiveness for a tourism destination, the quality of infrastructure must be evaluated on an ongoing basis. High quality infrastructure is the foundation of a tourism friendly destination concept. Key tourism infrastructure requirements must be monitored (i.e. healthcare, transportation, electricity supply etc.).
Step 3: Assess and develop strong supporting environment across the value chain	Maturity of supporting resources across the tourism value chain including activities, linkages, accessibility and tourism supra-structure are essential to the success of a destination. A well-developed endogenous value chain will help create economic value that can be distributed across stakeholders, creating jobs and enhancing skills.
Step 4: Engage with community	Destination managers must gain community support to effectively utilize a destination's cultural resources that can also in turn benefit the community. Engaging with community members by attending town hall meetings, events and festivals allows DMOs to understand the needs of the community, and develop offerings that can best address those needs.
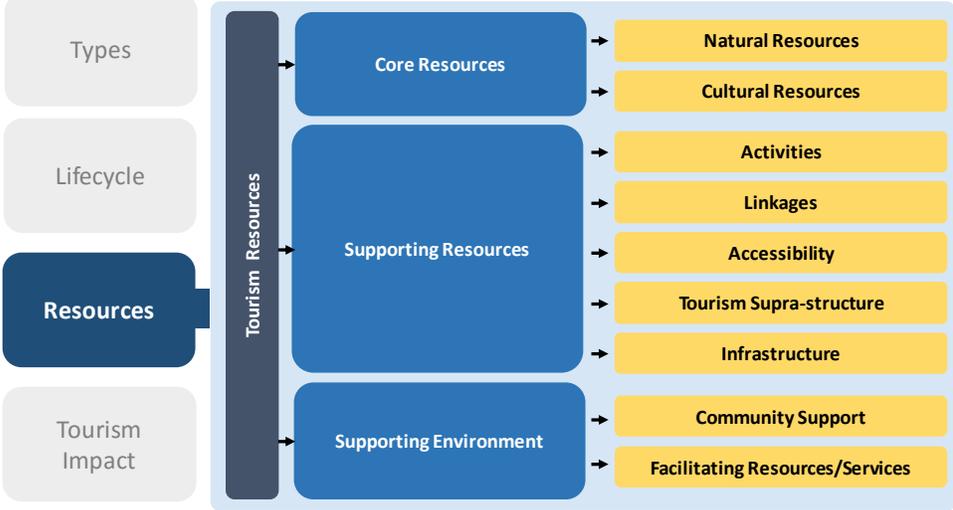
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[159] Gjorgievski, M., Kozuharov, S., & Nakovski. D., (2013). Typology of recreational-tourism resources as an important element of the tourist offer. *UTMS Journal of Economics* (Special issue). Retrieved from http://utmsjoe.mk/files/Vol.%204%20No.%201/1-6-B-Gjorgievski-Kozuharov-Nakovski.pdf
[160] Developed based on information from the model of destination competitiveness/sustainability developed by Richie and Crouch.

| Step 5: Activation | Destination management organizations must validate products leveraging feasibility assessments to determine market conditions, legislation, and investment requirements. Activation of destination wide products and services include the launch of full service attractions and including convention centers, festivals, and nature tours (etc.) leveraged to attract visitors. Once products are validated, strong marketing processes are outlined. |

Source: DinarStandard Analysis

3.1 Step 1 - Identifying Core Tourism Resources

Tourist destinations need to possess core resources, underpinning a destination's unique value proposition, supplemented by supporting resources, and a strong supporting environment to appeal to tourists. Core resources are segmented into natural and cultural resources that are essential to destinations. In addition to the core resources, destinations also manage supporting resources which include activities available at the destination, linkages to the destination, accessibility, tourism infrastructures and the tourism supra structure.

Classifying Core Resources

Classification is an essential first step in understanding the scope and nature of core resources, and how they differ across destinations. To a large extent, core resources are endowed in a destination and cannot directly be developed, notably physiography, climate, culture and history. However, where product development plays a role is in creating a tourism proposition centered around resources.[161] Natural and cultural resources are two core resource types identified in the model of destination competitiveness and sustainability developed by Ritchie and Crouch (2003). The core resource types were also emphasized by Mihalic (2013). Mihalic identifies 11 resources that mention natural and cultural as core environmental resource types.[162]

Figure 13: Classifying Core Tourism Resources[163]
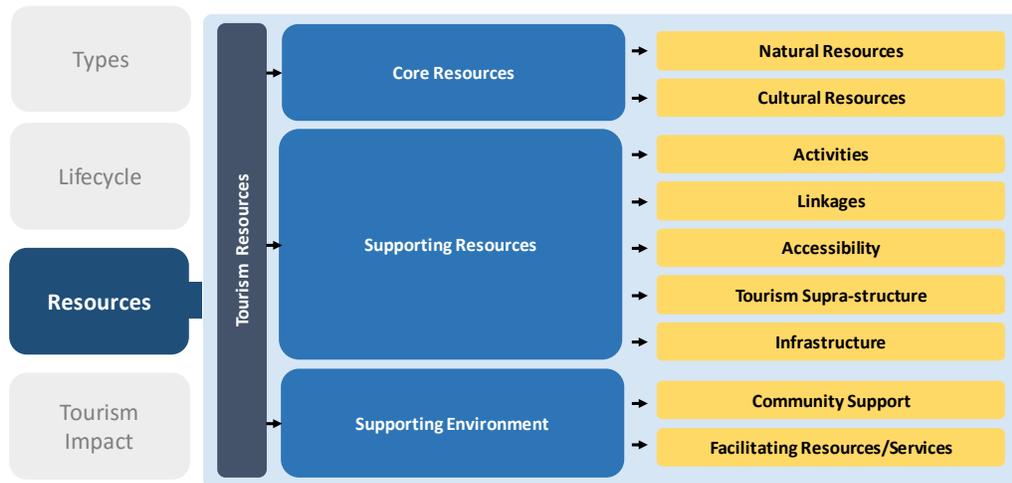
Source: DinarStandard Analysis; Ritchie and Crouch (2012)

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[161] Ritchie, J.R. & Crouch, G. I. (2010). A Model of Destination Competitiveness/Sustainability: Brazilian Perspectives. *Brazilian Public Administration Review* 44(5):1049-66
[162] Mihalic, T. (2013). Performance of Environmental Resources of a Tourist Destination: Concept and Application. *Journal of Travel Research,* 52(5) 614–630.
[163] Developed based on information from the model of destination competitiveness/sustainability developed by Richie and Crouch.

Natural attractions in destinations are formed by physical geographic features such as mountains, lakes, rivers, canyons and other natural landscapes. [164] (Examples: Swiss Alps (Switzerland), Grand Canyon (USA), Great Barrier Reef (Australia)), whereas the culture of a destination is the involvement of local communities and government organizations in attracting and creating a hospitable environment for visitors by developing a heritage filled with traditions and archaeological values.

Figure 14: Core Resources[165]
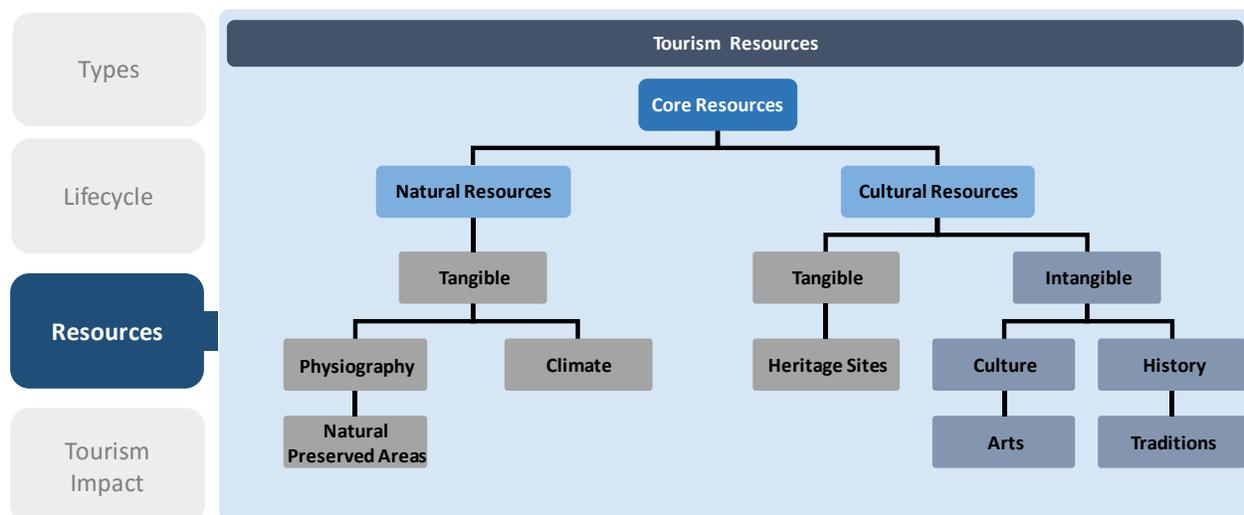
Source: DinarStandard Analysis; Ritchie and Crouch (2012)

Identifying Tourism Potential

While destinations may have well-known credential, the tourism potential of a destination may not be clearly understood. The clear, expressed determination to generate economic growth and jobs through tourism is necessary pre-requisite before a destination determines its existing resources.

Two clear examples demonstrate how the link to tourism came out of economic necessity – in one case, the town of Oakbridge in Oregon, U.S. and Cross River State in Nigeria. Oakbridge was a timber town which has historically been conducive to mountain biking, but the tireless efforts of Oregon's DMO helped raise the profile of Oakbridge as a mountain biking destination in the US[166]. Efforts included setting up a tourism committee and workshops to connect stakeholders around mountain biking, and facilitating investment to improve the condition of bike trails. Cross River State developed its tourism credentials after shift in state economic priorities to develop tourism after losing oil-rich territory to a neighboring country. [167]

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164 University of Illinois at Chicago Community Development website. Retrieved from
https://www.usaid.gov/sites/default/files/documents/2151/DMOworkbook_130318.pdf
165 Developed based on information from the model of destination competitiveness/sustainability developed by Richie and Crouch.
166 Interview with Visit Oregon
167 Interview with Cross River Tourism Bureau

3.2. Step 2 –Assess and Develop Infrastructure

Tourism infrastructure refers to specific physical elements that are developed and designed to provide for visitors.[168]

Figure 15: Tourism Infrastructure[169]
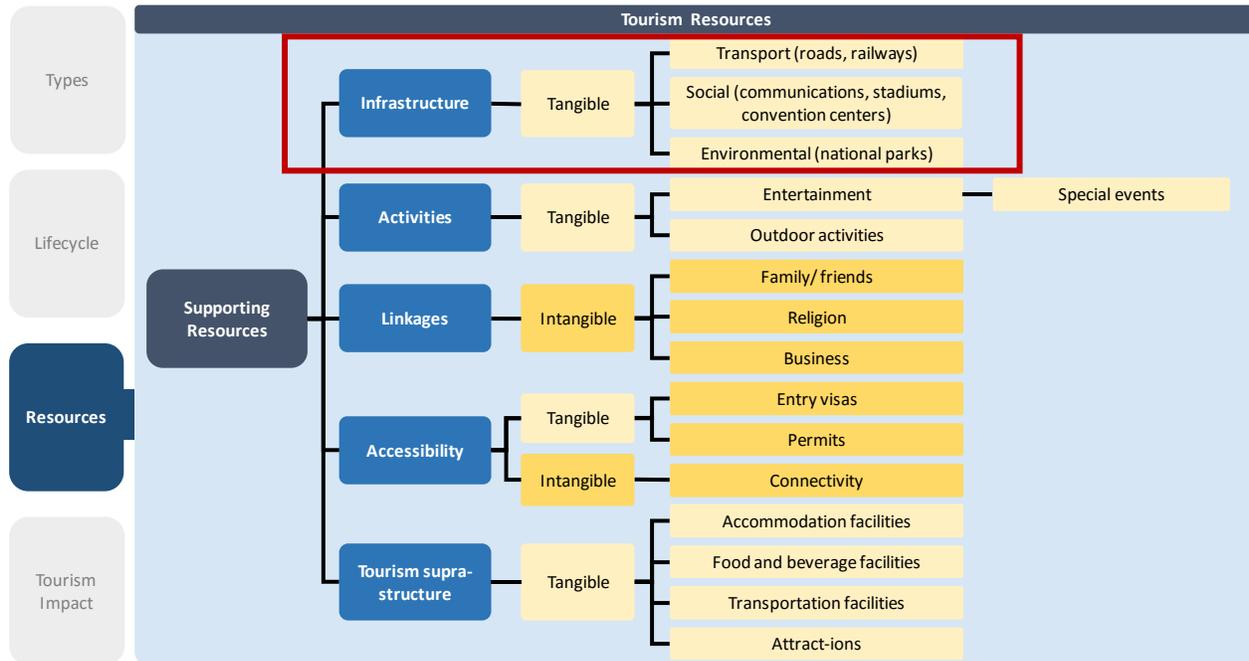
Source: DinarStandard Analysis; Ritchie and Crouch (2012)

Classifying Infrastructure

According to the Tourism & Transport Forum, 'tourism infrastructure is the supply chain of transport, social, and environmental infrastructure collaborating at a regional level to create an attractive tourism destination.'[170] Transport infrastructure provides destination access for domestic and international visitors. This primarily includes roads, railways, and airports, which make a tourism destination accessible for tourists. Social infrastructure provides public and private services, communications, facilities and supporting physical structures (i.e. healthcare centers, postal systems, public safety convention centers, stadiums etc.).[171] Environmental infrastructure provides natural value to destinations (i.e. national parks, marine parks, reserves etc.).

[168] Jovanovic, S., & Ilic, I. (2016). Infrastructure as Important Determinant of Tourism Development in the Countries of Southeast Europe. *Ecoforum*, 5(1). Retrieved from http://www.ecoforumjournal.ro/index.php/eco/article/view/329
[169] Developed based on information from the model of destination competitiveness/sustainability developed by Richie and Crouch.
[170] *Tourism Infrastructure Policy & Priorities* [PDF]. (2012). TTF Australia., http://www.ttf.org.au/Content/infprio201112.aspx
[171] Atherley, K. (2014, September 03*). The Importance of Tourism Infrastructure* [PDF]. OAS.

Role in Destination Development

Well-developed tourism infrastructures are important as they can increase the efficiency of production and distribution of tourism services.[172] Infrastructure is an enabler and can increase the supply of tourism services in remote destinations.[173] Poor quality of tourism infrastructure can threaten a country's tourism and air travel sector. The Philippines serves as an example of how poor infrastructure limits tourism, with the country lacking sufficient space for airlines and additional operating expenses to build out additional facilities.[174]

To evaluate and develop the infrastructure of a destination, DMOs can leverage feasibility and land studies. A DMO must work with local and federal government organizations to ensure appropriate use of public and private land. Lobbying with elected representatives and government officials across political parties in destinations is an important DMO activity when DMOs are publicly funded and face challenging legislation. Lobbying for political influence in decision processes to prevent future challenges is essential.

According to Ritchie and Crouch (2003), infrastructure elements are vital in determining the success of a tourism destination.[175] In terms of tourism infrastructure, the following list includes fundamental requirements for a destination.[176]

Table 5: Destination Fundamental Requirements

Fundamental requirements	Key participants
Legal system	• Government offices • Local, state or federal courts
Monetary systems	• Banks • Credit unions
Healthcare systems	• Hospitals • Clinics
Telecommunications	• Telephone networks • Internet • Radio networks
Transportation systems	• Roads • Airports • Public transportation • Rail • Cruise shipping ports
Public Safety	• Police • Firemen

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[172] Seetanah, B., Juwaheer, T. D., Lamport, M. J., Rojid, S., Sannassee, R. V., & Subadar, A. U. (2011). Does Infrastructure Matter In Tourism Development? University of Mauritius Research Journal, 17(1). doi:10.4314/umrj.v17i1.70731

[173] Rani, H. A., Afifuddin, M., & Akbar, H. (2017). Tourism infrastructure development prioritization in Sabang Island using analytic network process methods. doi:10.1063/1.5011570

[174] Monticello, P. G. (n.d.). Lack of infrastructure cited in limited tourism, air travel growth. *Inquirer.net.* Retrieved from http://business.inquirer.net/12801/lack-of-infrastructure-cited-in-limited-tourism-air-travel-growth#ixzz50r2Vq5dO

[175] Ritchie, J. R., & Crouch, G. I. (2011*). The competitive destination: a sustainable tourism perspective*. Wallingford (UK): CABI Publishing.

[176] Destination & Infrastructure checklist. (2014, February 25). Retrieved from http://www.tourismexcellence.com.au/growing-destinations/destination-marketing-strategy/assessing-the-product/product-a-infrastructure-checklist.html

Water supply and sources	• Public utilities
Electricity supply	• Public utilities
Sewerage and drainage	• Public utilities
Mail delivery systems	• Domestic and international postal services
Tertiary education facilities	• Schools • Universities
Other requirements	• National parks and visitor facilities • Museums, art galleries and cultural facilities • Indigenous tourism facilities • Accommodation and precinct development • Stadiums, sporting venues and recreation facilities • Convention, exhibition, and entertainment venues

Source: DinarStandard Analysis

3.3. Step 3 –Assess and Develop Supporting Infrastructure Across the Value Chain

Defining Supporting Resources

The following supporting resources are critical to the development of destinations and are broken down by activities, linkages, accessibility, and tourism supra-structure.

Figure 16: Tourism Resources[177]
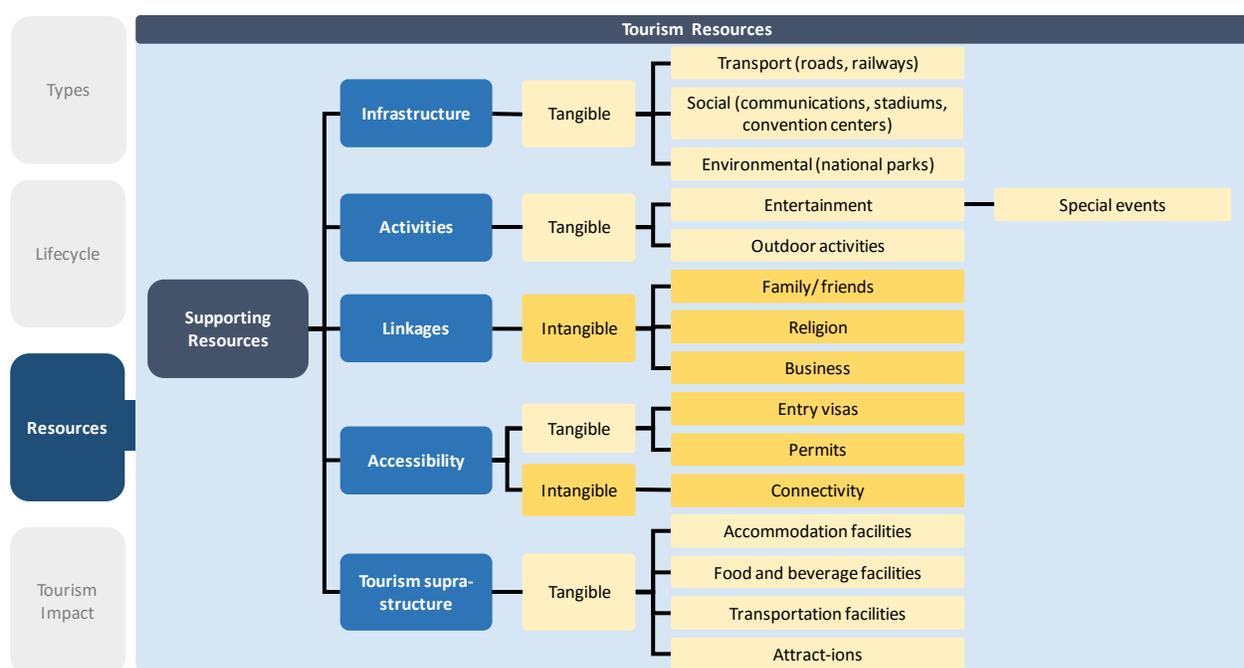
Source: DinarStandard Analysis

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[177] Developed based on information from the model of destination competitiveness/sustainability developed by Richie and Crouch.

Activities including leveraging facilities to host special events such as seasonal festivals and craft fairs, or sporting events. Attractions can also be linked to recreational activities such as hiking trails, skiing, golf courses, or casino gambling. (Examples: Burj Khalifah (UAE), Eiffel Tower (France), Great Wall of China (China), Taj Mahal (India))

Special events are an extension of the activities mix, however, they refer to a larger "spectrum" of activities that can generate a high level of interest on the part of both tourists and residents. Special events include local festivals and "mega" sports events such as the Olympic Games and the World Cups. The entertainment industry, with its offerings from theater, operas, live shows and circuses, contribute to the tourism industry. The entertainment industry enables tourists visiting cities around the world to attend live shows, theater productions, operas and other forms of entertainment which adds to the appeal of the destination.

Linkages which continue to attract tourists and can be leveraged by destination managers include family, friends, and business. Business and trade as well as religious activities also constitute linkages to a destination that can attract tourists. [178] Examples of a religious activity which attracts tourists includes Hajj in Saudi Arabia which attracted 1.3 million foreign visitors in 2016.

The accessibility of the destination as well as tourism resources and sites, including entry visas and permits, is essential for enabling the tourism industry to flourish.[179] Complex and difficult visa processes can detract from a destination's attractiveness. As such, destination managers in coordination with policy makers need to work on creating a system which allows "legitimate travelers" freedom of access while preserving "border integrity" to maintain national security.[180]

Tourism supra-structure is reliant on infrastructure and is maintained because of tourism activities. Tourism supra-structure's primary purpose is to meet and accommodate tourist needs for transportation, accommodation, food services and places of attraction. Examples of tourism supra-structure include hotels and sports facilities. Tourism supra-structure is an integral part of the tourism product and can be controlled by destination managers to a large extent.

The Importance of Supra-structure

Tourism supra-structure is important for tourists to enjoy the appeal of a destination. Tourism supra-structure refers to tourism related facilities and a destination's appeal and tourism supra-structure is evaluated by the architectural appeal, quality of maintenance, and number of tourism related facilities. Super-structure elements are heavily factored in when building a tourist-friendly destination concept.

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[178] Ritchie, J.R. & Crouch, G. I. (2010). A Model of Destination Competitiveness/Sustainability: Brazilian Perspectives. *Brazilian Public Administration Review* 44(5):1049-66.
[179] Ibid.
[180] Dupeyras, A. & MacCallum, N. (2013). *Indicators for Measuring Competitiveness in Tourism*. Retrieved from http://www.oecd-ilibrary.org/industry-and-services/indicators-for-measuring-competitiveness-in-tourism_5k47t9q2t923-en

Figure 17: Tourism Supra-structure[181]
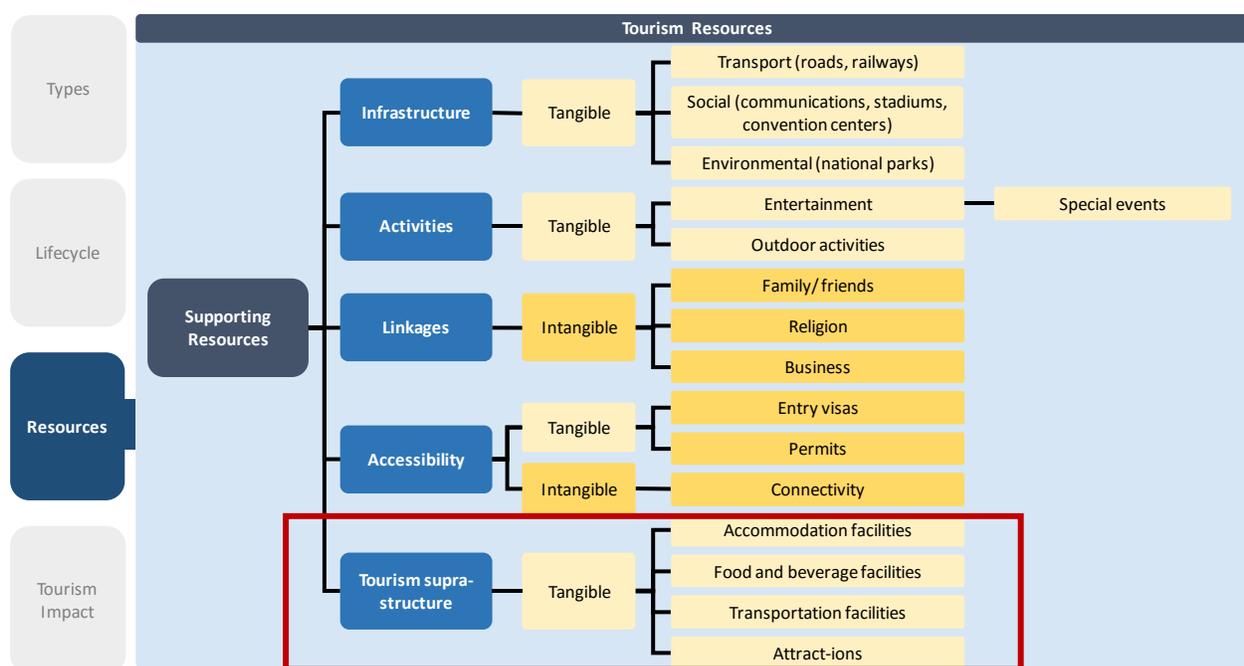
Source: DinarStandard Analysis

Super-structure can enhance functions of building elements and natural elements. For example, supra-structure includes hotels, restaurants, airports, theme parks, cruises, and convention centers. Examples of where supra-structure elements are found in buildings include museums, skyscrapers, stadiums, and commercial centers. Lastly, in natural elements, supra-structure can be found in unique architecture, disaster areas, and history centers. Super-structure elements are often built to specifically attract tourists, but also may have been built in earlier time periods and serve as tourist attractions currently, such as the Statue of Liberty in New York City (USA) and the Buckingham Palace in London (UK).

Coordinate Service Enhancements Across the Value Chain

According to the International Trade Centre and World Tourism Organization, 'The tourism value chain includes all transactions occurring for tourism services providers – in the source market and at the destination – and the supply of goods and services related to them.'[182]

Leveraging a value chain framework is beneficial to improving the management of a tourism destination. [183] A value chain reflects the activities across a tourism journey and describes the full range of resources and activities to take a product or service from conception to distribution to consumers (tourists).[184] Value

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[181] Developed based on information from the model of destination competitiveness/sustainability developed by Richie and Crouch.
[182] Wood, A. (2001). Value chains: an economist's perspective. *IDS Bulletin, special issue: The Value of Value Chains*, 32(3), 41–45.
[183] *Value Chain Development for Tourism Destinations* (Rep.). (2010). SNV Netherlands Development Organisation.
http://www.hitt-initiative.org/wp-content/uploads/2011/11/GHTDP-VCD-Guidelines.pdf
[184] *Tourism and Trade: A Global Agenda for Sustainable Development* (Rep.). (n.d.). International Trade Centre. Retrieved from
http://www.intracen.org/publication/Tourism-and-Trade-A-Global-Agenda-for-Sustainable-Development/

chain analysis also plays a key role in understanding the competitiveness of a destination, helping to identify activities that help destinations realize their full economic potential. [185]

Figure 18: Tourism Value Chain
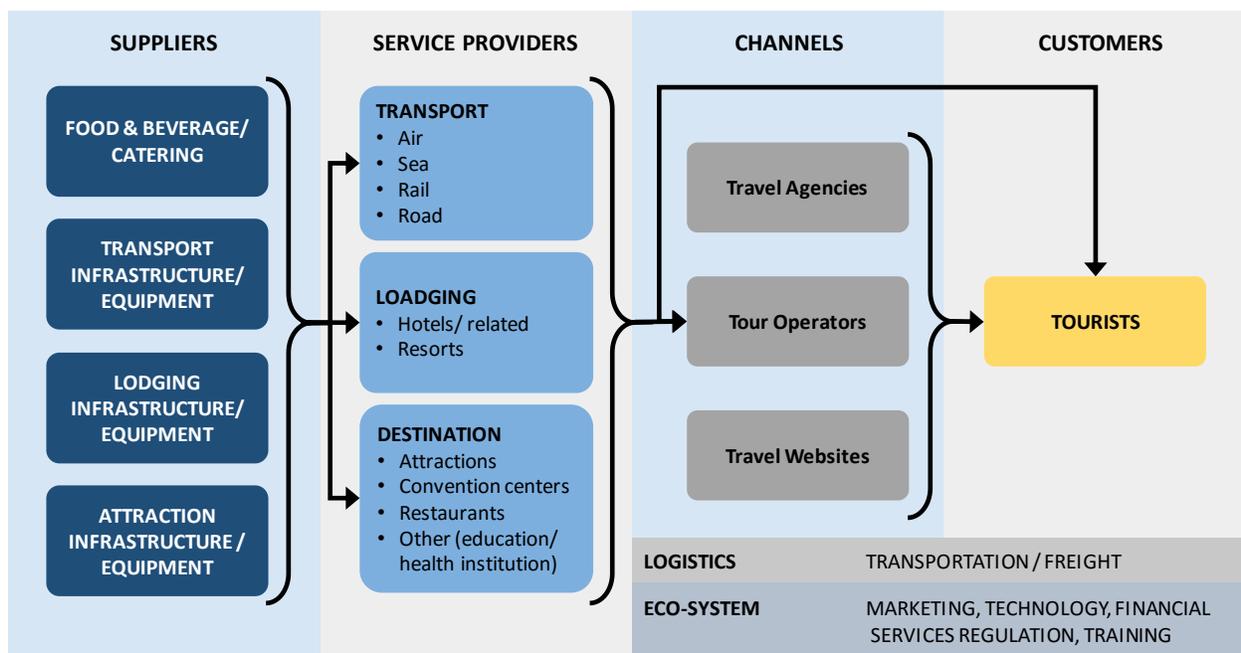
Source: State of the Global Islamic Economy Report 2014/15; DinarStandard Analysis

<u>Defining the Value Chain</u>

The diagram above illustrates the value chain in the tourism industry.

Key segments comprise the following:

- Suppliers in the tourism value chain provide the underlying infrastructure for the tourism industry to function. Tourism suppliers include food and beverage suppliers, transport infrastructure and equipment development companies, lodging infrastructure and equipment development companies and attraction infrastructure and equipment development companies.
- Service providers leverage equipment and infrastructure suppliers to develop services that cater to tourists including transportation services, lodging services, attractions, and restaurants etc.
- Channels are the medium by which service providers connect with customers. Channels include travel agencies, tour operators and travel websites.
- Customers in the tourism value chain are tourists.

<u>Improving the Value Chain</u>

Blockages and inefficiencies along the tourism value chain can have a negative impact on all other linked activities. According to the ITC and UNWTO, supplies in the tourism industry that are sourced from outside

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[185] Mete, B., & Acuner, E. (2014). A VALUE CHAIN ANALYSIS OF TURKISH TOURISM SECTOR. *International Journal of Business and Management Studies*, 3(2), 499-506. Retrieved from http://universitypublications.net/ijbms/0302/pdf/V4NA243.pdf

of the local economy lead to leakages in the tourism value chain.[186] Any imports of equipment and infrastructure for tourism consumption is a leakage to the local economy's value creation. In addition to leveraging foreign suppliers, further blockages or inefficiencies identified by players along the value chain in a study by UNWTO include:

- Lack of qualified labor[187]
- Access to finance[188]
- Airport carrying capacity and infrastructure[189]
- Visa scheme for foreign visitors[190]
- Compliance with international service standards[191]

Once the local economy can strengthen and reduce these leakages by developing local production units, the tourism value chain becomes more sustainable. To strengthen the tourism value chain, several key steps can be taken:[192]:

Table 6: Destination Development Interventions

Intervention type	Description
Improve communication	Develop coordination and communication between stakeholders
Upgrade products	Provide better quality products and services; move to higher level of luxury and service segments
Add value	Diversify and expand current product and service offerings; reduce transaction costs with technology
Reduce barrier to entry	Develop micro-credit agencies, entrepreneurship support services
Strengthen Innovation	Encourage investment in research
Increase local linkages	Enhance financial support of local suppliers
Reduce leakages	Develop competitive local production units and an ecosystem of products and services to attract visitors

Source: DinarStandard Analysis

[186] *Aid for Trade and Value Chains in Tourism* (1-52, Rep.). (n.d.). UNWTO. Retrieved from https://www.wto.org/english/tratop_e/devel_e/a4t_e/global_review13prog_e/tourism_28june.pdf

[187] The Tourism Sector in Mozambique: A Value Chain Analysis. (2006). 1, 1-90. Retrieved from http://siteresources.worldbank.org/INTEXPCOMNET/Resources/Mozambique_value_chain_2006_vol1.pdf

[188] Schoen, C. Case Study on Tourism Value Chain Analysis in Da Nang, Vietnam. (2008, August). Hanoi. Retrieved from http://www.mesopartner.com/fileadmin/user_files/case_studies/Tourism_VCA_Da-Nang.pdf

[189] Curta, N. C. (n.d.). Customize the Value Chain for Tourism Companies. QUAESTUS, 75-85. Retrieved from http://www.quaestus.ro/wp-content/uploads/2012/03/curta4.pdf

[190] Steck, B. (2009). Tourism: More value for Zanzibar: tourism value chain analysis as a tool for destination management. SNV case study, October 2009.

[191] Verdugo, D. & Ashley, C. (2008). Creating pro-poor linkages around Rwandan tourism. SNV and ODI, May 2008. Retrieved from http://www.bibalex.org/Search4Dev/files/284063/116200.pdf

[192] Giuliani, E., Pietrobelli, C. & Rabelloti, R.(2005). Upgrading in Global Value Chains: Lessons from Latin American Clusters. *World Development* 33, (4). 549–573

Leverage Mentorship and Training to Enhance Service Capabilities

Tourism employs people in subsectors including tour operators, travel agencies, transportation, and accommodations that cover a wide range of positions that vary in skills and specializations. Sample important job profile examples in the tourism value chain include[193]:

Table 7: Tourism Job Profile Examples

Job Title	Certification or License Requirement	Job Description
Travel agent	Certification and License	Promotes tourism destinations; plans and organizes tour packages and provide travel information and assistance
Tour operator	Certification and License	Plans and arranges tour packages; sells travel products
Airline agent	N/A	Sales and customer service for airline tickets, reservations, check-in, baggage
Pilot	License	Responsible for air transportation
House-keeping	N/A	Cleans and prepares rooms; laundry, inventory and maintenance
Local guide	Certification and License	Plans excursion itineraries; arranges transportation, leads groups and individuals
Excursion operator	License	Guides activities for specific services (i.e. scuba diving, mountain climbing)

Source: DinarStandard Analysis; Fernandez and Gereffi (2011)

The list above includes a wide range of jobs with varying levels of technical and nontechnical skills. Success in the tourism industry relies heavily on strong interpersonal skills. Several tourism jobs have direct contact with tourists and are subject to stronger language and communication requirements, ethics, good behavior, discipline, confidence, creativity and punctuality. International tourists also expected service providers to speak the universal language of tourism, which is English.

In terms of management positions at tourism organizations, undergraduate degrees in hotel business management, tourism management and related fields are required in addition to appropriate training and experience. Computer literacy is also required for most management level jobs. Technical skills required for specific tourism jobs include culinary skills, wait services, room preparations etc. Most jobs in the tourism industry require formal education or training at a technical school or university. [194]

Because of job requirements, tourism industry standards in developed countries have pushed both public and private stakeholders to create tourism training institutions, certification programs and training programs or benchmarks. In Latin America, Brazil, Mexico, and Chile, national certifications of skills systems have emerged across respective tourism industries. The recognition of certifications across

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[193] Christian, M., Fernandez-Stark, K., & Gereffi, G. (2011). The Tourism Global Value Chain: Economic Upgrading and Workforce Development. In *SKILLS FOR UPGRADING: Workforce Development and Global Value Chains in Developing Countries*. Retrieved from https://youtheconomicopportunities.org/sites/default/files/uploads/resource/Skills-for-Upgrading-Workforce-Development-and-GVC-in-Developing-Countries_FullBook.compressed.pdf#page=281
[194] Mayaka, M. (1999) Assessing tourism industry training and education : the case of the tour operating sector in Kenya. Coursework Master thesis, Victoria University of Technology.

regions has also increased labor mobility across borders. Both academic and industry stakeholders are recognizing the mutual benefits of developing a more co-operative relationship. [195]

3.4. Step 4 – Engaging with the Community

Tourism culture refers to the local community and businesses being receptive to tourism, understanding the value that tourism adds to their community, both economically and otherwise. Communities desire to maintain a good quality of life with minimal environmental and socio-cultural change. By developing tourism culture, communities can understand value added tourism benefits including tourism expenditure, job creation, and tax revenues.

1. Community engagement and education by DMOs is essential in helping community members understand the benefits of tourism. The community building approach to tourism culture initiatives goes beyond public outreach to ensure that "ordinary" community members are among the decision makers. In addition, it encourages communities to identify and distinguish characteristics that differentiate them from others.[196]
2. It is important for DMOs to work with local community members to identify and communicate sustainable, economic and local opportunities for local people and businesses to secure benefits from developing a destination and heritage attractions. Promoting entrepreneurship and sustainable business practices are key to creating tourism culture.
3. Tourism culture can be further developed by supporting local tourism businesses by encouraging, celebrating and rewarding those that act responsibly. Securing community development funds and investing in projects that empower local people to establish businesses and enter the marketplace is beneficial.
4. Creating incentives for businesses to develop public spaces that can be enjoyed by both tourists as well as the local community.
5. Facilitating legislative and regulatory support from local government agencies can ease the barrier to entry for local tourism businesses.

Key elements to develop tourism culture[197]:

[195] Cooper, C., & Shepherd, R. (1997). The Relationship Between Tourism Education and The Tourism Industry: Implications for Tourism Education. Tourism Recreation Research, 22(1), 34-47. doi:10.1080/02508281.1997.11014784
[196] Partners for Livable Communities - Cultural Heritage Tourism. (2018). Retrieved from http://livable.org/livability-resources/reports-a-publications/770-cultural-heritage-tourism
[197] Datzira-Masip, J. Cultural heritage tourism — opportunities for product development: The Barcelona Case . *Tourism Review,* 6 (1), 13-20. Retrieved from http://www.emeraldinsight.com/doi/abs/10.1108/eb058466?journalCode=tr

Figure 19: Tourism Culture Features
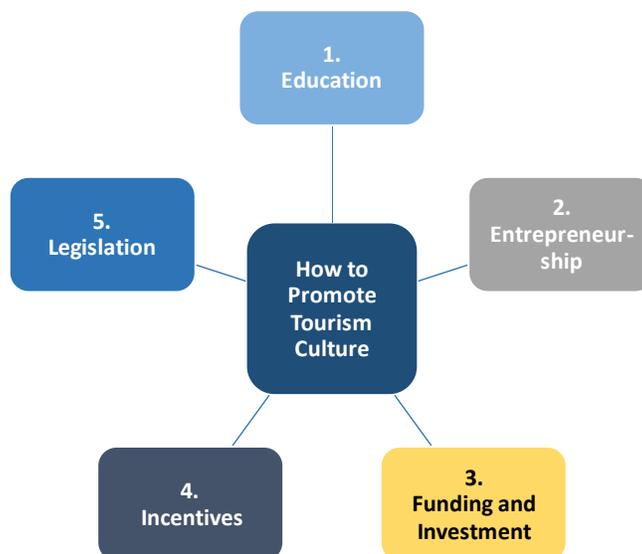
Source: DinarStandard Analysis

Table 8: Tourism Culture Evaluation Criteria

Tourism culture evaluation criteria:
Long-term stability of cultural activities
Local community and tourist participation
Local territory's capacity to produce goods and services demanded
Ability to foster clusters
Organizational capacity
Strong governance
Profitability

Source: DinarStandard Analysis

Table 9: Tourism Culture Impact

Impact of tourism culture:	
Positive effects:	**Negative effects:**
Boost economic growth	Commercialized tourism
Protection of natural environment	Investments neglecting environmental impact
Strengthen local traditions	
Ability to extend tourism season	
Form of sustainable tourism	

Source: DinarStandard Analysis

Managing Communication with Community Stakeholders

Community engagement is critical to succeed as a destination management organization. Positive community involvement and sincere support from the community can transform a destination[198]. Communities can also benefit from tourism and to support tourism a community must realize the benefits of tourism. A successful destination requires friendly and hospitable greeting from community members.

An example of a community engagement program is illustrated by Gold Coast Tourism of Australia, which listed the following as a plan of action in the management plan:

"Foster local community engagement through the appointment of ambassadors, industry champions, school education awareness programs and links to service and community volunteer groups."[199]

Another example taken from Ramsey County in the United States included the following community engagement efforts:

"Pop-up workshops, listening sessions, community open house, public survey, and interactive online maps".[200]

To assess a community's attitude and level of engagement with tourism we need to determine the community's awareness of tourism's economic benefits, impact on social structure, impact on decision making, and impact on environment.

Negative community attitude has led to protests in Italy and Spain. In 2017, Venice (Italy) had over 2,000 locals protest through the city to lower rent and lower the impact of cruise ships and the pollution they cause to the city environment. Protests and anti-tourism marches are also planned in Mallorca (Spain) and San Sebastian (Spain) where Airbnb has had a major impact on the local housing market.[201]

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[198] Hociung , G. (2011). QUALITY FROM INSIDE OUT - AN INTERNAL COMMUNICATION APPROACH FOR TOURISM ORGANIZATIONS. *Journal of Doctoral Research in Economics*, 3(4), 19-30. Retrieved from
https://econpapers.repec.org/article/aesjdreco/v_3a3_3ay_3a2011_3ai_3a4_3ap_3a19-30.htm
[199] *Gold Coast Destination Tourism Management Plan 2014-2020*. (2014). QLD: Gold Coast (Qld). Council.
[200] *Community Engagement Report* (Rep.). (n.d.). Retrieved
https://www.ramseycounty.us/sites/default/files/Projects%20and%20Initiatives/Section%203%20-
%20Community%20Engagement.pdf
[201] Coldwell, Will (2017). "First Venice and Barcelona: now anti-tourism marches spread across Europe", The Guardian.

Figure 20: Tourism Supporting Environment
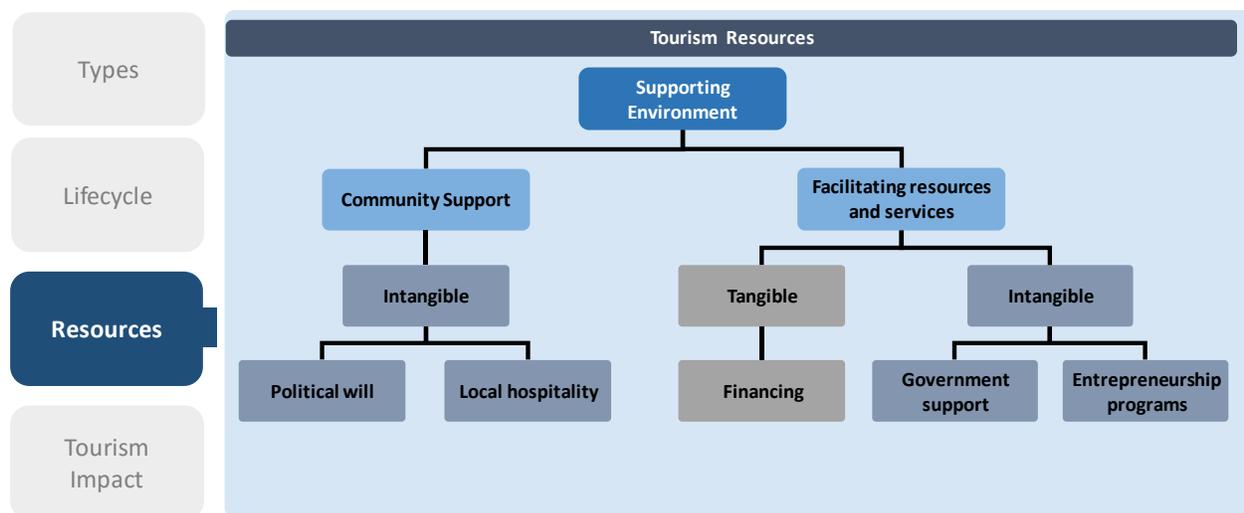
Source: DinarStandard Analysis

Once community involvement is positive, building relationships and communications with local people and businesses can become easier. A destination management organization can utilize the following steps to effectively engage with local community members[202]:

1. Initiate dialogue and contact and build relationships with existing destination management or tourism organizations
2. Develop opportunities for local community members and empower local businesses; identify greater benefits for community members
3. Identify local community challenges
4. Develop host community centric tourism strategy; based on knowledge, values, culture, and activities of the host community
5. Regularly monitor and record community sentiment
6. Identify barriers to entry for local community businesses
7. Provide local business incentives
8. Secure resources and investment for tourism sector
9. Develop systems of law, regulations and good practice to prevent exploitation
10. Develop clear picture of local community for foreign visitors
11. Train, accredit and license local guides
12. Develop training and education programs with local schools and educational institutes

By utilizing the steps above, DMOs can withdraw the following benefits and drawbacks for communities:

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[202] UNESCO World Heritage Sustainable Tourism Toolkit Guide 4: Engaging local communities and businesses. (n.d.). Retrieved from http://whc.unesco.org/sustainabletourismtoolkit/guides/guide-4-engaging-local-communities-and-businesses

Table 10: DMO Community Impact

Benefits	Drawbacks
Community involvement and pride	Crowding and traffic
Investment opportunities	Pollution
Public facilities	Increased taxes
Boost local business and economy	Increased costs and prices
Preserves culture heritage	
Focus on environment	
New jobs	

Source: DinarStandard Analysis

In the context of the stakeholder structured interviews conducted within the scope of this study, respondents were asked about how to promote tourism culture. Respondents provided a number of suggestions including providing information about tourism importance and impact in the education curriculum in general, as well as carrying out events to make the local community aware of the importance of tourist attractions. Other suggestions included designing tourism products in collaboration with the local community that offer authentic experiences to tourists through direct interaction with members of the local community, such as having local meals in communal areas. In an interview with the President and CEO of Guam Visitors Bureau, the CEO pointed out: "local people are the custodians of heritage and working with them ensures a better tourist experience".

3.5. Step 5 - Activating Destination Product Development Strategies

After the local community and infrastructure of a destination are developed, the ecosystem of services including accommodations, attractions, operators, and activities can be established. Once the full suite of services is expanded, a destination can attract visitors. A DMO must work with industry stakeholders to develop tourism services. The ecosystem of services must also be supported by regulatory agencies and financial management services.

Destinations can increase their competitiveness by developing and expanding their ecosystem of services. For example, destination wide products and services including convention centers with annual events, nature based tourism activities, and festivals can attract visitors. For example, the International Convention Centre Sydney, Australia's largest convention, exhibition and entertainment center is an example of a developed product, which is expected to host 20 international conventions and is heavily marketed by Destination NSW, a state level DMO in Australia.

The final step in utilizing a destination's resources is to market and attract potential visitors. By developing a strong brand reputation with notable tourism experiences, destinations can differentiate themselves from others.

Creating Incentives for Investment

Several regions globally offer investment incentives for the tourism industry to business wishing to locate, expand, and retain their operations in a new region.[203] Local governments will provide discretionary support and approve projects where investments will stimulate significant economic activity and community benefits.[204] In addition, local governments look for diversity and value-add to the wider regional economies beyond the growth of the business investment itself. [205]

Local governments offer incentives for projects that create jobs, create operational value-added services, catalyze additional investment, generate growth across industries, and support growth of other businesses.[206]

Investment incentives:

In addition to direct support services, investors can also expect to receive direct financial incentives, which can include reduced taxes (income and property taxes), reduced operational costs, reduced customs, reduced infrastructure costs, reduced regulatory fees or reduced real estate costs[207].

Table 11: Tourism Incentive Examples

Tourism incentive examples[208]:
Duty-free imports of capital goods, equipment and inputs
Training grants for local employees
Accelerated depreciation on assets
Reduced long-term lease of business property
Loan guarantees
Grants or tax breaks

Source: DinarStandard Analysis and Oxford Business Group

Facilitating Legislative Change

In designing incentives for investors, it is critical that domestic revenue loss is not significant and that local investors are protected. Governments as a result must develop strong legislations, but are also in competition with other foreign governments to attract investment. As a result, the regulatory climate must

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[203] Australia, Queensland Government, Business Queensland. (2018). *Incentives for tourism investors.* QLD. Retrieved from https://www.business.qld.gov.au/industries/invest/tourism-investment/incentives.

[204] Examination of Tourism Investment Incentives (1987). UNWTO.

[205] Wanhill, S. (1986). Which investment incentives for tourism? *Tourism Management,* 2-7. Retrieved from http://www.sciencedirect.com/science/article/pii/026151778690052X

[206] The Hungarian Investment and Trade Development Agency, "Incentives for Investments In the Tourism Sector", INCENTIVES FOR INVESTMENTS IN THE TOURISM SECTOR [PDF]. (n.d.). Hungarian Investment and Trade Development Agency. Retrieved from http://www.mfa.gov.hu/NR/rdonlyres/F5A8B948-0D1D-429F-A1B0-188EA0716839/0/tourism_1025.pdf

[207] Enticing developments: A review of the fiscal incentives used to promote tourism investment [Web log post]. (n.d.). Retrieved from https://oxfordbusinessgroup.com/analysis/enticing-developments-review-fiscal-incentives-used-promote-tourism-investment
Ertürk, C. (n.d*.). Government Incentives For Tourism Sector* [PDF]. Cathic. Rretrieved from http://www.cathic.com/presentations/Cuneyt-Erturk-EN.pdf.

be flexible. To attract investment, governments can facilitate access to credit, offer tax incentives, subsidies and streamline investment approval process times. [209]

To develop strong legislation, governments must consider the following implications. The rules, regulations, and requirements governing investment must be clear and easy to find (i.e. labor laws, property laws and rulings must be gathered and clear) [210]

- Zoning laws: Laws controlling the location and boundaries of businesses; laws controlling the limits to development in specific areas that factor in height, density, construction and environmental impact
- Licenses, certification and approvals: One category of tourism businesses may have restrictions regarding the type of business they can operate. It is important to present investors with clear cut license and certification application approvals so they can quickly operate.
- Land use and ownership: Several countries prevent foreigners from investing, leasing or buying specific areas of land within a territory.
- Imports: Import equipment, supplies, permits, licenses, and restrictions must be outlined. Governments need to provide mandatory waiting periods for import permits or duty-free status on imports, licensing for commodity imports, foreign exchange requirements, quotas, bans of products, and approval for advance payments.
- Taxes and customs: Costs of taxes and customs can impact international price competitiveness
- Foreign exchange rates: Investors will need access to local currency at market rates. Repatriation of foreign currency can determine a country's ability to attract investment.
- Air access: Aviation infrastructure requirements, airline routes, number of flights, carrying capacity and limits to the flow of goods must be outlined.
- Tourism infrastructure requirements: Water and electricity usage, waste and sewage treatment, or telecommunications usage.
- Environmental sustainability: Water pollution and waste management regulations must be clearly defined to reduce risk of long term viability
- Capital raising requirements: Funding sources and investment management restrictions must be outlined

[209]Taskov, N., Metodijeski, D., Dzaleva, T., & Filipovski, O. (2011). ENTREPRENEURSHIP IN TOURISM INDUSTRY LEAD TO BUSINESS BENEFITS. *2nd BIENNIAL INTERNATIONAL SCIENTIFIC CONGRESS*, 1-12. doi:10.1.1.472.4645
[210] Neblett, J., & Green, M. B. (2000). Linking Development, Indigenous Entrepreneurship and Tourism, with Special Reference to Barbados. *Geography Online,* 1(2). Retrieved from https://ir.lib.uwo.ca/geographypub/116/

4. Case Studies

4.1 Field Case Studies

4.1.1 Azerbaijan

Background

According to the UNWTO's 2017 Travel and Tourism Competitiveness Annual Report, Azerbaijan was one of the most improved economies in 2016, rising 13 places in its global rankings. Azerbaijan's international arrivals in 2016 reached 1.9 million because of the country's investment in the tourism, liberalization of its visa regime, and promotion of its oral and intangible cultural heritage.[211]

Azerbaijan has a number of historical sites on the UNESCO's World Cultural Heritage Sites List; Icheri Sheher (Old City) of Baku, Maiden's Tower (6th century monument), Gobustan Petroglyphs Cultural and Historical Reserve.[212] The Azerbaijani Mugam, Ashug Music, Carpets, Shebeke, Chovgan and other cultural masterpieces are also included in the UNESCO Intangible Cultural Heritage list. Other cultural and historical monuments include 5-6th century churches of Ancient Albania, caravansaries along the Silk route, Fire Worshipper's Temple of Ateshgah, Middle Age Baths etc.[213]

Azerbaijan has also a unique climate and environmental resources with more than 150 endemic species of flora and is the 4th country in the world for diversity of bird species. Azerbaijan has seven climate zones out of eleven known to the world. National Parks cover 20% of country's territory.[214]

Table 12: Azerbaijan Competitiveness Statistics[215]

International tourist arrivals (million)	1.9
International tourism inbound receipts (million)	$ 2,309
Average receipts per arrival	$ 1,201.7
Travel and Tourism % of GDP	2.8%
Travel and Tourism employment (%)	2.6

Source: UNWTO 2017 Travel and Tourism Competitiveness Annual Report

Top destinations within the country (in the order of popularity) are as follows:

- Baku: The capital city has many attractions including the Old City, Gobustan (ancient petroglyphs), Caspian Sea (boulevard and sun and beach activities), night life, family holiday sites, well developed hotel, transport, shopping and entertainment infrastructure;

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[211] United Nations World Tourism Organization. (2017). *Travel and Tourism Competitiveness Annual Report.*
[212] UNESCO World Centre (n.d.). Azerbaijan - Properties inscribed on the World Heritage List. Retrieved from http://whc.unesco.org/en/statesparties/az
[213] Intangible Cultural Heritage - Azerbaijan. (2017). Retrieved from https://ich.unesco.org/en/state/azerbaijan-AZ?info=elements-on-the-lists
[214] Interview with former manager of Planning and Analysis Section of the Department of Tourism
[215] United Nations World Tourism Organization. (2017). *Travel and Tourism Competitiveness Annual Report.*

- Gabala-Sheki zone (235 km Northwest of Baku): It offers alpine meadows, mountains, waterfalls, fishing, culture and traditional cuisine, arts and crafts, skiing resort (Tufandag), children's attractions, lakes and restaurants in the forest, in addition to well-developed hotel and entertainment infrastructure;
- Guba-Gusar zone (200 km North of Baku): It offers ethnic cuisine, forests, mountains, waterfalls, ski resort (Shahdag), fishing, hunting, children summer camps, beach resorts, mountain climbing, well developed hotel and entertainment infrastructure;
- Lenkoran-Lerik zone (265 km South of Baku): It offers regional cuisine, forests, rivers, fishing, bird preserve and two national parks, natural food, warm climate in winter, moderate hotel and entertainment infrastructure.

Destination Development Institutional Strategies

The focus of this case study is the Ministry of Culture and Tourism which the government entity responsible for managing and promoting Azerbaijan as a destination on both the national and regional level.

Starting 2011, Azerbaijan witnessed a significant infrastructure development with roads constructed, and the main airport, Baku International Airport, reconstructed and new modern terminal built. The city transport infrastructure has been renewed, power supply, water and gas system fully refurbished.[216] The number of hotels, restaurants, tourism attraction and entertainment facilities has been growing with two new ski-resorts, many resort and recreation facilities, and a number of international hotel chains mainly 5-star hotels such as Kempinski, Hilton, JW Marriott, Four Seasons, Fairmont, Sheraton, Jumeirah and others coming to Baku and other regions of Azerbaijan.[217] It is worth noting that there is a shortage of supply of 3 and 4 star hotels especially 3 star hotels with no international chains available nor local investors interested in investing in this category.[218]

Azerbaijan has been the home of a number of tourism, culture and sports events, such as Baku International Jazz Festival, Gabala International Music Festival, European Games, Islamic Solidarity Games, Formula 1 Grand Prix, World Chess Olympiad and many others.[219]

There are a variety of educational and training programs that target the tourism industry in Azerbaijan. Vocational education is provided in Baku and the city of Mingechaur for hotel staff including receptionists, F&B administrators, waiters, chefs, cleaning staff and other non-managerial positions. The Azerbaijan Tourism Institute in association with KREMS University of Austria offer higher education in tourism management, marketing, advertisement, and facility management among other specializations. The Azerbaijan State University has a department of tourism providing tourism management certificates while the Azerbaijan Diplomatic Academy offers several modules of training in tourism management. Summer internship programs are also offered by universities, both internally and abroad. Main internship partners of Azerbaijani universities are the hotels and recreation zones in Turkey, Cypress and Greece.[220]

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[216] Abbasov, T. (2017, September 7). *Transport Infrastructure Development in the Republic of Azerbaijan* (Azerbaijan, Ministry of Transport, Communication and High Technologies). Retrieved from http://www.unescap.org/sites/default/files/Azerbaijan_15.pdf

[217] Azerbaijan heading for hotel construction boom [Web log post]. (2015, July 24). Retrieved from http://www.buildingshows.com/market-insights/azerbaijan/azerbaijan-heading-for-hotel-construction-boom/801795248

[218] *Using the EU Institution Building Instruments (Twinning/TAIEX/SOCIEUX/SIGMA) in Azerbaijan* [Brochure]. (2017). Retrieved from https://eeas.europa.eu/sites/eeas/files/brochure_eng_final.pdf

[219] Baku brings down Solidarity Games curtain in style. (2017). Retrieved from https://www.baku2017.com/en

[220] Interview with Azerbaijan Tourism Institute's Manager of Tourist Guides Training and Certification Program

The development of tourism products in Azerbaijan has encountered a number of difficulties due to long procedures and low budget for planning and designing in many instances. Typically, hotel and resort development require feasibility study to be conducted by the Technical and Commercial Feasibility and the approval of a number of government bodies such as Ministry of Emergencies, Ministry of Ecology (for ecologically sensitive areas), State Construction Committee, Fire Safety Department and others. In many instances, the feasibility has major gaps that can be attributed to low budgets allocated to planning and design, as well as lack of required knowledge and understanding of feasibility study concept by relevant state agency employees or private business associates resulting in low quality of review/analysis of the completed studies, which ends up making projects shelved.[221]

1. DMO Development

Tourism in Azerbaijan is managed by the Ministry of Culture and Tourism, which started operation in 2006, and operates several offices in the different regions of the country to manage and market tourism in the various destinations within the country. The Ministry of Culture and Tourism also operates a number of Information Centers in major tourism destinations. However, their role is limited to provision of information to tourists visiting regions.[222]

In 2013, the Ministry has established the Azerbaijan Convention Bureau, a not-for-profit organization, because of a public-private partnership initiative with the mandate implement the strategy for MICE tourism development. The Convention Bureau goal is to strengthen the image of Azerbaijan as a premium Meeting Destination. It provided information and support services and lobbies for the interests of local meeting industry players.[223] Recently, the National Bureau of Tourism Promotion was established, under the Ministry, in February 2017 by a presidential decree to promote Azerbaijan at the international level.[224]

2. DMO Governance and Organizational Structure

The Ministry of Culture and Tourism has its regional offices, departments, in each region of the country, but they don't have their own budget. Each executive regional body has a Department of Culture and Tourism that reports back to the ministry, acting primarily as information collecting bodies providing it with quarterly reports on the tourism activity in the region. While these regional offices may make proposals to Ministry of Culture and Tourism on improvements in their areas, all initiatives on destination management and development come from the main office of Ministry of Culture and Tourism, namely the Division on Domestic Tourism or Division of Planning and Analysis of the Department of Tourism of the Ministry. The ministry's organizational structure is illustrated in the following diagram.[225]

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[221] Interview with former manager of Planning and Analysis Section of the Department of Tourism
[222] Ministry of Culture and Tourism of the Republic of Azerbaijan. (2018). Retrieved from http://mct.gov.az/en/
[223] Azerbaijan Convention Bureau. (2015). Retrieved from http://www.azcb.com/
[224] National Bureau of Tourism Promotion. (2017). Retrieved from http://bosco-conference.com/en/partners/item/national-bureau-of-tourism-promotion
[225] Ministry of Culture and Tourism of the Republic of Azerbaijan. (2018). Retrieved from http://mct.gov.az/en/

Figure 21: Organizational Structure Diagram
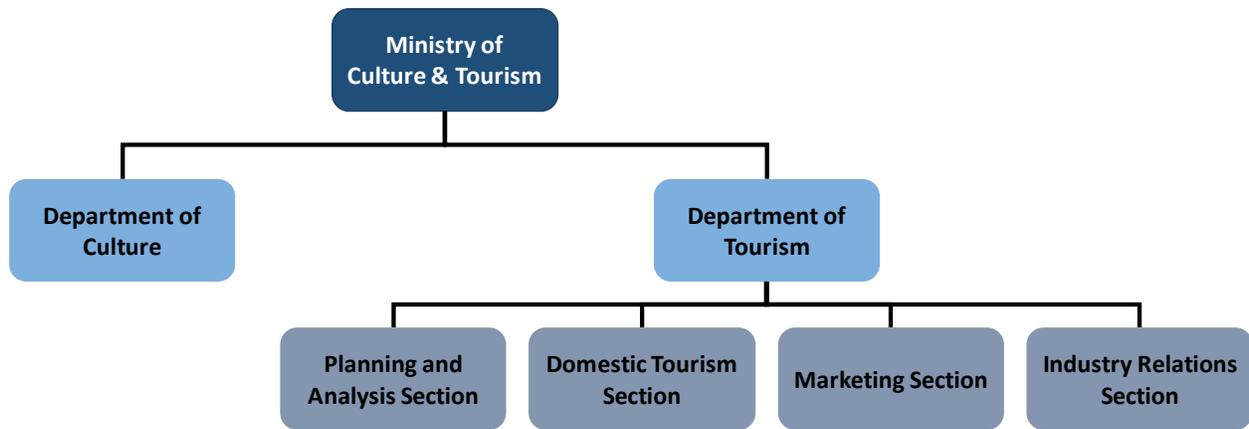
Source: Ministry of Culture and Tourism of the Republic of Azerbaijan

The Planning and Analysis Section is responsible for the analysis of tourism data and development proposals made by third parties. It also sets development plans and strategies. The Domestic Tourism Section manages Tourism information centers and works on destination development projects in addition to coordinating with the Marketing Section on advertising for the domestic tourism market. The Marketing Section undertakes all marketing and promotional activities including advertising, familiarization tours and online promotion of the destination. The Industry Relations Section inspects hotels and recreational facilities, rates and certifies them as well as deal with tourist complaints.[226]

There are a number of specialized committees formed by the DMO to carry out specific tasks, such as the Technical and Industry Consultation committees. The Technical Committee overlooks for development of industry quality and safety standards. The Industry Consultations Committee that would provide feedback to Ministry on the efficiency of operations and implemented projects. For instance, industry can provide feedback on flow of tourists from the countries into which funds were invested for promotion of Azerbaijan as tourist destination.

It is worth noting that there is a planned pilot project shall that aims to establish of at least two regional DMOs (one in Baku and one in region), within the next 3 years. Intensive trainings/workshops will be provided to tourism industry (private sector) outlining the benefits of local DMO modelling to gain support of tourism operators and stakeholders to DMO principles. The project will use two of the ten Tourism Information Centers in the various regions of the country as basis for the establishment of DMOs in their target regions as a pilot experiment. Tourism Information Center partial transformation into DMO was a successful strategy in Georgia. The local authorities will provide support for DMO establishment and operations process. Intensive trainings and seminars will be provided to executive powers to develop this knowledge and understanding to facilitate all-sided support to DMO efforts at local government level.

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[226] Ministry of Culture and Tourism of the Republic of Azerbaijan. (2018). Retrieved from http://mct.gov.az/en/

3. The Role of DMOs

a. The role of DMOs in terms of destination development

As the entity responsible for destination development, the Ministry of Culture and Tourism has been actively working on improving destination product offerings by getting the recognition of the UNESCO of its cultural heritage sites and intangible cultural heritage. The Ministry also successfully lobbied for simplification of the visa regime facilitating access to the destination.[227]

The Domestic Tourism Section of the Department of Tourism plays a significant role in product development in terms of laying out the regional tourism development plans for various regions of the country. It has also played a significant organizing role in creating new tourism products, such as Wine Route, Alexander Duma in Azerbaijan, Shahdag Ski Resort and the establishment of Rural Tourism over the last five years.[228]

The Ministry of Culture and Tourism has been working on creating a tourism and recreation zone in Northern part of the country, with a specifically designed system for taxes, customs and other financial incentives for investors.[229]

Within the framework of cooperation with the Tourism Ministry of Turkey, the Ministry of Culture and Tourism have conducted for several years special training sessions for hotels and restaurants by Turkish experts. The training consisted of one-month sessions every year held in summer in key tourist restaurants and hotels/recreation zones both in Baku and other regions of Azerbaijan.[230]

b. The role of DMOs in terms of marketing

The Ministry of Culture and Tourism provides information booklets, brochures, flyers which are distributed via hotels, information desks and tourism information centers. The Ministry provides printed information brochures on each touristic region covering the main attractions, natural resources, major towns and/or villages, arts & crafts. Also, the information on each region can be found at main tourism portal of the country, also sponsored by the Ministry and National Tourism Promotion Bureau. Tourism Information Centers in regions also supplied with these materials to help tourists to get information on key attractions of the region.[231]

The Ministry of Culture and Tourism participates in international tourism fairs, and it features the booths of various travel agencies and hotels from Azerbaijan in its wing at those fairs. The Ministry also sponsors familiarization trips for foreign companies and MICE agencies in addition to organizing B2B meetings with the local tourism industry. The marketing section of the Ministry of Tourism was responsible for Destination Marketing for years. As of February 2017, the budget for marketing was allocated to the National Tourism Promotion Bureau.[232]

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[227] Isubaliev, A. (2016, February 8). Tourism: New Realities. *Echo*. Retrieved from http://www.echo.az/article.php?aid=103416
[228] Interviews with former head of Planning and Analysis Section of the Department of Tourism, and former senior expert of Industry Relations Section of the Department of Tourism.
[229] *Doing Business in Azerbaijan 2017* (Rep.). (2017). Baker McKenzie. Retrieved from
http://www.bakermckenzie.com/en/insight/publications/2017/03/doing-business-in-azerbaijan-2017/
[230] Interview with Azerbaijan Tourism Institute, Manager of Tourist Guides Training and Certification Program
[231] Interview with PR and Media Department, National Tourism Promotion Bureau
[232] Interview with PR and Media Department, National Tourism Promotion Bureau

c. The role of DMOs with regard to stakeholders

The Ministry of Culture and Tourism engages with industry stakeholders through the Industry Relations Section. The Ministry holds periodic general Public-Private Sector meetings in Baku.[233] It also holds monthly community meeting sessions in the different regions of the country, where the role of culture and tourism is explained.[234]

4. Funding sources for DMOs

The Ministry of Culture and Tourism, as a government entity, receives public funds to enable it to conduct its role in terms of the development and marketing of Azerbaijan and its various tourist destinations. With the expected introduction of new Law on Tourism, new channels of funding will be available mainly to public-private partnership organization as in the case of the Convention Bureau.[235]

With respect to financial accountability, there is an annual audit of the Ministry performed by the Accounting Charter of the Republic of Azerbaijan, which is the government agency that reviews spending of public funds. In terms of transparency, there are monthly, quarterly and annual reports prepared for Minister of Culture and Tourism covering the activities performed over the covered period. These reports are later summarized into semi-annual and annual reports submitted Cabinet of Ministers and Administration of President. Annual briefs, updates and press-releases are also provided to media outlets through the press-service of the Ministry.[236]

5. Key Performance Indicators for DMOs

From 2012 to 2014, Azerbaijan conducted a benchmarking and good practice study process to learn from experiences of other destinations, including field visits to Lithuania and Austria, Currently, the Ministry of Culture and Tourism uses a number of performance indicators to measure the efficiency of its activities including:

- the number of tourists' arrivals,
- trends in tourists' arrivals from top source markets,
- tourism industry contribution to Gross Domestic Product
- and measurement of tourist satisfaction based on exit surveys conducted at airports.[237]

There is no measurement of performance in terms of efficiency of specific marketing activities or implemented product development projects.

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[233] Ministry of Culture and Tourism of the Republic of Azerbaijan. (2017, June 8). *Milli Turizm Təbliğat Bürosu ilə turizm şirkətləri arasında görüş keçirildi* [Press release]. Retrieved from http://www.mct.gov.az/az/medeniyyet-xeberleri/milli-turizm-tebligat-burosu-ile-turizm-sirketleri-arasinda-gorus-kecirildi

[234] Abulfas Garayev will receive citizens in Tovuz [Web log post]. (2015, March 18). Retrieved from http://vzglyad.az/news/33282/Абульфас-Гараев-примет-граждан-в-Товузе.html

[235] Yeni turizm qanunu ilk oxunuşdan keçdi [Web log post]. (2017, May 02). Retrieved from https://novator.az/2017/05/02/yeni-turizm-qanunu-ilk-oxunusdan-kecdi/

[236] Ministry of Culture and Tourism of the Republic of Azerbaijan. (2018). Retrieved from http://mct.gov.az/en/

[237] *Using the EU Institution Building Instruments (Twinning/TAIEX/SOCIEUX/SIGMA) in Azerbaijan* [Brochure]. (2017). Retrieved from https://eeas.europa.eu/sites/eeas/files/brochure_eng_final.pdf

6. Lessons Learned

- DMOs can draw on various parts of their history and heritage to draw tourists who are interested in different activities. There is a multicultural and multidimensional development of tourism in the country. Azerbaijan is primarily a Muslim country, but there is Wine Route (as part of German heritage) tourism product. It is a southern and primarily warm climate country, but it has managed to develop two ski resorts. It is developing national/traditional arts (carpet weaving, silk production, cuisine), but at the same time it plays a significant role is development of modern culture (Jazz Festivals, Rostropovich Classical Music Festivals etc.). These integrated multidimensional tourism products "for all tastes" can be considered as a benchmark/example for several destinations, which don't always offer that variety.
- DMOs have begun to recognize the need for public-private partnership (PPP) to improve communication between the public and private sectors in tourism and facilitate the planning, development and marketing processes, which is illustrated by the development of the convention bureau to create a synergy between public and private entities in the development of MICE Tourism.
- DMO set up process shall involve intensive training process, as a professional capacity in tourism is very limited in regions of the country;
- NTOs does not have enough resources and time to fully commit to different destinations within the country, which is the reason Azerbaijan has initiated a pilot project to create regional DMOs.
- Learning from best practices in other destinations can help in the creation of DMOs; Azerbaijan is using the DMO development model that was used in Georgia, by repurposing tourist information centers into regional DMOs.
- Legislation needs to be implemented to facilitate de-centralization of tourism management and allocating more authority and budgets to local destination management organizations.

4.1.2 Spain

Background

Besides the Mediterranean sun-and-beach offering, Spain's other resources include cultural heritage in the form of monuments, towns and otherwise architecturally significant buildings. The country boasts an immense range of resources as it possesses a long history of heritage from the Moors and later from the Spanish Empire, which can be seen in the abundance of monuments across the country.

The main inflow of tourists to Spain is through leisure tourism and they are drawn by what is perhaps the country's main attraction: the climate. Spain has many hours of sunlight compared to other countries in Europe and the temperature, coupled with the coast, makes for an excellent holiday setting. This is confirmed by the fact that tourism in Spain began as a coastal phenomenon and evolved from there, branching into different subsectors.

Tourism is one of the largest economic sectors in Spain, accounting for around 16% (direct, indirect and knock-off effects) of the GDP in 2016,[238] receiving an increasing number of visitors every year and hitting a record of 68.5 million according to the UNWTO's 2017 Travel and Tourism Competitiveness Annual Report.[239]

Table 13: Spain Competitiveness Statistics[240]

International tourist arrivals (million)	68.5
International tourism inbound receipts (million)	$ 56,468
Average receipts per arrival	$ 824.1
Travel and Tourism % of GDP	5.8
Travel and Tourism employment (%)	5.2

Source: UNWTO 2017 Travel and Tourism Competitiveness Annual Report

Destination Development Institutional Strategies

The focus of this case study is on two destination management organizations from the most successful destinations of choice for most tourists visiting Spain, namely Barcelona and Granada. In the first case, we will focus on the city DMO, while for the second the provincial DMO is analyzed.

Tourism in Barcelona is relatively recent. In the 1960s tourism developed on the coast of Catalonia. Hosting the Olympic Games in Barcelona in the year 1992 drew to the world's attention the singular and photogenic architecture wealth of the city. The city grew rapidly and successfully as a tourist destination that current strategic plans are focused on managing tourism to improve the experience for both for visitors and residents. Barcelona's architectural singularity is represented principally by the Gothic Quarters and Gaudi's works scattered across the city, with Gaudi's church La Sagrada Familia, which received a record of 4.5 million

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[238] El turismo, motor de la economía, representa el 16% del PIB nacional [Web log post]. (2017, June 7). Retrieved from http://www.europapress.es/turismo/nacional/noticia-turismo-motor-economico-espanol-representa-16-pib-nacional-20170607141608.html

[239] United Nations World Tourism Organization. (2017). *Travel and Tourism Competitiveness Annual Report.*

[240] Ibid.

visitors in 2016[241], being the most visited monument in the country. Barcelona's touristic offerings include sea-related activities such sea tours, water sports, and fishing. The Barceloneta Beach[242] was developed to offer a range of services such as hotels and restaurants as well as a gymnastics area, beach volleyball, beach tennis and table tennis. It has become one of the main attractions and busiest areas, especially in summer.

Granada is famous for having one of the most well-known monuments in Spain the Alhambra Palace. Tourism has been an important part of this city, accounting for around a 12% of its PIB, since the beginning of the 90s. Currently, around half of its over 1.8 million tourists come from overseas, and half are national visitors.[243] Granada features the jewel of the Moor heritage with the Alhambra Palace, comes second in annual visitors at almost 2.5 million in 2015.[244] This single monument generates a very important flow of tourists in the city. The Albaicin, the old quarter, was declared as a World Heritage Site by the UNESCO in 1984, and is also one of the main attractions. In 1996 Granada hosted the FIS Alpine World Ski Championships in its singular ski station in Sierra Nevada, the southernmost station in Europe. This charming town, with excellent weather and a friendly atmosphere, that makes it possible to ski in the morning and swim in the sea within the same day has a lot to offer to visitors. Among its resources is an ample and economical gastronomic offer.

1. DMO Development

The central government and local authorities all have it at the top of their agendas to promote growth and foster stability in the tourism industry. This is achieved by designing strategies to market the destinations, develop optimum management practices and generate attractive products. The central government has a proactive attitude towards generating higher revenues and better practices in tourism. This is proven by its activity in promoting the Spain brand through Turespaña, which is the agency appointed by the Ministry of Energy, Tourism and the Digital Agenda.

In Barcelona, DMO responsibilities are split between two organizations; Barcelona Activa, in collaboration with the Barcelona City Council, oversees the management of tourism in the city while marketing and interfacing with tourists are the responsibilities of the Barcelona Turisme Consortium. The Turisme de Barcelona Consortium was established in 1993 by the Barcelona Municipal Council, the Barcelona Official Chamber of Commerce, Industry and Shipping and the Barcelona Promotion Foundation.

In Granada, the Patronato Provincial de Turismo de Granada was established in 1981 as a board foundation made up of trustees from the government and the private sector to market the destination and promote growth of tourism in the province. However, some years later, laws were changed and this type of hybrid organizations were no longer permitted, so it turned into a solely public administrative entity, but which still functions in close collaboration with the private sector.

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[241] La Sagrada Familia bate su récord de visitantes con 4,5 millones [Web log post]. (2017, January 31). Retrieved from https://www.hosteltur.com/120226_sagrada-familia-bate-su-record-visitantes-45-millones.html
[242] BarcelonaTurisme Webiste. (n.d.). *Barceloneta Beach*. Retrieved from http://www.barcelonaturisme.com/wv3/en/page/1272/barceloneta-beach.html
[243] Travelers by Origin: Granada 2003-2016 [Infographic]. (n.d.). Retrieved from https://infogram.com/viajeros-granada-1gl8m3j3q55zp36
[244] La Alhambra Survey Data and Results of 2012. (2013). Retrieved from http://www.alhambra-patronato.es/index.php/Balance-de-Visitantes-2015/1674_M5d637b1e38d/0/

2. DMO Governance and Organizational Structure

Most DMOs in Spain are governmental entities as in the case of the Patronato Provincial de Turismo de Granada, however, some are public-private partnerships resulting from forming consortiums with private stakeholders as in the case of Barcelona's Turisme Consortium. On the national level, Tourespana is responsible for tourism, while on the provincial level each provincial government has its own destination management organization, such as the Patronato Provincial de Turismo de Granada. Local DMOs such as the Barcelona Activa and Turisme de Barcelona Consortium are members of the provincial DMO, in their case the Catalan Tourist Board.[245]

Figure 22: Spain Tourism Management Structure
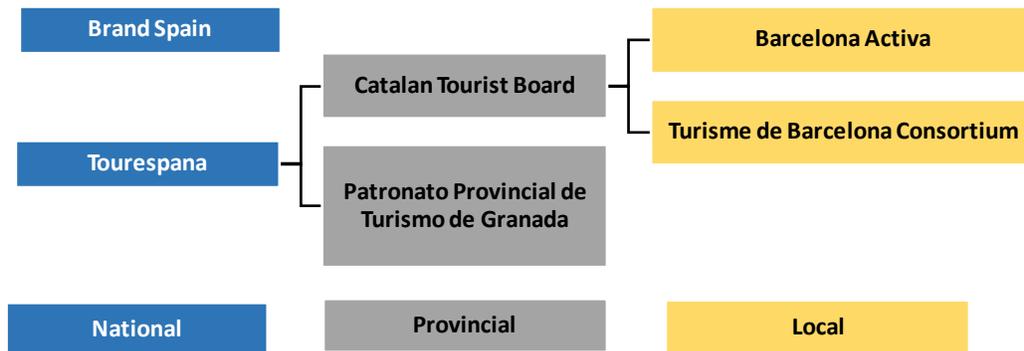
Source: Generalitat de Catalunya (Catalan Tourist Board)

In Granada, the Patronato Provincial de Turismo de Granada is a governmental provincial destination management organization, which consists of four departments: the administration, marketing, tourism planning and development, and information departments.[246]

In Barcelona, the Turisme Consortium general board consists of a president, the Mayor of Barcelona, three vice presidents, the President of the Chamber of Commerce, an appointee by the mayor and an appointee by the Barcelona Promotion Foundation, and 26 chairpersons (11 from City Council, 12 from Chamber of Commerce and three from the Barcelona Promotion Foundation). The Consortium's Managing Director, the City Council's Coordinator for Economy and Businesses Sector, and the Chamber of Commerce Managing Director are also members of the Consortium's general board. The Consortium structure and departments are outlined in the following diagram. [247]

[245] About the Catalan Tourist Board. (n.d.). Retrieved from http://act.gencat.cat/act-about-us/act-about-the-catalan-tourist-board/?lang=en
[246] Interview with team member of Tourism Planning and Development, Patronato Provincial de Toursimo de Granada.
[247] Organizational Chart for BarcelonaTurisme [Chart]. (n.d.). Retrieved from
http://barcelonaturisme.com/imgfiles/web/professional/pdf/Organigrama_Turisme_Barcelona_es.pdf

Figure 23: Barcelona Turisme Consortium Organizational Structure
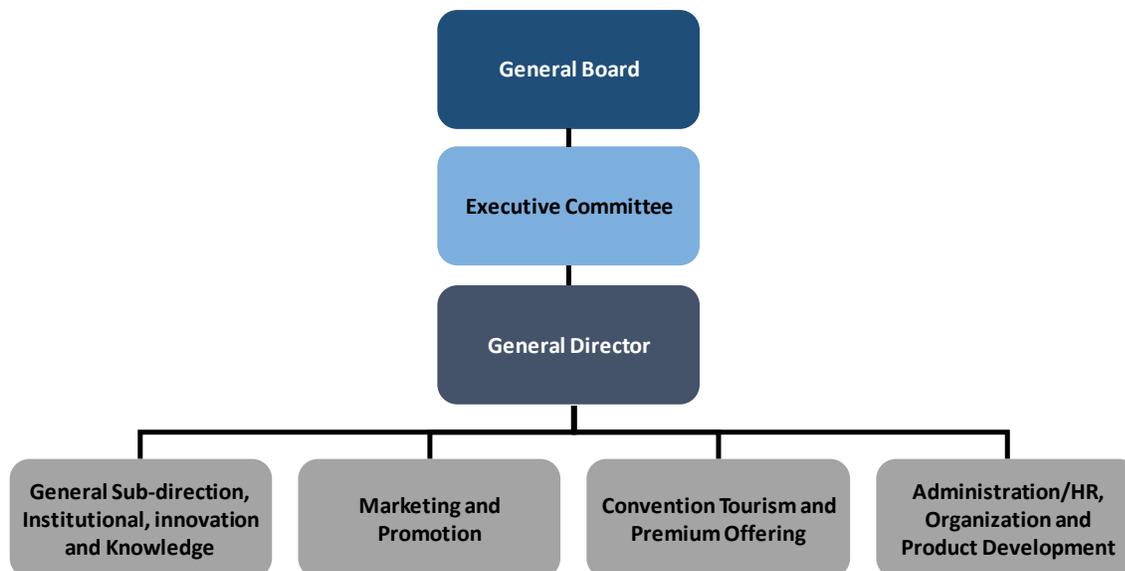
Source: Barcelona Tourism

3. The Role of DMOs

a. The role of DMOs in terms of destination development

In Barcelona, the Turisme Consortium develops products which it makes available via its members, such as the Barcelona Card, the Barcelona Touristic Bus, the Gothic Walking Tours, the Modernism Walking Tours, and the Sagrada Familia Tours. Barcelona Activa plays a crucial role in managing tourism, since overtourism has been one of the issue facing the city in the last decade; it engages with the community to achieve a sustainable practice of the sector and integrate it as an intrinsic part of the city life.

In Granada, the Patronato Provincial de Turismo de Granada works to improve the quality of the destination through helping establish new enterprises, enhancing the value of resources, providing tools such as statistical information and studies to city councils and businesses. The Patronato Provincial de Turismo is very active through the creation of workshops for tourism industry stakeholders aimed at identifying resources and boosting their development, and the creation of tourist products. It has also worked on reducing fees and providing subsidies for low-budget airlines to come to Granada airport.

b. The role of DMOs in terms of marketing

In Barcelona, the Turisme Consortium is responsible for promoting and marketing the city, which is carried out through advertising in publications, digital marketing and trade marketing. However, since Barcelona has been dealing with overtourism for some time, the DMO is at a stage where it is focusing more on managing and improving services rather than growth, which essentially means that marketing and promotional activities has taken a secondary position.

In terms of dealing with the problem of over-tourism in Barcelona, Barcelona Mayor established regulation that forbid new hotels to open in the center of the city and placed strict regulation on home sharing platforms such as Airbnb. The Mayor also restricted access to tourism activities, such as Segway tours, in some parts of the city.[248]

In Granada, the Patronato Provincial de Turismo de Granada conducts marketing activities at both the national and international level, mostly through tourism trade fairs and advertising campaigns in collaboration with other stakeholders, such as having feature articles about that destination in publications of international hotel chains or airline magazines, and having outdoor advertisements and posters in public and busy spaces of cities abroad.[249]

c. The role of DMOs with regards to stakeholders

In Barcelona, the City Council conducts plenary sessions where the local community, private stakeholders and the local government come together and discuss issues that affect each side and defend their interests, to arrive at solutions that benefit the city as a whole. Among the activities of these associations of neighbors are writing up documents with their concerns and suggestions which are presented to the City Council.[250] They are not binding, but they are taken into account in the decision-making process. A specific example of how this can materialize is the fact that the management organizations of a destination's popular sites (monuments, museums, and so on) agree to establish opening hours a bit later than the normal work and school times, in order to avoid congestion of the public transport.

In Granada, the Patronato Provincial de Turismo de Granada engages with stakeholder organizations who defend their interests through lobbying. An example of this its lobbying with local government to bring down employment and land value tax on establishments that stay open all year round, because this creates a situation that favors off-peak tourism.[251] Besides, representing the private sector's interests, this type of measure, also favors a deseasonalization of tourism, which among Granada's top priorities.

4. Funding sources for DMOs

In Barcelona, the Turisme Consortium is funded through revenues generated by its own activities, contributions by the City Council, the local government and the Chamber of Commerce. Its annual budget for 2017 is more than €63,4 million with 91% of this budget derived from of its own activities, such as membership fees and the selling of services and products (online and at information points). The City Council contributes with €5.1 million, an 8.1% percent of the budget, made up of its institutional contribution and tourism tax. Other contributions to the annual budget are the Diputacio de Barcelona and the Chamber of Commerce. Its financial accountability is ensured by internal auditors as well as auditors from the municipality and local government. The organization has a legal team and a comptroller. Transparency is achieved by publishing income and expenses online.[252]

In Granada, the Patronato de Tursimo de Granada, as a governmental entity, is fully funded by the local government through the budget allocated to that department. Like all public organizations allocated a budget,

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[248] Penty, C., & Tadeo, M. (2017, August 17). Barcelona Is Trying to Come to Terms With Its Overtourism Problem [Web log post]. Retrieved from https://skift.com/2017/08/17/barcelona-is-trying-to-come-to-terms-with-its-overtourism-problem/
[249] Interview with team member of Tourism Planning and Development, Patronato Provincial de Toursimo de Granada.
[250] From interview with team member from Barcelona Activa
[251] From interview with team member at Aehcos
[252] BarcelonaTurisme Webiste. (n.d.). Retrieved from http://professional.barcelonaturisme.com/Professionals/corporatiu/corporatiu-programes-externs-recursos/_fRw6AmMgtpdL7fBCScIB5sDOvQmAULU5NxNvBv4CzTHbjtjQ7dvKMetvmxkyoAci

it is assigned a comptroller, who oversees checking and approving all economic transactions to make sure the organization abides by the regulations, and keeps records. Furthermore, accountability is demanded by the local government and the opposing parties at plenary sessions.

5. DMO Strategy Planning

Strategies devised and activities needed vary and depend very much on the destination, its characteristics (social, economic, geographical, and so on) and the aims intended. Barcelona now realizes the necessity of including at an early stage of planning a comprehensive plan to integrate tourism in the city life as another constant factor, and not as a fluctuating, season-dependent industry. This means that along every strategic plan for growth drafted for any destination, which includes all the lines of action required in terms of marketing, structure development, product development, investment facilitation, etc., it should include clear guidelines on managing potential growth, so that it is stable and becomes an intrinsic part of the city's everyday life and natural progression. The best way of achieving this is by including the community and considering its concerns. Therefore, having workshops with neighborhood associations and other representative bodies of the community is fundamental when drafting the strategic plan of a destination.

In Granada, one of the main weaknesses and challenges facing the local DMO, and which they are actively tackling, is a low level of cooperation among industry stakeholders. A DMO should comprise specialists from the different branches of the tourism industry who know their segment in depth, making up an interdisciplinary work team. Beyond the qualifications and structure of the team, a DMO should be very active in promoting collaboration with different stakeholders, to act as a trigger, a catalyzer, bringing them together so that joint strategies are designed. This is done by establishing workshops where collaboration is promoted for the creation of products, the improvement of services and economic advancement.

6. Lessons Learned

- Investment in infrastructure and the creation of resources is a fundamental requisite to attract tourism and successfully develop a destination. This includes government investment in public infrastructure and subsidizing services that promote growth.
- A destination should have as many resources as possible to attract different types of tourism and increase overnight accommodation rates and average expenditure.
- Extending tourism season is one of the biggest challenges and main areas of focus, and it is related to the previous point. By promoting different kinds of tourism, such as MICE and educational tourism, tourism becomes less season-dependent which stabilizes the inflow of tourism.
- Private-public engagement is crucial for the successful development of the industry; consortiums where both sides work together are therefore necessary.
- Protecting resources and creating a welcoming and tourist-friendly atmosphere is a key resource of a destination. This element should be part of the strategic planning in a developing destination from the start. The most successful way to establish community engagement is through civil councils, where local authorities, stakeholders and neighborhood associations discuss challenges arising from the tourism industry and present their suggestions.
- If well designed, DMO can fund itself.

4.1.3 The United Arab Emirates

Background

A harsh, desert climate with daytime temperatures crossing 45C and night time temperatures remaining above 30C for more than six months of the year. Limited stock of hotel rooms. An airport that was basic at best. Very little by way of shopping or entertainment. That was Dubai 40 years ago.

'Build it and they will come!' has been the principle behind the transformation of a small pearl diving village into the city of wonders that is today's Dubai. It started with the vision of one of the founding fathers of the UAE and Dubai's ruler, Sheikh Rashid bin Maktoum. Sheikh Rashid decreed the building of Jebel Ali port in 1976. And under his guidance, by 1979, Dubai could proudly claim being home to the world's largest man-made harbor – Jebel Ali Port.

Ships started coming to the new port. Trade flourished. In 1985, Dubai launched its first free trade zone around the new port – Jebel Ali Free Zone. Today JAFZA is home to more than 7,000 companies. Merchants, traders and soon their families started coming and Dubai's journey to become a tourist destination began.

The Government of Dubai created the Dubai Commerce and Tourism Promotion Board in 1989 with the objective of making Dubai one of the world's leading tourism destinations. This board was replaced in 1997 by the Department of Tourism and Commerce Marketing (DTCM). DTCM is the principal authority for the planning, supervision, development and marketing of Dubai's tourism sector; marketing and promoting the Emirate's commerce sector; and is responsible for the licensing and classification of all tourism services, including hotels, tour operators and travel agents.

Table 14: UAE 2016 Competitiveness Statistics[253]

International tourist arrivals (million)	25
International tourism inbound receipts (billion)	$ 29.9
Average receipts per arrival	$ 1196
Travel and Tourism % of GDP	5.2
Travel and Tourism employment (%)	5.4

Source: UNWTO 2017 Travel and Tourism Competitiveness Annual Report

In 2017 Dubai is expected to attract 16 million tourists – an increase of 7.5% over the previous year's total of 14.9 million. This is in line with the city's 2020 target of attracting 20 million tourists. India is the No.1 source market followed by Saudi Arabia, the United Kingdom and Oman. Pakistan, the United States and China are also major markets bringing in over 500,000 visitors every year.

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[253] *Travel & Tourism Economic Impact 2017* (1-18, Rep.). (2017). London, UK: World Travel & Tourism Council. Retrieved from
https://www.wttc.org/-/media/files/reports/economic-impact-research/countries-2017/unitedarabemirates2017.pdf

1. DMO Development

To fully understand the role of DTCM it is important to study the evolution of Dubai as a tourism destination. Unlike destinations that have natural resources, historical relics, or entertainment venues, Dubai did not have any.

It all started with business tourism:

With the launch of the Jebel Ali Port in 1979 Dubai became a regional hub for trade and it was time to build Dubai's first skyscraper. The 39-storey Sheikh Rashid Tower (now called the Dubai World Trade Centre) was inaugurated in 1979 and laid the groundwork for the Dubai International Convention and Exhibition Centre which now hosts more than 500 events across international trade fairs, mega consumer shows and prestigious conventions - and welcomes more than 3 million visitors from 160 global markets every year[254]. Dubai's business tourism or MICE industry can trace its roots to the Sheikh Rashid Tower.

Shopping:

The traditional *souks* (markets) gave way in 1981 to Dubai's first modern shopping mall, Al Ghurair Centre - which was the first of its kind in the entire Middle East. It remained the unchallenged center for retail therapy in Dubai for ten years until 1992 when the Al Ghurair Group launched the upscale Bur Juman Centre shopping mall. In 1995 the Deira City Centre shopping mall was launched adding another destination for the growing number of tourists who had started visiting and transiting thru Dubai thanks to the expanding network of Emirates Airline.

But it was not until a year later in February 1996 that the Dubai Economic Department launched Dubai Shopping Festival. This retail extravaganza gained global recognition when every day for 31 days of the festival, a Rolls Royce was given away in a raffle draw during DSF 2001. The Dubai Shopping Festival alongside Dubai Summer Surprises, the biannual Gitex Shopper and Eid-in-Dubai have now positioned Dubai as a global shopping destination. The proliferation of shopping malls like Mall of the Emirates (with its indoor ski slopes) and Dubai Mall (one of the largest shopping malls in the world) provide the outlets necessary for Dubai to become a destination for tourists who are focused on retail therapy.

Airline and airport:

Emirates Airline was launched in 1985 and by 1995 was flying to 34 destinations across the Middle East, Europe and Asia. An 'open skies' policy of inviting airlines to transit through or fly into Dubai and the rapid growth of Emirates Airline made Dubai a regional aviation hub. This necessitated infrastructure investment and a modern airport was built in 2000. The aggressive expansion plans of Emirates eventually resulted in the creation of an exclusive terminal for Emirates that was inaugurated in 2008. Today, Emirates Airline flies to over 150 cities in 80 countries around the world and every time it launches flights to a new destination, it aggressively promotes Dubai. Emirates and Dubai have always been inextricably linked. Since Emirates Airline launched their first flight in 1985, they have actively promoted Dubai. The airline and the city have grown together. Today, Emirates operates more than 500 flights a day that connect Dubai to the world, and the world through Dubai.[255]

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[254] Dubai World Trade Center - More than a venue. (2018). Retrieved from http://www.dwtc.com/en/complex/pages/default
[255] Interview with Emirates Executive Vice President and Chief Commercial Officer

Sports tourism:

In 1993 Dubai Duty Free launched a Men's Open Tennis championship that started attracting world class players to Dubai. In 2001 women also participated. Leading players like Andre Agassi and Roger Federer came to Dubai to play and helped attract global attention to the city. Another major sporting event, the Dubai World Cup horse racing championship was launched in 1996. It has now become the richest day in horse racing with total prize money of $30 million. PGA Golf, Dubai Rugby 7's and international cricket matches bring in tourists from around the world.

Business clusters/free zones:

Besides the creation of Jebel Ali port and the development of an industrial and re-shipment base, Dubai was the first in the region to recognize the importance of the knowledge economy. In 1999 Sheikh Mohammed bin Rashid al Maktoum the then Crown Prince of Dubai, announced the launch of Dubai Internet City to attract knowledge workers to Dubai. Dubai Media City, Knowledge Village, and a number of other initiatives were launched to attract foreign direct investment (FDI) into Dubai. People set up their offices, brought their families to Dubai and soon after VFR tourism (Visiting Friends and Relatives) became an important source of tourism into Dubai.

Medical tourism:

In 2002 Dubai launched Healthcare City with the objective of attracting medical practitioners from around the world to set up their practices in Dubai to cater to the needs of both the local and regional population. Today, people from the GCC as well as other countries visit Dubai for medical care.

Infrastructure and iconic buildings:

The architect Tom Wright said, "The client wanted a building that would become an iconic or symbolic statement for Dubai; this is very like Sydney with its Opera House, or Paris with the Eiffel Tower. It needed to be a building that would become synonymous with the name of the country." The client was the Crown Prince of Dubai and the structure that was built in 1999 is now called the world's first seven-star hotel – the iconic Burj al Arab with its sailboat design and a helipad where the world has watched Tiger Woods teeing off and Andre Agassi and Roger Federer playing tennis.

In 2010 another iconic building brought world attention to Dubai – an edifice that is testament to man's ability to build gravity defying structures – Burj Khalifa - which is the world's tallest man-made structure. Being home to the world's tallest building has made Dubai a great magnet for "bucket list" travelers who want to see Burj Khalifa.

The launch of the Dubai Metro in 2009 is yet another development that has positively impacted Dubai. Ease of transportation is a major tourism enabler and Dubai is continuing to expand its transport infrastructure in anticipation of its goal to host 20 million tourists by 2020.

Theme parks and entertainment:

Within the last 12 months several family oriented theme parks have opened in Dubai to attract family friendly tourism. Dubai Parks and Resorts, IMG Worlds of Adventure, La Perle and Dubai Opera are all developments which have filled the need for entertainment, particularly family entertainment. The world's first Bollywood themed park is aimed at attracting a large number of travelers from India (which is Dubai's

No.1 source market for tourists) while Legoland and IMG Worlds of Adventure's Marvel and DC Comics based shows are great for children.

Dubai has also become a regular pit stop for global tours of famous artists – singers from around the world come to serenade an avid audience of Dubai residents as well as tourists who fly in to listen to their favorite singers.

Going back to the roots – history and culture:

While Dubai has become synonymous with innovation and modernism, the city is now trying to preserve and display its cultural heritage to the millennial traveler who craves things that are real and embody local culture. The Heritage Village and the impressive Etihad Museum at the site of the Union House where the official signing of the unification and independence of the UAE took place on December 2, 1971 have been developed to cater to this need.

The traditional gold souk and spice souk in old Dubai also attract a stream of tourists who wish to explore the history of the modern city.

2. **DMO Governance and Organizational Structure**

Dubai did not have an official tourism board until 1989 when the Dubai Commerce and Tourism Promotion Board was created. Business was already flourishing; shopping malls were being built and the name of the board said it all – commerce in Dubai was inextricably aligned with tourism. After the successful completion of the first Dubai Shopping Festival in 1996 which attracted over 1.5 million visitors, Dubai was ready to focus on marketing itself to the world and Dubai Tourism and Commerce Marketing took over the reins of the Tourism Board in 1999.

Figure 24: Organizational Chart of Dubai Tourism

Organization Chart of Dubai Tourism
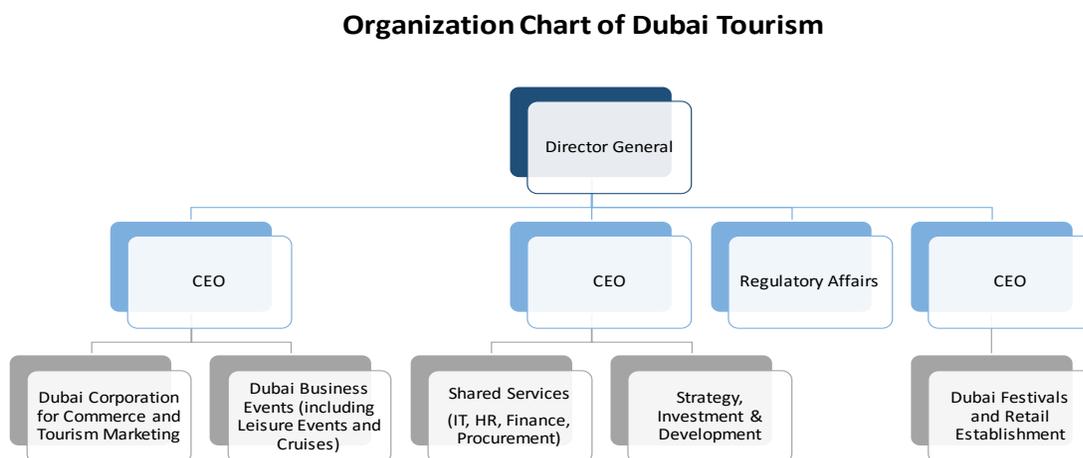
Source: Dubai Tourism

The Department of Tourism and Commerce Marketing (DTCM or Dubai Tourism) is the principal authority for the planning, supervision, development and marketing of tourism in Dubai. It has several divisions that focus on specific aspects of the tourism industry.

The Department of Tourism and Commerce Marketing is managed by a Director General under whom there are multiple CEOs or division heads responsible for each division like marketing, festivals and shared services. DTCM has a structure based on the professional delegation of activities. The marketing department is responsible for marketing and promotion while the regulatory division is in charge of licensing hotels and tour operators and the festivals division arranges shopping festivals.

The Dubai Corporation for Tourism and Commerce Marketing is primarily responsible for the branding and marketing of Dubai. It works with all stakeholders like hotels, restaurants and airlines to promote Dubai as the leading leisure and business travel destination.

Dubai Business Events is the official convention bureau for Dubai. As a division of the Dubai Corporation for Tourism and Commerce Marketing (DCTCM) its main goal is to establish Dubai as a premier business event destination by promoting the destination and attracting international meetings, incentives, conferences and exhibitions that can help grow economic development, jobs and knowledge creation in the emirate. Encouraging leisure events and making Dubai a premier cruise destination also falls under the jurisdiction of Dubai Business Events.

The Dubai Festivals and Retail Establishment is focused on creating festivals and retail events that encourage shopping. Its core responsibility is to position Dubai as an international events and entertainment hub.

The Regulatory Affairs division manages the licensing and classification of the tourism industry of Dubai, including licensing and classification of hotels, the licensing of tour operators, and the provision of permits for events. It also looks after Legal Affairs. The principal objective of the Legal Department is to provide advice and counsel on legal issues of concern to the DTCM.

The Shared Services division provides a range of important administrative services including: Human Resources, IT, Finance and Procurement. The Internal Audit department is responsible for auditing of all the financial transactions of the DTCM.

These departments support the various activities of DTCM in enhancing its overall performance to position Dubai as one of the leading tourism destinations of the world.

3. The Role of DMOs

a) *The role of DMOs in terms of marketing*

The Dubai Corporation for Tourism and Commerce Marketing is responsible for marketing Dubai and it has a very structured approach. When given the task of attracting 20 million tourists by 2020 it did not go about advertising and promoting Dubai aggressively because there were only 80,000 hotel rooms available in the city and they were not enough to handle that many tourists. So, a pragmatic and gradual approach is followed.[256]

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[256] Interview with CEO Investments and Support Services, Dubai Tourism

The tourist arrival statistics are monitored and each one of the major source markets is evaluated by conducting surveys both at the Dubai airport and in the source countries. The needs of the travelers are studied and visitor experience is monitored by looking at travelers' social media feed. When visitors from a particular country comment about their good shopping experience in Dubai, then shopping is promoted in that country to encourage more travelers. When, for example, Russian visitors talk about the lack of Russian restaurants, the marketing revolves upon promoting the Russian restaurants in the city.[257]

Currently DCTCM is focusing on online advertising for their marketing and almost 90% of the marketing budget is spent in online promotions[258]. However, trade fair participation and roadshows with some stakeholders is also part of the marketing mix.

One big advantage of Dubai Tourism is that Emirates Airline also spends heavily on marketing Dubai and single campaign budgets of $15 million are not uncommon.[259] Besides, the expanding network of Emirates helps to diversify tourist inflow into Dubai. Advertising by hotels, theme parks and trade shows also encourage the inflow of tourists to Dubai.

b) The role of DMOs in terms of destination development

While Dubai Tourism is not directly involved in developing attractions, it focuses on discovering gaps in the product mix and encourages the private as well as public sector to pitch in and develop the facilities demanded by tourists. Family entertainment for example, is a major thrust and theme parks are being developed. Providing statistics and research to the private sector and highlighting the need for investing in entertainment facilities is the primary driving force that encourages investment.

Dubai Safari – with thousands of animals – has just opened its doors and will be a great draw for families with young children. This was developed by a public-sector entity – Dubai Municipality. Another tourist attraction being developed by Dubai Municipality is the Dubai Frame which will be used as an observation deck to conveniently view several Dubai landmarks.

Regular shopping festivals are being promoted by the Dubai Festivals and Retail Establishment to increase footfall in the shopping malls both by residents and by tourists. These shopping and retail events are being run on a public-private partnership where the private sector provides funding which is then pooled and utilized to market the festival.

A new Dubai Cruise Terminal has been built by DP World (a Dubai government entity that is a global port operator) and cruise tourism is being encouraged. Cruise liners are being encouraged to make Dubai a regular stop in their itinerary. While the port development has been done by DPWorld, Dubai Tourism is assisting in marketing the terminal and interacting with potential cruise lines that can bring tourists to Dubai.

Whenever there is a need for developing a particular tourism offering, Dubai Tourism suggests this to the stakeholders in their meetings backing these suggestions with research and statistics. Based on feedback from the stakeholders, Dubai Tourism facilitates them by removing roadblocks.

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[257] Ibid.

[258] Ibid

[259] Emirates Airline, Media Centre. (2017, October 15). *Emirates launches US$15 million campaign to promote Dubai hub and inspire travel* [Press release]. Retrieved from https://www.emirates.com/media-centre/emirates-launches-us15-million-campaign-to-promote-dubai-hub-and-inspire-travel#

An example of the proactive role played by Dubai Tourism can be seen in the role they played to fast track their Vision 2020 plan to attract 20 million visitors by 2020. DTCM informed hoteliers that their research suggested the need for developing more 3 and 4 star hotels for families. In a meeting of stakeholders, the hoteliers mentioned that they did not have access to inexpensive land for building such hotels. They also complained that permits and approvals for hotels sometimes took several months and delayed the launch of new hotels.

DTCM started incentivizing hotels to build more 3 and 4 star hotels by allowing the conversion of selected plots that were earlier earmarked for apartments to be converted to hotel plots. They also waived the 10% municipality fee on room rates for all new 3 and 4 star hotels. Both of these incentives were not directly within its domain. For example, providing land for building new hotels was facilitated by bringing this need to the attention of the government of Dubai who issued a decree to make state land available at attractive rates and allowed the conversion of residential plots to hotel plots. To make sure that the hotels were built quickly they also asked the government to ask the Municipality to waive the 10% municipality fee on all new 3 and 4 star hotels. What Dubai Tourism does do is to market the new products and services aggressively so that business is facilitated.

To expedite the processing of permits and completion certificates for hotels, DTCM managed to get a law passed which stipulated a maximum period of 60 days for completing all inspections and granting final approval.

c) *The role of DMOs with regard to stakeholders*

If you look at the evolution of tourism in Dubai you see a natural growth taking place. The key stakeholders of the tourism value chain seem to have been seamlessly added to the mix. Just before the need becomes acute, both private and government stakeholders step in.

To bring more travelers to Dubai there was a need for an "open skies" policy and this encouraged airlines to land in Dubai. To meet the growing passenger traffic the Dubai airport was upgraded. To encourage people to stop in Dubai an airline was needed and Emirates came into being. Shopping, restaurants, hotels, everything evolved organically. To avoid Dubai falling into the traffic jam trap that was common in Bangkok, the Dubai Road and Transport Authority built the metro. To cater to the needs of family travelers, theme parks have started cropping up.

When the stakeholders internalize the desires of the tourism board, the process of encouraging change appears to be seamless and friction free. Stakeholders like Emaar who had realized the need for midmarket hotels stepped forward to meet the needs of the city. Emaar's mid-market Rove Hotels are aimed at the millennial traveler who needs a comfortable hotel room but does not want to spend too much time there and is not interested in the luxury perks that drive up hotel room rates. Emaar Hospitality studied the Dubai hotel landscape and noticed that about 70% of the hotel room inventory was 4 and 5 stars. There was a shortage of midmarket hotels and they felt that there was an increasing demand for mid-market products so they started building these hotels.[260]

One of the most critical stakeholders in Dubai is the local Dubai/Emirati national. 233,430 Emiratis or locals live in Dubai which has a total population of 2,698,600. [261] On weekdays, the population swells to 3,808,600 because of the inflow of workers who reside in other emirates but come to work in Dubai. The

[260] Interview with CEO of Emaar Hospitality
[261] Dubai Statistics Center (2016). *Yearly Population Estimates 2016*. Retrieved from https://www.dsc.gov.ae/en-us

locals are a minority in their own city accounting for just under 9% of the population. On weekdays locals account for only 6% of the population.

By creating a modern city that is the source of pride for the people and is a tourist magnet that brings in business opportunities for the local population, the government has been able to keep the community happy. The world's tallest building, a gleaming new airport and a rapid transport system that is both convenient and awe inspiring and a leadership that is not complacent and is setting ever higher goals and achieving them makes for a local population that backs every initiative that attracts more tourists and more revenue to the city. The government also has an Emiratization program that is encouraging the participation of locals in private sector jobs such as hotels, airlines and entertainment centers. Entrepreneurship skills are being developed and incubators like Intelak are aimed at encouraging locals to come up with tourism and hospitality related projects.

Facilitating investments

Dubai Tourism is very active in studying the needs of the tourists and actively collaborates with the stakeholders to disseminate the findings of their research[262]. For example, when their surveys conclude that families are asking for more family friendly activities, they encourage investors to set up theme parks. Legoland and IMG Worlds of Adventure are two recent outcomes. Regular interaction with stakeholders across the spectrum from the tourist to the hotel and facility owners makes it possible for them to prioritize their efforts.

For example, when they met with hotel owners and they complained about delays in construction due to approval issues, they formulated a plan according to which all approvals for new hotels get issued within 60 days. When tourists expressed their need for Wi-Fi in hotels, they encouraged hotels to not only set up free Wi-Fi but also made sure that Wi-Fi connections were of high speed.

In view of Dubai Tourism's ambitious plan to double the number of tourist arrivals from 10 million in 2012 to 20 million in 2020 they looked at the entire value chain and made sure every sector that affected tourism was encouraged. Hotel rooms had to be increased from 80,000 to 160,000 in 2020. This involved building new hotels and adding staff that met the quality standards that had been set in Dubai. While the Emirates Academy of Hospitality Management exists in Dubai to train management staff, there was a need to start training programs for chefs and front office staff so Dubai Tourism set up a tourism college that offers short courses.

Infrastructure, accommodation, air connectivity, access and policy enablers continue to be the facilitating levers that ensure Dubai remains price competitive and attractive for a broad range of global travelers. By consistently outpacing the global forecast for visitors, Dubai has been able to continue to encourage the stakeholders to invest in expanding their offerings. The solid foundations that have been put in place through diversification of markets, a broadening portfolio of attractions and facilities and a collaborative approach between the hotel and hospitality sectors and the retail community, as well as the collective contribution of government, public and private enterprises has made it possible to make the 20 million tourist arrivals target an achievable one. However, this does not mean that DTCM can become complacent[263].

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[262] Interview with CEO Investments and Support Services, Dubai Tourism

[263] Government of Dubai, Department of Tourism and Commerce Marketing. (2017, February 7). *Dubai welcomes record 14.9 million overnight visitors in 2016* [Press release]. Retrieved from http://mediaoffice.ae/en/media-center/news/7/2/2017/dubai-tourism.aspx

Changing global economic and political conditions require ongoing strategic initiatives. For example, political differences with Qatar have resulted in the complete ban on visitors from a country that was the No.17 most important source market. Alternative markets like China and Russia have seen increased promotional efforts by DTCM. Besides, the relaxation of visa rules by allowing visitors from China and Russia to get visa on arrival has already pushed up visitor numbers from these two countries in 2017 to more than compensate for the deficit from Qatar.

Strategies and activities DMOs need to implement

Each country has its own set of endowments and the strategy followed by each DMO should be geared towards the promotion of the country or city's specific tourism product offering. Dubai has established itself as a modern city with iconic buildings and a state of the art infrastructure that is rapidly evolving to meet the needs of the growing city. In 2012 Dubai had launched its Tourism Vision 2020 Plan but now it is already focusing on a grander plan for 2071 when the Emirate will celebrate its 100th anniversary. This bold vision which incorporates futuristic flying taxis and Hyperloop transportation options is already being tested. Sustainable tourism is being encouraged. Hotels are experimenting with ecofriendly initiatives that use less water and reduce their carbon footprint. Those who manage to do well are being made role models and other hotels are being encouraged to follow these best practices.

Key performance indicators for DMOs

Dubai has set itself a target of attracting 20 million tourists by 2020. But this is not the sole KPI. It wants to make sure that hotel occupancy rates remain high. But not at the cost of reducing revenue per available room (RevPAR). It wants to make sure that tourists stay longer and spend more on shopping and restaurants. In short, it wants the impact of tourist arrivals to reflect in the growth of the city's GDP. So, it monitors tourist arrival numbers, number of nights stayed, average room rates, amount spent on shopping and eating out (using credit card data) and attractions visited.

And importantly, in today's digital world, Dubai Tourism is monitoring social media to keep a tab on what tourists have to say about their experience in Dubai. Positive and negative impressions on social media are monitored and analyzed to manage expectations and improve performance.

The internal audit department of Dubai Tourism evaluates the performance of the various divisions and departments of the organization and brings it to the attention of top management. Since all top line numbers are ultimately monitored by Dubai's leadership there is a great sense of accountability and a desire to outperform.

Performance benchmarks for global DMOs

Growth in tourism must be balanced. Adding tourists and exacerbating infrastructure woes not count as healthy growth in tourism. Catering to the diverse needs of tourists is also important. Countries like Japan and South Korea are investing in Halal and Muslim friendly facilities like prayer rooms in shopping malls and Halal food near major tourist attractions. They are recognizing the significance of the growing Muslim travel sector and are preparing to meet their needs. This is particularly commendable in Japan which is preparing for an influx of Muslim tourists during the 2020 Summer Olympics in Tokyo.

Dubai's practice of interviewing tourists and observing their social media behavior is also an important means of benchmarking success.

4. DMO Funding

Dubai Tourism is a government agency which receives funds from the government. While a Tourism Dirham levy on hotel stays is used for adding to its income, it mainly depends on government budgetary financing. Since tourism is a significant contributor to the economy, Dubai Tourism's funding is usually enhanced every year to meet the needs of a growing sector of the economy.

5. Lessons Learned

The transformation of Dubai into a major tourist destination in the last 25 years has been nothing short of a miracle. Growth in the last ten years has been equally impressive. From 5.5 million tourist arrivals in 2006[264] to 14.9 million in 2016 is a phenomenal achievement. One of the reasons has been listening to tourists need, and responding to them with something beyond their expectations. Always outperforming. Dubai has always been reinventing itself and expanding its offerings. And marketing itself aggressively.

Unlike other destinations, Dubai is a city with a lean government structure. The leadership of Dubai closely monitors the progress of Dubai Tourism as tourism is a major contributor to the GDP of the emirate. Decision making is prompt. And follow-up is meticulous to ensure that things actually get delivered.

But how is a DMO in some other city or country to emulate this success?

- Structure of the DMO: It is important to segregate legislation and infrastructure management from marketing and promotion. An independent division of the DMO should look after regulations and focus on expediting legislation that is needed for encouraging the growth of the tourism sector. The other division can look after marketing and promotion. This division may be further bifurcated into business events (MICE tourism) and leisure marketing.
- Ecosystem support: The success of Dubai depends considerably on its ability to fast track legislation. DMOs should, therefore, have strong links with the city government. The DMO should be in close coordination with mayor of the city or the governor or legislative head of the province.
- It is not important to have a large infrastructure ready before a DMO begins its promotional role. A beach, a forest, a city's culinary offering, a theme park or a historical relic can be the springboard for promoting the destination. (Shopping was the main attraction in the early days of Dubai.)
- Start with the low-hanging fruits – encourage friends and relatives to visit. VFR can also be in the form of the country's expats who can be encouraged to visit. Domestic tourism can also be a first step.
- Build hotels and infrastructure - airports and public transport. Once tourists start arriving it is important to monitor growth and project trends. Infrastructure takes time to build and proper forecasting can ensure that the destination is ready to accommodate the growing number of visitors.
- Encourage airlines to freely fly in and out – have an open skies policy
- Identify or create an iconic "bucket list" attraction (such as Burj al Arab or Burj Khalifa in Dubai)
- Listen to the tourists (surveys, social media monitoring) and prioritize what they want
- Interact with stakeholders and tell them what tourists want.
- Incentivize stakeholders to build what tourists desire - and monitor progress
- Keep adding new attractions that appeal to different demographics – kids, millennials, adults
- Adding new attractions can also encourage repeat visits

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[264] Dubai Tourism Statistics and Trends [Infographic]. (2016). Dubai Statistics Center. Retrieved from https://www.go-gulf.ae/blog/dubai-tourism-statistics-trends/

- Be creative in marketing – promote the city as a location for filming TV programs/movies – Mission Impossible and the recent movie Geostorm both feature Burj Khalifa
- And have an aggressive marketing and advertising plan so that the destination is always top of mind in key target markets
- Make tourism a national priority, involve the local population and celebrate your successes.

4.1.4 Turkey

Background

With its historical sites, natural and cultural resources, and a four-season climate that allows for beach holidays in the summer and skiing in the winter, Turkey is a global tourism destination. According to Turkstat, Turkey has attracted 31.4 million visitors in 2016, with a total tourism spend of $22.1 billion.[265] Its top ten source countries are Germany, Georgia, Bulgaria, Iran, the UK, Ukraine, the Netherlands, Russia, France, and the US.

In addition, increasing income levels in emerging countries resulted in new groups of international visitors from China, Indonesia and India.[266] In terms of China, the One Belt One Road project led to strengthened economic and political relations with China to the extent that the Chinese government officially announced 2018 as the "Turkey Tourism Year" in China, and it is expected that one million Chinese tourists will visit Turkey by 2018.[267]

Table 15: Turkey 2016 Competitiveness Statistics Report[268]

International tourist arrivals (million)	39.5
International tourism inbound receipts (billion)	$26.6
Average receipts per arrival	$674
Travel and Tourism % of GDP	5
Travel and Tourism employment (%)	2.3

Source: UNWTO 2017 Travel and Tourism Competitiveness Annual Report

Destination development institutional strategies

The history of governmental tourism destination management goes back to the 1950s. The Culture and Tourism Ministry managed local destinations through the Provincial Directorates of Culture and Tourism, which were based in each city and were responsible to manage local historical and cultural artefacts as well as certifying/auditing tourism related players such as hotels, restaurants, etc.

The organization chart below describes the relationship between the Turkish Ministry of Tourism and the different organizations and DMOs responsible for tourism in Turkey.

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[265] Turkish Statistical Institute. (n.d.). Retrieved from http://www.turkstat.gov.tr/PreTablo.do?alt_id=1072

[266] UNWTO, UNWTO Communications & Publications Programme. (2017, April 12). *Chinese tourists spent 12% more in travelling abroad in 2016* [Press release]. Retrieved from http://media.unwto.org/press-release/2017-04-12/chinese-tourists-spent-12-more-travelling-abroad-2016

[267] Turkey Targets 1 Million Chinese Tourists in 2018 [Web log post]. (2017, August 22). Retrieved from http://en.wtcf.org.cn/GlobalNews/2017082213873.html

[268] World Economic Forum. (2017). *Travel and Tourism Competitiveness Report 2017* (Rep.).

Figure 25: Organizational Chart for Relationship Between Turkey's Ministry of Tourism and DMOs
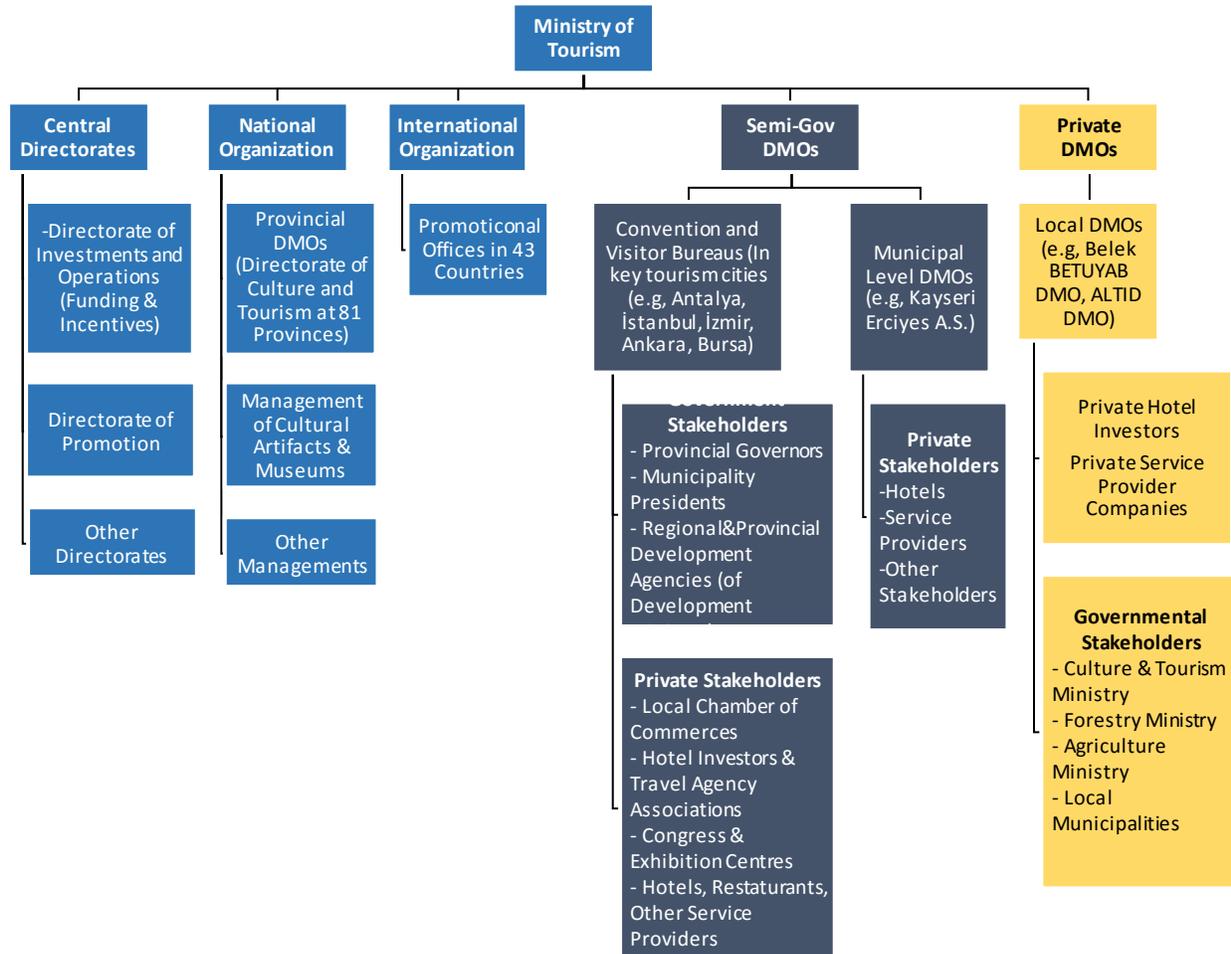
Source: Interviews and DinarStandard Analysis

1. DMO Development

The three DMOs featured in this case study are: the Istanbul Convention & Visitors Bureau (ICVB), which is a city level DMO; Belek Tourism Investors Union (BETUYAB), which is a regional DMO focusing on a coastal holiday district in the Southwest of Turkey; and, Alanya Touristic Hoteliers Associations (ALTID), which is responsible for managing and marketing one of the most attractive destinations in Turkey, which is Alanya.

Istanbul is in the rejuvenation phase of its tourism destination life cycle. Ongoing archaeological excavations, restorations and reconstruction work on historic buildings, as well as latest targets of the government such as promoting Istanbul worldwide as a center for finance, meetings, museums and medical tourism is the epicenter of rejuvenation management.

There are 3,348 travel agencies operating in Istanbul, representing 35% of the country's total travel agencies. Istanbul hosts between 9 to 12 million foreign visitors each year, which directly benefits 40 different sectors, in addition to 150 sectors that indirectly benefit socio-economically by hosting.[269]

Having an 8,500-year-old rich history, the capital of three empires built upon different cultures, a megacity with a 14.8 million population, an industrial and financial base producing 24 percent of Turkey's total economic output, an international logistic hub exporting/importing almost half of the country's foreign trade, and hosting 9-12 million foreign tourists every year makes Istanbul a very complex tourism destination to manage.

Istanbul has a very diversified tourist base from different geographies. The city hosts 100,000 visitors from 25 different countries, 50,000+ visitors from 43 countries, and 10,000+ tourists from 88 countries wide each year.[270] Respectively Germany, Iran, Saudi Arabia, UK, France, USA, Russia, Ukraine, Iraq and the Netherlands are the top 10 source countries.

Unique Selling Propositions (USPs)

As the world's sixth most visited city, Istanbul is differentiated from other cities with its rich cultural heritage, its unique geographical location as the crossroad between Asia and Europe, and a regional business hub that reaches 35 countries within a 2.5-hour flight. Istanbul's two airports provide direct flights to over 300 different cities across the globe, with a 3rd airport under construction. İstanbul Grand Airport, will provide a capacity of 150 million passengers; the world's largest in terms of passenger volume and is expected to open in 2018.[271]

Istanbul is home to historic sites that include the Topkapi Palace, and Hagia Sophia, in addition to 78 museums. It is an optimal destination for MICE (meetings, incentives, conventions, and events), having over 720 hotels - about a third of which are 4 or 5 star hotels – seven convention centers, and three exhibition centers.[272]

Istanbul is one of the world's top medical tourism providers. The city is home to 27 hospitals.[273] The number of health and medical inbound travelers to Turkey has doubled to over 414,000 in 2014,[274] and the Turkish government is expecting to host over 750,000 health and medical travelers by 2018.[275] The Ministry of Health established a Health Travel Department in 2012 to promote Turkey as an international health and medical travel destination. The Department is also responsible for planning, monitoring, and regulating this market and collaborating closely with public and private hospitals.[276]

Istanbul is a shopping destination. According to Turkstat's Departing Visitors by Purpose of Visit 2003 – 2017 Survey, Turkey hosts more than 1.2 million shopping tourists every year, mostly in Istanbul. The Istanbul

[269]TUGEV & ICVB. (2013). *TUGEV - 23 Years, ICVB - 10 Years* [Brochure]. Istanbul. Retrieved from http://tr.icvb.org.tr/wp-content/uploads/2013/10/ICVB-10.-YIL.pdf

[270] Istanbul Provincial Directorate of Culture and Tourism Website. (2018). Retrieved from http://www.istanbulkulturturizm.gov.tr/TR,166187/istanbul-turizm-istatistikleri---2016.html

[271] Leading Congress Destination. (n.d.). Retrieved from http://icvb.org.tr/leading-congress-destination/

[272] Ibid.

[273] *Istanbul Investment Support and Promotional Strategy* (1-37, Rep.). (n.d.). Istanbul Development Agency. Retrieved from http://www.istka.org.tr/media/1264/%C4%B0stanbul-yat%C4%B1r%C4%B1m-destek-ve-tan%C4%B1t%C4%B1m-stratejisi.pdf

[274] Turkish Statistical Institute. (n.d.). Retrieved from http://www.turkstat.gov.tr/PreTablo.do?alt_id=1072

[275] *Health Tourism Development Program Action Plan* (1-15, Rep.). (n.d.). SATURK Publishing. Retrieved from http://www.saturk.gov.tr/images/pdf/eylemplani.pdf

[276] Tarihi, G. (2017, June 07). Duties of Our Presidency. Retrieved from http://saglikturizmi.gov.tr/EN,24507/duties-of-our-presidency.html

Shopping Fest has been an international attraction organized by ICVB every year in collaboration with local brands and shopping malls. There are 112 shopping malls in Istanbul, and 5 historical bazaars such as the Grand Bazaar which is the oldest and biggest closed marketplace in the world.

Istanbul is an educational destination. In the 2016/2017 educational year, 29,217 international students from over 150 countries were enrolled in 52 different universities across Istanbul.[277] Istanbul is also taking the biggest share from Turkey's short term (less than 1 year) education market which attracted 240,583 international educational travelers in 2011. [278]

Turkey has a gastronomy rich heritage as it is set amid different cultures and geographies from Asia to Europe and from the Balkans to the Middle East.[279] Istanbul makes it possible to taste thousands of different tastes supplied from all over Anatolia in its restaurants that have over 122,000 seat capacities and are accredited by the Turkish Tourism Ministry.[280] The Gastronomy Tourism Association is one of the non-profit stakeholders promoting Istanbul as a gastro-destination.[281]

Historical Background of Destination Management in Istanbul

Istanbul was a key destination during the old Silk Road and Spice Road times. In 1863, Ottoman Government ministers, the Istanbul Chamber of Commerce and several businessmen formed a tourism body to make Istanbul an attraction center for exhibitions for foreign and local visitors.[282]

The two key DMOs responsible for Istanbul today are the Istanbul Provincial Directorate of Culture and Tourism, which is the Tourism Ministry arm operating under local governorships throughout 81 cities across Turkey, and the Istanbul Convention & Visitors Bureau (ICVB), which is a public-private-non-profit trilateral body that was founded in 1997.

The Istanbul Provincial Directorate of Culture and Tourism mainly provides 24 different services[283] to tourism stakeholders in the city, from stamping tourism operating certificates for hotels and restaurants as well as granting legal permission for television, cinema, and drama productions to be shot at museums and historical places such as the Grand Bazaar or Ottoman Palaces. The directorate also engages with a series of incentives such as providing discounted electricity for local tourism stakeholders.

ICVB is the execution body of a much older foundation, the Tourism Development and Education Foundation (TUGEV), which was founded under a public-private collaboration in 1984 to promote Istanbul and Turkey as a tourism destination. The Turkish Government's Culture and Tourism Minister was the chairman of TUGEV, and 17 prominent hotelier/tourism businessmen such as Vehbi Koç (of Koç Holding) were among the founding members from the private sector. After 13 years as a non-profit tourism promoter, TUGEV has expanded by establishing ICVB in 1997 to execute destination marketing of Istanbul around the world, in a modern way. Destination expert company David Hall & Associates was awarded $100K for an advisory

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[277] Yükseköğretim Bilgi Yönetim Sistemi. (n.d.). Retrieved from https://istatistik.yok.gov.tr/

[278] Turkish Statistical Institute. (n.d.). Retrieved from http://www.turkstat.gov.tr/PreTablo.do?alt_id=1072

[279] Bucak, T., & Araci, Ü E. (2013). An Overall Assessment On The Gastronomıc Tourısm In Turkey. *Balikesir University The Journal of Social Sciences Institute*, 16(30), 203-216. Retrieved from http://sbe.balikesir.edu.tr/dergi/edergi/c16s30/makale/203-216.pdf

[280] *Istanbul Tourism Statistics Report* (1-19, Rep.). (2017). Istanbul: Culture and Tourism Provincial Directorate. Retrieved from http://www.istanbulkulturturizm.gov.tr/Eklenti/55686,ekim-2017pdf.pdf?0

[281] Culinary Travel Society. (2016). Retrieved from http://www.gastronomiturizmidernegi.com.tr/eng/

[282] Özdemir, M. (Ed.). (2011). Beginning of Tourism in Turkey: Industrialization Efforts in the Ottoman Empire. *Anatolia: Journal of Tourism Research*, 22(1), 87-90. Retrieved from http://anatoliajournal.com/atad/depo/dergiler/Cilt22_Sayi1_Yil2011_1322909476.pdf

[283] *KAMU HİZMETİNİN SUNUMUNDA UYULACAK USUL VE ESASLARA İLİŞKİN YÖNETMELİK" GEREGİNCE* (1-6) [Chart]. (n.d.). Republic of Turkey Ministry of Culture and Tourism.

role during the establishment period (9 months) of ICVB in 1997. After which, ICVB started to market Istanbul as a meeting destination around the world. It succeeded in raising Istanbul's rank to 8th in 2015 from 40th in 2000. [284]

During the last 33 years, TUGEV invited different stakeholders on the board, such as the Ministry of Culture and Tourism, the Governorship of Istanbul, the Istanbul Metropolitan Municipality's Culture Company, the Istanbul Chamber of Commerce, the Association of Tourism Travel Agencies (TÜRSAB), the Hotel Association of Turkey (TUROB), the Turkish Tourism Investors Association (TYD), SKAL International, and Turkish Airlines.[285]

Below is a chart that shows the organizations that work with TUGEV foundation.

Figure 26: TUGEV Organization Structure
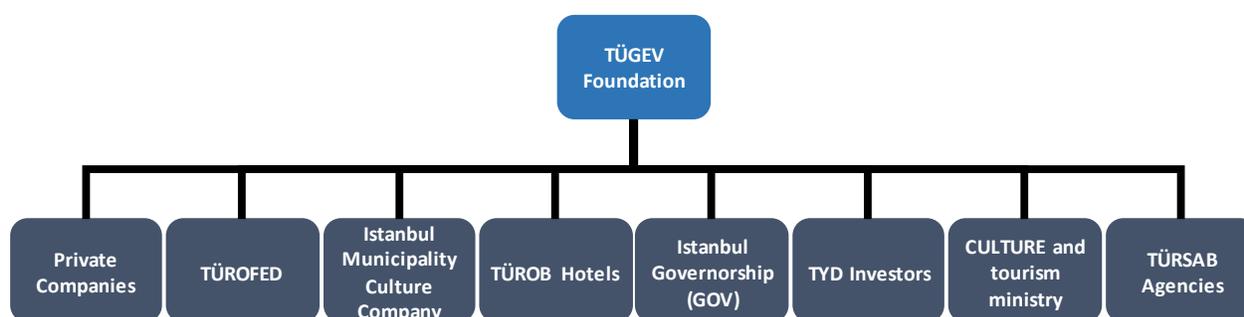
Source: TUGEV and ICVB

2. DMO Governance and Organizational Structure

ICVB has a board of directors consisting of the government at the municipal level as well as private shareholders. The management structure is illustrated in the chart below.

Figure 27: ICVB Organization Chart
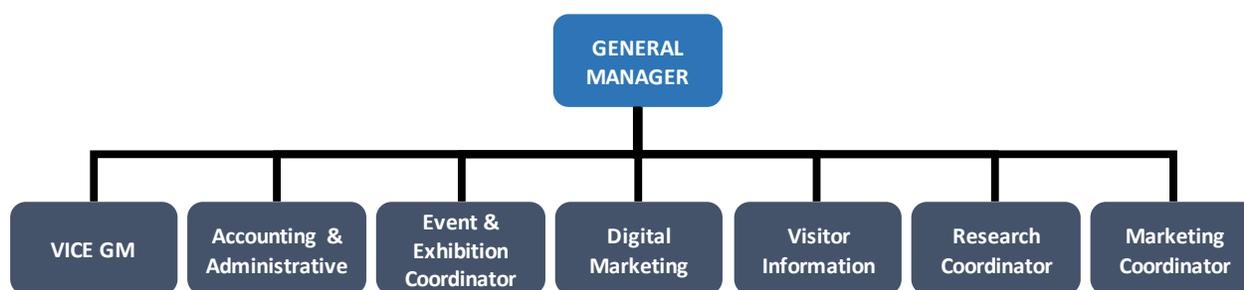
Source: TUGEV and ICVB

[284] TUGEV & ICVB. (2013). *TUGEV - 23 Years, ICVB - 10 Years* [Brochure]. Istanbul. Retrieved from http://tr.icvb.org.tr/wp-content/uploads/2013/10/ICVB-10.-YIL.pdf

[285] ICVB (n.d.). *Our Supporters.* Retrieved from http://icvb.org.tr/our-supporters/

Figure 28: Tourism Value Chain in Istanbul and Its Contribution to ICVB[286]

Government	• Ministry of Tourism and Culture • Governership of Istanbul • Istanbul Metropolitan Municipality	**Contribution to ICVB**: Legal support, lessening red tape, improving processes, providing government's letter of intent to attract international associations to Istanbul. ICVB closely works on getting the support of these government bodies during the bidding process with international associations.
Non-Profits	• Istanbul Chamber of Commerce (ITO) • Association of Tourism Travel Agencies (TÜRSAB) • Turkish Tourism Investors Association (TYD) • Hotel Association of Turkey (TÜROB) • SKAL International	**Contribution to ICVB:** Direct budget contribution and physcial office place (ITO), membership fee, guidance and research support, destination marketing activities, tourism education support.
Private Sector	• Congress and Event Providers • Airline Companies • Hotels • PCO / DMCs • Service Providers and Attractions • Historical Places available for Venues, Restaurants, Cafes	**Contribution to ICVB:** There are 42 members, providing free or cheap flight tickets (Turkish Airlines), periodic payments from private sector members, place for organising event, hosting guests.
Community	• Unverisities • Students • Local shops • Local restaurants • Domestic and international tourists	Contribution of ICVB: Job creation, educating students and international networking on behalf of local shops and attractions.

Source: ICVB

3. The Role of DMOs
a) The Role of DMOs in Terms of Marketing

Promotion

ICVB promotes Istanbul as a MICE destination. Over 20,000 international meetings occur[287] regularly and those create a huge MICE market. ICVB regular bids on behalf of Turkey on the International Congress and Convention Association's (ICCA) portal, which is an online platform that matches event planners with hosts.

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[286] Interview with ICVB team
[287] ICCA - International Congress and Convention Association Website (2018). Retrieved from https://www.iccaworld.org/

ICVB is also a chair member of ICCA. During this bidding process, ICVB works closely with its member stakeholders by taking their offers and conveying them to global event planners.[288]

Average spending per tourist in Turkey visit is $700, according to Tourism Ministry stats, which is very low compared with competing countries such as France and Dubai.[289] But, average spending of any MICE tourist is $2.500. That is why ICVB focuses on that market. MICE delegates spend four times the average tourist because hotel, flight and attendance fees are already fully paid by the organizer/corporation or the host, and the MICE guest still has extra money to spend from his/her own budget. MICE delegates usually prefer to travel to conventions with their families which helps increase the average revenue of the destination per tourist. For example, a convention held in Istanbul for global brain surgeons attracted four thousand brain surgeons from the world, and many of them travelled together with their families, it was very prestigious as well for the destination. [290]

With the goal of making Istanbul the number one congress center in the world, ICVB tries to attract global MICE buyers and market players to Istanbul by collaborating with the world's third largest MICE exhibition called "ACE of M.I.C.E. Exhibition by Turkish Airlines". This event will take place in February 21-23, 2018 for the fifth time at Istanbul Congress Center. The exhibition will host 750 buyers from 40 countries, with almost 9.800 B2B appointments, 220 national and international exhibitors, about 100,000 US dollar value global media coverage, 160 sponsors and partners, 20 sessions, 35 speakers and over 15,000+ national and international visitors. [291]

Facilitator Role: During the bidding process for an international convention through ICCA, if there is a potential of cancellation of an international meeting to be held in Istanbul, ICVB takes an active role in urging the Ministry of Tourism, the City's Governor and the President of the Municipality to bring the international association additional guarantees, showings of support, letters of intent from the government side. Having some guarantees and feeling of support from local government is very crucial in persuading convention organizers worldwide. [292]

Promotional Activities: ICVB attends global fairs, exhibitions and other MICE events for networking with the MICE industry and to make connections with international associations and multinational companies that are in search of cities to organize incentive/distributor meetings.

Tourist Friendly Digital Applications: ICVB collaborated with the Istanbul Development Agency, which is a government agency responsible for development and investments at the provincial level, in building the following mobile apps and digital platforms for tourists:

• One Istanbul Guide is a five-language mobile app that was developed by ICVB. It lists nearby historical, cultural, leisure places and provides map routes. The app can be downloaded on Google Play Store and Apple App Store.

[288] Interview with ICVB team, 17 Nov 2017, ICVB Office, Istanbul.
[289] Turizm Gelir, Gider ve Ortalama Harcama. (2018). Retrieved from http://yigm.kulturturizm.gov.tr/TR,72942/turizm-gelir-gider-ve-ortalama-harcama.html
[290] Interview with ICVB team, 17 Nov 2017, ICVB Office, Istanbul.
[291] ACE of MICE Exhibition 2018 [Infographic]. (2018). ICVB. Retrieved from http://icvb.org.tr/mice-industry-convenes-with-all-of-its-colors-with-ace-of-mice-by-turkish-airlines/
[292] Interview with ICVB team, 17 Nov 2017, ICVB Office, Istanbul.

- ICVB collaborated with How to Istanbul[293] and Istanbulu Seyret[294] which are two websites developed by Istanbul Development Agency Fund that provide tourists with detailed information regarding their trip.
- Social media tools are actively used by ICVB to organize photography contests.

b) The Role of DMOs in Terms of Destination Development

Turkey provides a highly attractive set of incentives for tourism investors and players such as renting public lands for up to 49 years, low cost funding up to 20 years, and extra permissions for foreign worker limits.[295]

According to the Global Top 20 Destination Cities Index of Mastercard, Istanbul was the 8th most visited city in the world competing with cities like London, Paris, New York, and Singapore. Istanbul had a revenue of $7.5 billion from 12 million visitors in 2016.[296]

The latest infrastructure project completed is the Marmaray (a metro line connecting Europe to Asia under the Bosphorous). Projects under development include Istanbul's third airport (which will be the biggest airport in the world, hosting 150 million passengers), and the new metro lines, which will extend to up to 1.000 kilometers by 2019.[297]

Meetings Go Green in Istanbul Project: While hosting the 5th World Water Forum in 2009, ICVB launched the Meetings Go Green in Istanbul Project, putting environmental concerns at the forefront of its agenda, given that environmentally responsible practices have been one of the most important considerations for congress tourism organizers in terms of their decision making.

ICVB, teamed up with the Istanbul Metropolitan Municipality, the Governorship of Istanbul, Bureau Veritas and the Turkish Hotels and Investors Association (TUROB), to launch "The Hotel Greening Project" to introduce an environmental agenda to local hotels by encouraging them to employ environmentally friendly strategies.

The twenty-six hotels that volunteered to participate in the Hotel Greening Project were audited according to the measurements of energy efficiency, water conservation and waste management practices, among other criteria. Hotels attaining a minimum standard received a certificate from Bureau Veritas and the GFI. Top performers in specific star categories received the "Green Steps Award".[298]

Belek DMO

Belek Tourism Investors Union (BETUYAB) is a private local DMO, managing tourism at Belek district of Antalya. Belek was a swamp area full of mosquitos when BETUYAB DMO had just been established 29 years ago. Now it is a world class success story with almost 2 million visitors and the world's top trending golf destination with 200 thousand golf travelers arriving annually from 63 countries.

Thirty years ago, Belek, a 17-kilometer seashore region in Antalya, in south western Turkey, consisting of two villages, was an area of reed and swamps full of mosquitos, and zero tourists. This changed after

[293] The official website of Istanbul. (2018). Retrieved from http://howtoistanbul.com/

[294] İstanbul'u Seyret. (2014). Retrieved from http://www.istanbuluseyret.com/

[295] *Travel & Tourism* (p. 41, Rep.). (2013). ISPAT. doi:http://www.invest.gov.tr/en-US/infocenter/publications/Documents/TOURISM-INDUSTRY.pdf

[296] *Global Destination Cities Index* (1-63, Rep.). (2016). Mastercard. Retrieved from https://newsroom.mastercard.com/wp-content/uploads/2016/09/FINAL-Global-Destination-Cities-Index-Report.pdf

[297] İstanbul'a 5 Yeni Metro Hattı Daha [Web log post]. (2017, April 20). Retrieved from https://www.ibb.istanbul/News/Detail/33917

[298] Green Istanbul. (n.d.). Retrieved from http://icvb.org.tr/green-istanbul/

BETUYAB, which was founded in 1989 by a group of private tourism investors as a joint venture company with the support of Turkey's then-Prime Minister Turgut Özal and the Tourism Ministry. Today, by hosting 1.2 million visitors[299] between January to September 2017, at its 47 world-class hotels, Belek DMO demonstrated a successful example of local destination management by solving many problems together with the government while remaining a private destination management organization.

Membership to BEYTUYAB was compulsory during the first year it was founded. Investors wanted to build a hotel in Belek, and because the area was full of swamps, it required investment to develop the infrastructure as well as for hotel construction. Investors who were members of the Belek Tourism Center (then BETUYAB) received their first land assignments from the government. The union was then founded as a limited company to establish a more dynamic structure. Later in 1991, the status of the firm was changed to a joint stock company (BETUYAB), with the approval of the Turkish Republic Ministry of Tourism.

In terms of its natural resources, Belek has a rare average climate of 19 Celsius degree weather throughout the year, with an average of 300 sunny days in a year. With a topography suitable for golf, it has 15 golf courses just nearby of 47 luxury hotels on the Mediterranean shores. The destination has been awarded "Best European Golf Destination of the Year" in 2008, and has hosted famous names such as Tiger Woods and Justin Rose at the Turkish Airlines Open 2012-2013 Tournaments.

Figure 29: Belek DMO Organizational Chart
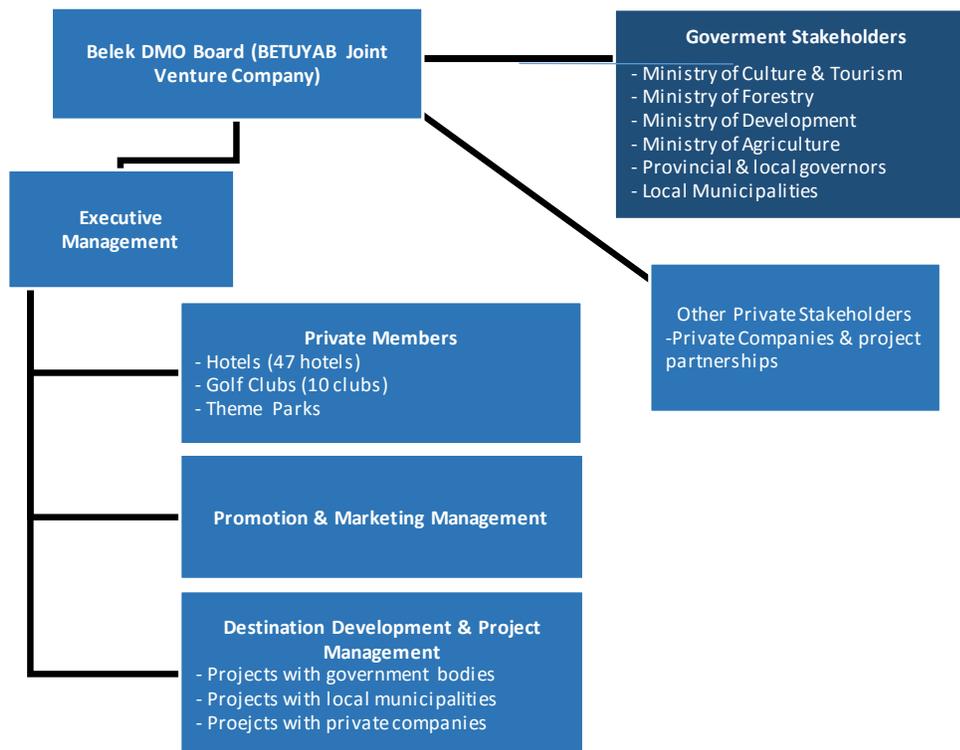
Source: DinarStandard analysis

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[299] Belek Tourism Statistics. (2016). Retrieved from http://www.betuyab.com.tr/tr/istatistikler

Some examples of Belek DMO destination marketing and infrastructure development:

a. **Promotion of the Destination:** BETUYAB spends approximately 300.000 EURO from its budget for promotion of the destination participating in the local and foreign tourism fairs, giving declarations and advertisements to local and foreign newspapers, magazines, brochures and TVs, public relations and treating with respect the press members. In the last five years, BETUYAB has participated in Berlin, London, Moscow St. Petersburg, Vienna, Milan, Prague, Götebourg, Utrecht, Helsinki, Warsaw and Poznan tourism fairs, Incentive fair in Geneva, catalogue introduction fair in Frankfurt, Volvo PGA golf tournaments, which is one of the most important golf tournaments in the world. Belek region has been introduced by organizing a Turkish week for 7 days in Tyumen city in West Siberia. Moreover, EMITT Istanbul has participated in Eastern Mediterranean international tourism fair with a big stand.

In case of a reputation decline of the country due to security concerns in the foreign media, BETUYAB takes a critical key role to persuade customers at the major markets. For instance, BETUYAB has contacted with 16.000 German and 700 Australian travel agencies through infox channel during the tourism crisis Turkey faced in 1999. It has been stated that there was no difficulty in the issue of security in Turkey and that they could have holiday in Turkey like in other tourism centers. Moreover, about 60 German- 50 Russian well-known journalist, columnist and superior press establishment authority have been treated with respect as a guest in Belek region and they have been given the opportunity of making investigations freely. Thus, an environment has been created for them to tell that there aren't any difficulties in the issue of security in Antalya and Belek, and that they have spent a comfortable and peaceful holiday to their friends when they return to their countries.

b. **Fight against mosquitos:** In collaboration with the Tourism Ministry and Hacettepe University Department of Biology, Belek DMO eradicated 85% to 90% of the mosquito population from 1998 to today. Every year, BETUYAB spends around 300,000 Euro of its budget for the disinfection, whereas only 4% of the application zone is in the responsibility of the Belek DMO and 96% is under the responsibility of local governmental bodies. Local residents are also benefiting as the disinfection created a more inhabitable zone for locals. The data gathered during the disinfection is collected by the university and was helpful, as this experience was used for other similar tourism areas.

c. **Sports tourism:** Fully funded by 47 private members, BETUYAB spends approximately 300,000 EURO every year on promotion. Promotion activities include participating in local and foreign tourism fairs, advertisements in local and foreign newspapers, magazines, brochures and TV stations, as well as public relations. Local and international marketing activities helped Belek to present themselves to the world sport tourism community. Now, Antalya hosts more than 1,300 football club camps (80% of them adhere to UEFA camping standards) every year and most of them are hosted in Belek's 47 five star hotels and holiday villages. [300] Belek has become an internationally recognized sport attraction center with 10 golf clubs, 15 golf courses, 200 tennis courts, and 50 football fields.[301]

d. **Eco-biological tourism projects:** Belek DMO BETUYAB has partnered with Hacettepe University and several other universities to identify the wildlife diversity inventory of the Belek Tourism

[300] Golf Turizmi. (2018). Retrieved from http://yigm.kulturturizm.gov.tr/TR,10161/golf-turizmi.html
[301] Belek and Golf. (2017). Retrieved from http://www.antalyadestination.com/en/page/belek_ve_golf_217

Center region. The project identified 574 plants, 29 endemic plants (that can only be found in Turkey), 1 relic endemic plant, the Pear of Serik (pyrus serikensis) has been discovered that can only be found in Belek and nowhere else in the world. There were also found to be 120 bird species in the Belek safe area for birds, (which accounts for one fourth of the bird species in entire Turkey.) Belek's Mediterranean shore is a nesting area for sea turtles. With Hacettepe University as a consultant, BETUYAB DMO started a protection project in 1999 called "Belek Sea turtles 1999, 2000 and 2001" along the 30-km shoreline with the goal of serving as an international example. This project was awarded by the Environment Ministry. The project is being run by BETUYAB in cooperation with the Hacettepe University since then.

e. Infrastructure build-up: Belek was full of swamps 30 years ago and Belek DMO has created a lobbying power persuading government ministries to complete infrastructure work for both the local community and the 47 hotels. The DMO has established partnerships with different ministries, local municipalities, companies for profit or non-profit organizations regarding the projects needed. For example, Belek DMO has partnered with Boztepe Tigem Farm (A government farm) to build 8 draw wells pumping high quality potable water to five potable water depots, each 3,000 tons. In addition, the partnership model completed the first water sewage system in the region serving 115 thousand residents at the same time.

Belek DMO created a partnership model to complete 200K MW underground electricity infrastructure and road lightings, with a funding model by which the DMO provided one third of the funding, another third was provided by Kepez A.Ş. (a private electricity-producing company), and the final third by the Tourism Ministry.

A similar model has brought fiber optic internet infrastructure to Belek region hotels and local community.

Partnering with the local governorship and the police department, Belek DMO completed a security camera system across hotels just before the G20 meeting held in Belek, Antalya in 2015.

Partnering with a private company and the Forestry Ministry, Belek DMO created a fire emergency alarm system along the 35 kilometers of forest surrounding hotels. Seventy fires were put under control via this alarm system until now.

Alanya ALTID DMO Case Study

Background of Alanya DMO (ALTID)

Alanya is the most popular tourism district of Antalya and Turkey, with about 70 km of seashore and beaches. The livelihood of the region comes almost fully from tourism. Today, Alanya has approximately 120 thousand beds with a 12% share of Turkey's total bed capacity. Alanya attracts visitors from over 40 source markets with an average of 4 million tourists each year. The top two source markets are Russia and Germany.

Founded in 1985, Alanya Touristic Hoteliers Associations (ALTID) acts as a DMO. Its members consist of 254 local hotels with 84 thousand bed capacity, all certified by the Culture and Tourism Ministry or local municipality.

Role of ALTID

The Board of Directors of ALTID consists of 19 members who are either hotel investors or managers. ALTID has a chairperson, vice chairman, general secretaries, accountants as well as committees for hotel personnel training, destination development projects, relations with tourism agencies, and beach developments.

The decision making process for ALTID starts at the board of directors level, by forming an agenda in the direction of the DMO charter. Meetings, workshops, project committees and protocol jobs are held in participation with public and private institutions, universities and tourism stakeholders in Alanya. For example, Alanya Municipality, Alanya District Governorate, Alanya Universities, chambers of commerce and vocational associations and other professional institutions are included in the projects as associates or as social partners.

Product Development at ALTID

In recent years, ALTID has implemented projects in order to diversify tourism products and to extend the seasonal tourism in the Alanya region. These projects include Wave Surfing Days in Alanya, and Alanya Nature Sports Development Project (Trekking). Some of these product development projects are conducted in coordination with public institutions and other sectoral institutions.

Local values are the most important of the sub-component elements that are involved in the destination marketing of different tourism products as well as community development. For instance, Alanya Castle area is an example with the preservation of historical residential houses and making them a source of tourism revenue for local house owners. Architectural examples and rare walking paths are allowed to be visited by the visitors to see and buy handcrafted silk weaving and pumpkin decoration samples manufactured by residents. Again, a few years ago, Sapadere Canyon and silk production has been another point of attraction for the community in the nearby.

The local culture and way of life as well as local products are a main feature of the destination. For example, the Alanya Castle area is famous for its houses that feature local architecture and for its walking paths that are frequented by visitors and locals alike, where they can buy handcrafted silk products and decorated pumpkins.

The role of DMOs with regard to stakeholders

ICVB is in daily contact with its members (congress-exhibition centers, hotels, restaurants, service providers and transportation companies) via phone contact, e-mailing, annual meetings, and educational seminars to convey latest development in the world.[302] It also organizes an annual meeting with its stakeholders.

Matchmaking local stakeholders with international market players: ICVB invites representatives of international companies who are searching for the best city to arrange their incentive meetings, and introduces them to local stakeholders, who are members or non-members of ICVB. While ICVB has over 40 members it serves all tourism players in the city. [303]

Member education: The ICVB team attends international meetings such as ICCA meetings relating to the latest developments in the tourism industry. They then organize seminars and educational meetings to convey the

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[302] From the interview with ICVB team, 17 Nov 2017, ICVB Office, Istanbul.
[303] Ibid.

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latest tourism developments to their members. ICVB also organizes educational meetings in partnership with local universities as well as TURSAB Academy (Travel Agency Association).[304]

Aid in kind: ICVB uses practical solutions by taking aid in kind from members. Turkish Airlines is the most important aid in kind service provider. It provides free or discounted tickets for projects related to ICVB.

DMO Key Performance Indicators
As a foundation, the Tourism Development and Education Foundation (TUGEV) is subject to an audit by the Directorate General of Foundations of the Prime Ministry.[305]

Tourism related operations are under certain inspection rules set by the Turkish government (e.g., Travel Agency Law numbered 1618). The Istanbul Provincial Directorate of Culture is the key local tourism authority arm of the government for legal inspection in the destination. For example, across Istanbul, in the first 7 months of 2017, the department has inspected travel agencies, persons, vehicles and guides - 6,949 in total. As a result of this inspection, 32 businesses have been shut down due to wrongdoing against tourist groups, 37 businesses have shut down because of operating as a pseudo travel agency without license, and about $600 thousand in penalties have been levied against tourism related misconduct.[306]

Belek DMO is a joint venture company and audited by the Trade Ministry as well as internal board members.

Funding Sources for DMOs
ICVB receives direct contribution and physical office place from the Istanbul Chamber of Commerce, and membership fees from the other 42 private and non-profit members. Aid in kind helps from members makes very easy to do promotional and networking activities such as getting cheap or free tickets from Turkish Airlines for important guests or visitors.

While city taxes (%1 to %5) are common resources for city level DMOs around the world, as they provide a stable funding for long term promotional planning for DMOs, however, there is no city tax in Istanbul or Turkey overall. It would boost ICVB's promotional activities worldwide even if a small percent city tax is applied to Istanbul hotels.[307]

Belek BETUYAB DMO is fully funded by 47 private hotel members with an annual budget of more than EUR 300,000.

Lessons Learned

- DMOs need to play a pro-active role to ensure continued tourism business: For example, when there is a threat of cancellation of an international meeting in Istanbul, ICVB takes pro-active role by contacting the tourism ministry, city governorship and president of municipality to provide international meeting organizers with additional guarantees, and letters of intent from the Turkish government.
- Information gathering is a must: A DMO should collect information (such as data on international events organized by local associations in the city) from all stakeholders and re-distribute it to the major markets in order to create a competitive advantage. For example, being in the higher rank at ICCA's (International Congress and Convention Association) yearly Country & City Rankings List is crucial as it directly affects

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[304] Ibid.
[305] Ibid.
[306] *İstanbul'da turisti kandırana af yok.* (2017, August 6). Retrieved from
http://www.istanbulkulturturizm.gov.tr/TR,188074/istanbul39da-turisti-kandirana-af-yok-6082017.html
[307] From the interview with ICVB team, 17 Nov 2017, ICVB Office, Istanbul.

the decision-making process of international associations when they are searching for the best city to organize their congress/meetings. The more international meetings held in a city creates higher reliability and a higher likelihood of selection.

- Long term perspective: Belek DMO (BETUYAB) started 30 years ago from scratch by fighting ten years with mosquitos to sanitize a swamp area and persuade, as well as collaborate with the government to complete infrastructure needs. Today, as a result of 30 years long-term perspectives and hard work and collaboration with both the government and private stakeholders, Belek is a worldwide destination hosting 2 million international tourists every year.

- Networking and lobbying power: Turkish DMOs, ICVB and BETUYAB have used their soft power to bring together government, local governorships, municipalities and even private sector companies for the benefit of all sides as well as the community. This soft power comes from impartial organizational structures and strict work ethics of these DMOs as they are formed to act as a non-profit for themselves but a profit one for all stakeholders.

- Discovering high earning revenue business models: Istanbul destination management body ICVB has focused mostly on congress, events, and MICE market as it is more profitable up to four-fold than standard leisure and culture travel. Average spending of a tourist visiting Turkey is $711 while congress travelers average spending goes up to $2,500.

- Tourism taxes should be levied as an additional source of funding. Unlike other destinations, the Turkish government doesn't levy tourism taxes, however, this would serve as an additional source of revenue for DMOs.

- Preserve and include local values to the product range: The local culture and way of life as well as local products are important elements that need to be featured in promoting a destination. As an example, the Alanya Castle area is famous for its houses that feature local architecture and for its walking paths that are frequented by visitors and locals alike, where they can buy handcrafted silk products and decorated pumpkins.

- New DMOs should prepare a plan that will improve the performance and support the activities of the organization. Staff should be trained based on their qualifications and with a view to the organization's aims and objectives. Employees should be encouraged to provide fresh ideas, and their relevant suggestions should be implemented. The most important feature in destination management is that the destination should correspond to what is being advertised to the market.

4.2 Desk Case Studies

4.2.1 Australia

Background

Australia is ranked 7th in the World Economic Forum Travel and Tourism Competitiveness Report 2017. Its international tourist arrivals reached 7.4 million in 2016, and tourism receipts of $28.9 billion.[308] Its top 5 source countries are New Zealand, China, the United States, the United Kingdom, and Singapore.[309] There are a total of six states and ten federal territories in Australia and the country has 279,000 tourism businesses, which account for 13 percent of the total number of businesses in Australia.[310]

Australia's travel and tourism industry strength relies on its international openness (it ranks 2nd globally in the Travel and Tourism Competitiveness Report 2017). The country also has a well-developed airport transport infrastructure (ranked 4th) and tourist service infrastructure (ranked 8th). The country's high natural and cultural resources rankings are led by the large number of world heritage cultural and natural sites (ranking 6th and 11th consecutively).[311]

Table 16: Australia Competitiveness Statistics[312]

International tourist arrivals (million)	7.4
International tourism inbound receipts (billion)	$28.9
Average receipts per arrival	$4,129
Travel and Tourism % of GDP	2.8
Travel and Tourism employment (%)	4.4

Source: UNWTO 2017 Travel and Tourism Competitiveness Annual Report

Destination Development Institutional Strategies

Australia's national destination management organizational structure is led by Tourism Australia, which is the Australian Government agency responsible for attracting international visitors to Australia, both for leisure and business events. Tourism Australia is focused on international marketing and supports local businesses. Statewide destination management organizations, such as Destination NSW (New South Wales), are responsible for state travel and tourism visitor economy performance and citywide destination management organizations such as The City of Newcastle Tourism and Economic Development Services are responsible for developing destination management plans at a city level.

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[308] Crotti, R., & Misrahi, T. (2017). The Travel & Tourism Competitiveness Report 2017. *World Economic Forum, 2017.* 336
[309] International Tourism Snapshot as at 30 June 2017 [Infographic]. (2017, June). Australian Bureau of Statistics. Retrieved from http://www.tourism.australia.com/content/dam/assets/document/1/6/y/m/0/2004408.pdf
[310] Tourism Research Australia, September 2017, *Tourism Businesses in Australia, June 2012 to June 2016.*
[311] Crotti, R., & Misrahi, T. (2017). The Travel & Tourism Competitiveness Report 2017. *World Economic Forum, 2017.* 336
[312] United Nations World Tourism Organization. (2017). *Travel and Tourism Competitiveness Annual Report.*

Figure 30: Organizational Chart for Australian Tourism

Source: DinarStandard Analysis

The focus of this case study is Destination New South Wales (NSW). New South Wales is home to the country's largest city, Sydney, and is the most visited and populous state in Australia.[313] The state is characterized by beaches, deserts, mountains, rainforest, bushland, and outback.

Although NSW is filled with natural beauty, the USP that Destination NSW focuses on is to market major sporting and cultural events and host international conventions. Its arts and entertainment portfolio includes events such as Broadway hit musicals, operas such as Carmen, The Sydney International Art Series, the vivid Sydney Winter Festival among other events and exhibitions. Its sports events portfolio includes the NRL Premiership Grand Fina and the Australian Open Golf Championship. The organization manages supercar and world rally championships as well.

New South Wales tourism offerings also include Aboriginal Tourism, Cruises, Food and Wine and Youth Tourism. New South Wales is in the consolidation stage of its life cycle. Tourism growth and investment has stabilized. (Refer to the definitions of each of the stages in section 1.1 of this study). Major visitors to New South Wales included China, with over 700,000 visitors. From 2011 to 2017, visitor average growth per annum was 3.9% and visitor expenditure average growth per annum was 5.7%. To encourage growth.

1. **DMO Development**

   Destination New South Wales was established under the Destination NSW Act 2011 as the lead government agency for NSW tourism and events. The organization's charter is to develop the state's tourism industry, secure major events, and to provide social and economic returns for the people of NSW. Destination NSW was formed by the merger of four government funded entities including Tourism NSW, Events NSW, the Homebush Motor Racing Authority and the Greater Sydney Partnership.

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[313] *Destination NSW Annual Report 2016-2017* (1-136, Rep.). (2017). Destination NSW. Retrieved from
https://www.destinationnsw.com.au/wp-content/uploads/2017/11/Destination-NSW-Annual-Report-2016-2017.pdf

Product Life Cycle

New South Wales is in the consolidation stage of its life cycle. Tourism growth and investment has stabilized.

Figure 31: New South Wales – Destination Life Cycle

Destination Lifecycle

New South Wales

Discovery / Exploration   Involvement   Development   Consolidation   Stagnation
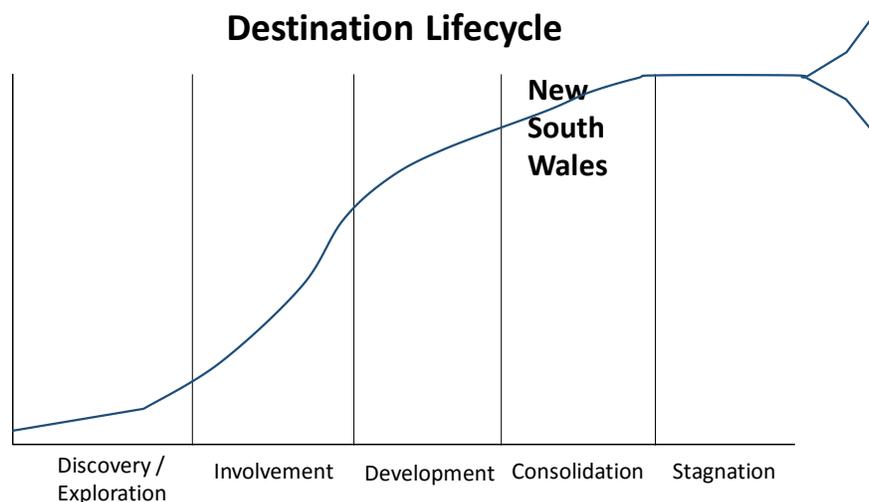
Source: DinarStandard Analysis

2. DMO Governance and Organizational Structure

Destination NSW is classified as a public service executive agency driven by the Minister of Tourism and Major Events. Destination New South Wales is governed by board of directors that is appointed by the Ministry of Trade, Tourism and Industry. The board includes an independent chairman, the CEO of the organization and industry representatives with experience in tourism and events. The CEO manages the organization according to the directives and strategies approved by the board. The following organizational chart outlines the six departments of Destination NSW and their respective sections.[314]

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[314] *Destination NSW Annual Report 2016-2017* (1-136, Rep.). (2017). Destination NSW. Retrieved from
https://www.destinationnsw.com.au/wp-content/uploads/2017/11/Destination-NSW-Annual-Report-2016-2017.pdf

Figure 32: Organizational Chart of Destination NSW
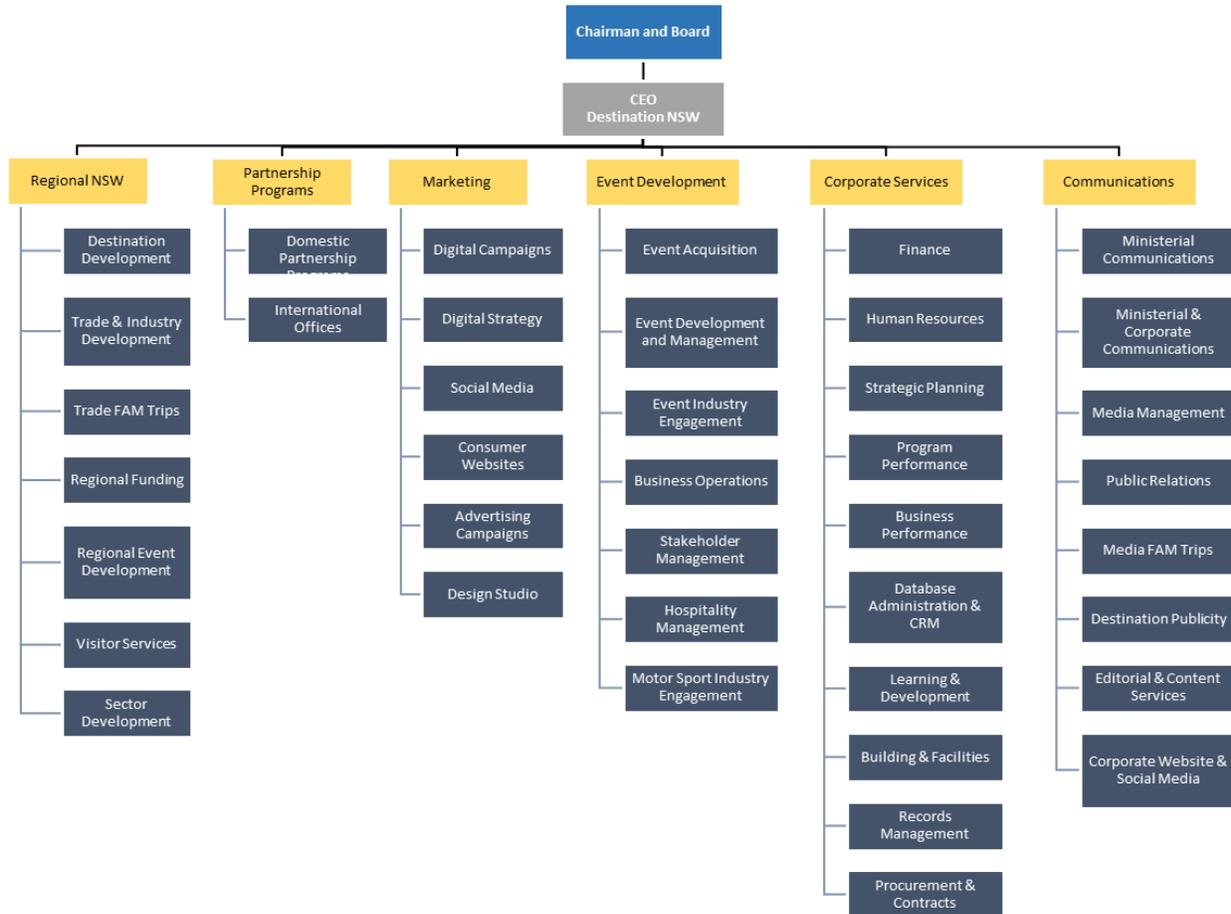
Source: Destination NSW Annual Report

3. The Role of DMOs

Destination NSW's vision is "To make Sydney and NSW one of the world's most successful tourism and events destinations." Destination NSW's mission is "To double overnight visitor expenditure by 2020 and maximize the benefits of the visitor economy for NSW."

a. The role of DMOs in terms of marketing

Destination NSW carried out more than 137 marketing campaigns During 2016-2017. The campaigns were conducted using through a variety of mediums including digital and social media platforms as well as newspaper and magazine inserts.

Destination NSW works closely with tourism industry players on creating joint marketing campaigns. It has carried outs several joint campaigns with Qantas Airways for different markets including major

US, UK and Chinese cities. It has also partnered with Webjet and Accor hotels on a marketing campaigns to promote visits to Sydney during the summer season. Destination NSW has an in-house design studio that produces brochures, guides, print and digital ads.

In 2016-2017, Destination NSW hosted more than 695 executives from the travel trade, and conducted 79 trade familiarization tours around Sydney and Regional events for travel trade buyers from retail, wholesale and inbound sectors, along with product managers.[315]

b. The role of DMOs in terms of destination product development

Destination, product development and event funding programs Destination NSW works closely with regional destinations, product suppliers and event organizers throughout New South Wales, providing advice, research, skills development and grant opportunities to help grow visitation to the State.

Destination NSW has been quite active in supporting tourism product development. In 2016-2017, it funded 42 regional events to promote events' visitation. It offers "incubator event funding" up to $20,000 for new events as well as "flagship event funding" for events that were held at least twice providing them with annual or triennial grants.

Destination NSW has also supported product development through its Regional Tourism Product Development stream through matching "dollar-for-dollar funding" for product development activities in areas of accommodation, infrastructure, and development of new attractions among other products.[316]

c. The role of DMOs with regards to stakeholders

The Regional Tourism Development team collaborates with both Destination Networks and a variety of stakeholders including local tourism organizations, local government, industry associations and industry operators. The Regional Tourism Development team facilitates the exchange of information exchange in addition to providing consultation with regards to Destination NSW's services and funding programs available to industry stakeholders.

In 2016, the Industry Development team of Destination NSW has provided assistance to 1,109 tourism businesses and 46 Government agencies or industry organizations in a variety of areas including product development consultation, provision of resources such as the Tourism Business Toolkit, and introductions to Destination NSW's partnership programs. Destination NSW also conducted in March 2017 two half-day Seller Training sessions in Sydney for tourism businesses registered to prepare them for trade events and train them on managing appointments and follow-ups. [317]

4. DMO performance indicators

Destination NSW measures its performance in four main areas; growth in total NSW visitor nights, growth in total NSW overnight expenditure, media exposure, and consumer response to marketing activity.

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[315] *Destination NSW Annual Report 2016-2017* (1-136, Rep.). (2017). Destination NSW. Retrieved from
https://www.destinationnsw.com.au/wp-content/uploads/2017/11/Destination-NSW-Annual-Report-2016-2017.pdf
[316] Ibid.
[317] Ibid.

In terms of growth in total NSW visitor nights and overnight expenditure, Destination NSW measures and compares both actual domestic and international visitor nights to target domestic and international visitor nights.

In terms of media exposure, the metrics used by Destination NSW include; the number of media articles, the equivalent advertising value, the number of co-sponsored media visits to Sydney and regional destinations, the number of media participants (domestic and international media films), and the number of pitch and servicing engagements with media.

In terms of consumer response to marketing activity, the metrics used by Destination NSW include; visits to tourism & events consumer websites, visits to Vividsydney.com consumer website, and business leads to industry generated by digital and campaign activity.[318]

5. Funding sources for DMOs

As of June 2017, Destination NSW received $159.7 million and the main sources of revenue were recurrent Government grants from NSW Treasury of $148.1 million, contributions received from Industry and other parties of $11.3 million to participate in marketing activities and other income $0.3 million.

In the four years leading up to 2016, the NSW Government invested $500 million to fund Destination NSW's new tourism and events strategy. As a part of this initiative the NSW Government established the Visitor Economy Task Force to develop a strategy to double overnight visitor expenditure to NSW by 2020.[319] As of 2017, the Visitor Economy Task Force strategy is 92% complete. Since 2011, Destination NSW has retained 535 events that will deliver $3 billion in visitor expenditure to NSW. Destination NSW established Destination Networks, secured partnerships with service providers, and hosted major travel and tourism events.

In terms of ensuring accountability and transparency, Destination NSW, as a government agency, has instituted an Electronic Document Records Management System and Treasury Financial Management Transformation System that is used by all NSW Government agencies. It has also transitioned to NSW Government Contractor Central, which is an online tool that manages the recruitment, administration, invoicing and management of contingent workers. Furthermore, Destination NSW Audit and Risk Committee provides assistance on the agency's governance processes and external accountability obligations.[320]

DMOs can partner with government and industry stakeholders for funding support.

6. Lessons Learned

- Australia's decentralized DMO structure has been successful by creating targeted brand locations across the country with different offerings
- DMOs can emulate the success of Australia's DMOs by leveraging large convention centers to host major events including international expos, concerts, sporting events, and art shows.

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[318] *Destination NSW Annual Report 2016-2017* (1-136, Rep.). (2017). Destination NSW. Retrieved from
https://www.destinationnsw.com.au/wp-content/uploads/2017/11/Destination-NSW-Annual-Report-2016-2017.pdf
[319] *Final Report of the Visitor Economy Task Force* (1-185, Rep.). (2012). Sydney, NSW: Visitor Economy Task Force. Retrieved from
https://www.industry.nsw.gov.au/__data/assets/pdf_file/0008/53684/VET_finalreport_20120810.pdf
[320] *Destination NSW Annual Report 2016-2017* (1-136, Rep.). (2017). Destination NSW. Retrieved from
https://www.destinationnsw.com.au/wp-content/uploads/2017/11/Destination-NSW-Annual-Report-2016-2017.pdf

- Destination NSW releases annual reports that can be used as an example for DMOs on how to set clear key performance indicators and metrics to ensure they remain on target and increase their efficiency.
- DMOs support to businesses in marketing and product development can enhance product offerings in their destinations. For example, Destination NSW's marketing for art and entertainment in New South Wales is a major contributor to the destination's success.
- DMO partnership with various tourism industry players, such as airlines and tour operators, is instrumental in promoting the destination.
- Having both members from government bodies and private industry players at the helm of destination management organizations helps in ensuring efficiency and guarantees high level of support for the tourism industry leading to enhanced abilities in terms of product development and funding.

4.2.2 Italy

Background

Italy, as a destination, has traditionally used art as a differentiator for its branding, building on its history and cultural resources. Italy has 45 United Nations World Heritage sites, including the Coliseum in Rome, the Costiera Amalfitana in the South besides historic areas in many other Italian cities in addition to archeological sites such as Pompeii, the Roman Forum, and the Greek ruins in Agrigento. Italy also has a mix of natural resources, including coastlines and ski runs, offering a variety of activities that can satisfy different types of tourists. The food and wine industry also support the growth of Italy's tourism sector. Italian cuisine is recognized internationally and Italy is second only to France in terms of the number of Michelin rated restaurants. Certain regions, like Tuscany, have managed to create a niche market and attract those interested in agricultural tourism.[321]

In 2015, the tourism sector contributed 171 billion Euro to the Italian economy, constituting around 11.8% of GDP, while employment in tourism sector reached 12.8%. Overall arrivals in Italy, from Italian and international destinations, increased by 11% between 2010 and 2015. More than 60% of international arrivals target four regions: Veneto, Lombardy, Tuscany and Lazio. In 2015,[322] international arrivals exceeded 50 million. The World Economic Forum Travel and Tourism Competitiveness Report of 2017 ranked Italy in the 8th place globally. This position is mainly due to its high ranking in terms of unique cultural (5th) and natural resources (12th) besides its well-developed tourism infrastructure (11th). Italy's ground infrastructure has improved (22nd, up 10 places) as well as the qualifications of its human resources (67th, up 8). However, government support for the tourism industry is lagging (74th) in addition to a non-favorable business environment (121st), with slow procedures for construction permits (114th), inefficient legal framework (134th) and high business taxation (125th).[323]

Table 17: Italy Competitiveness Statistics[324]

International tourist arrivals (million)	50.7
International tourism inbound receipts (million)	$39,449
Average receipts per arrival	$779.6
Travel and Tourism % of GDP	4.2
Travel and Tourism employment (%)	5.0

Source: UNWTO 2017 Travel and Tourism Competitiveness Annual Report

Destination Development Institutional Strategies

The focus of this case study is two local DMOs in the region of South Tyrol. South Tyrol is recognized as an alpine destination offering a variety of sports activities from mountain climbing and hiking in summer to skiing in winter. The destination also attracts food and wine tourism.[325] To strengthen the regional "South

[321] Babalola, A., Bennis, K., Caltigirone, M., Manjarrez, J. L., & Tanizawa, A. (2011). *Tourism Cluster in Italy.* (1-28, Rep.). Retrieved from https://www.isc.hbs.edu/resources/courses/moc-course-at-harvard/Documents/pdf/student-projects/Italy_Tourism_2011.pdf

[322] Ministry of Cultural Activities and Tourism . (2017). Strategic Plan for Tourism 2017-2022. Retrieved from http://www.pst.beniculturali.it/wp-content/uploads/2017/07/Executive-Summary_ENG_web_def.pdf

[323] World Economic Forum. (2017). *Travel and Tourism Competitiveness Report 2017* (Rep.).

[324] United Nations World Tourism Organization. (2017) *Travel and Tourism Competitiveness Annual Report.*(Rep.).

[325] Sidali, K., Huber, D., & Schamel, G. (2017). Long-Term Sustainable Development of Tourism in South Tyrol: An Analysis of Tourists' Perception. *Sustainability*, 9(10), 1791. doi:10.3390/su9101791.

Tyrol" brand and under the umbrella of a "Future Tourism" plan, the DMO IDM South Tyrol was created in 2016 by merging four preexisting DMOs. By 2018, The IDM plans to have six regional offices in Glurns, Merano, Bolzano, Bressanone, Santa Cristina and Brunico. In 2016, overnight stays exceeded for the first time the 30 million benchmark, with tourists coming mainly from Germany and more recently from other European destinations. [326]

1. DMO Development

Tourism in Italy is managed at the national level by the Italian National Agency for Tourism under the supervision of the Ministry of Tourism. In 2007, the agency was given a wider mandate in terms of decision making autonomy in areas of destination management and accounting. The agency is responsible for the branding, positioning and marketing of the Italian destination as a whole, in addition to undertaking research activities. On the regional level, Italy applies a "subsidiary" approach with national tourism legislation only partially applied, thus tourism legislation is mainly the responsibility of regional governments.[327] In South Tyrol, tourism organizations exist on three levels: the level of the province of South Tyrol, the regional level, and the local level. At the province level, the DMO IDM handles all marketing communication, provides support to tourism industry players in addition to coordinating in area of product development with tourism associations who work at both a regional and local level to develop tourism products as well as coordinate tourism providers.[328]

Figure 33: Italy Destination Management Structure
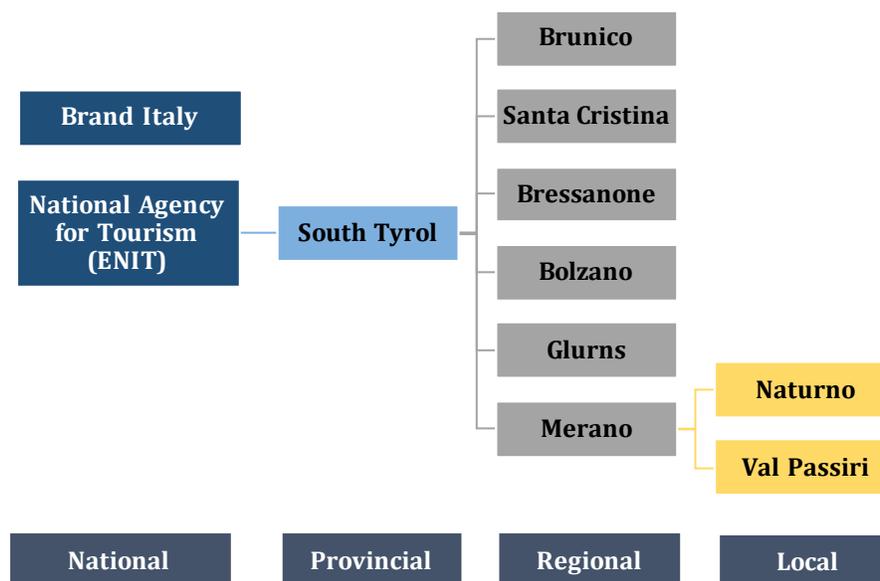
Source: DinarStandard Analysis

The tourism associations are also engaged in service delivery such as providing assistance to tourists and organizing local events, in addition to coordinating with local tourism suppliers to develop products and

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[326] Welcome to IDM Südtirol - Alto Adige. (n.d.). Retrieved from https://www.idm-suedtirol.com/en/home.htm
[327] Pechlaner, H., Beritelli, P., Pichler, S., Peters, M., & Scott, N. (2015). Contemporary Destination Governance: A Case Study Approach. *Bridging Tourism Theory and Practice*, 6, iii. doi:10.1108/s2042-144320140000006045
[328] Welcome to IDM Südtirol - Alto Adige. (n.d.). Retrieved from https://www.idm-suedtirol.com/en/home.htm

create collaborative marketing campaigns. Local DMOs play an important role in developing products, coordinating stakeholders and creating unified marketing strategies. In the region of Merano, local DMOs such as the Val Passiria and Naturo have been involved in coordinating local industry players efforts and developing tourism products in their respective areas.[329]

2.   DMO Governance and Organizational Structure

In terms of structure, both the Naturno and Val Passiria DMOs have a steering committee, composed of DMO members, is responsible for decision making and strategic planning, however, decision making is controlled by a few actors due to their large size and resources. The Naturno DMO has 180 members with 130 of them from the tourism industry. The steering committee of the DMO, which is responsible for decision making, is dominated by the hoteliers from the Dolce Vita Hotels consortium. The Val Passiria DMO has more than 400 members mainly from the accommodation establishments in the three municipalities in the valley. The DMO steering committee, which includes tourism players, is dominated by the large resort as micro and small size businesses are not highly involved in decision making and strategic planning due to their inability to devote resources to these areas. This results in centralized decision making by few large players, which is then supported by the smaller players.[330]

With respect to governance, Naturno could be considered a community based destination[331] as it consists of almost 300 tourism industry players who are mostly micro or small businesses. The Dolce Vita Hotel represents an "entrepreneurial core" in the destination, acting as "integrative leaders", while seeking their interest they are also supporting the development of the other destination tourism players. The consortium efforts in rebranding the destination and improving infrastructure attracted higher levels of tourism and enabled tourism services providers to increase their prices. As for Val Passiria, it can be characterized as having a "leading firm" model of governance[332], as the resort has a significant influence on decision making due to its size in the destination. While, the resort has benefited the destination and tourism businesses, due to its size and resources that give it the ability to operate independently, it does need to cooperate with other tourism actors which can give rise to difficult situation in cases of conflicting interests. [333]

3.   The Role of DMOs

a.   The role of DMOs in terms of destination development

On the local level, the private sector can play an important role in destination development, which makes the DMO ability to foster cooperation and coordinate with local businesses instrumental for ensuring success in this area. In Naturno, the tourism sector witnessed strong development in the 70s, which led to an increase in investments in tourism and the creation of many accommodation establishments. However, this was followed by a period of stagnation and eventually tourism started to decline in the mid-80s because of changing tourism demands and inability to provide the level of quality tourists expected, which caused the closure of more than a third of accommodation

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[329] Pechlaner, H., Beritelli, P., Pichler, S., Peters, M., & Scott, N. (2015). Contemporary Destination Governance: A Case Study Approach. *Bridging Tourism Theory and Practice*, 6, iii. doi:10.1108/s2042-144320140000006045

[330] Ibid.

[331] Please refer to the DMO Characteristics and Structure section in chapter 2 for description of the community model.

[332] Please refer to the DMO Characteristics and Structure section in chapter 2 for description of the leading firm model.

[333] Pechlaner, H., Beritelli, P., Pichler, S., Peters, M., & Scott, N. (2015). Contemporary Destination Governance: A Case Study Approach. *Bridging Tourism Theory and Practice*, 6, iii. doi:10.1108/s2042-144320140000006045

establishments between 1985 and 1999. In the early 2000s, a group of local hoteliers created the hotel consortium Dolce Vita Hotels with the aim of providing quality accommodation offerings and rebranding the destination from budget to quality destination by introducing the "alpine wellness" theme. The hotel consortium managed to get the "alpine wellness" certification and eventually the destination itself became certified. By 2011, Naturno's 4 and 5 star hotels increased to 10 from 5 in 1990. The consortium efforts in rebranding the destination and improving infrastructure attracted higher levels of tourism and enabled tourism services providers to increase their prices. In Val Passiria, which also witnessed a similar development path as Naturo with stagnation in the 80s and early 90s, the Sport and Wellness Resort Quellenhof, played a leading role in destination development. It has acquired a number of accommodation facilities over the span of three decades, which allowed it to integrate their offering and target different income groups. The resort also created a number of new attractions and offered several services from hiking and mountain biking to golfing to appeal to different groups.[334]

b. The role of DMOs in terms of marketing

DMO role in marketing is quite instrumental, whether by initiating marketing activities or coordinating stakeholders' marketing activities to ensure unified messages and consistent branding of the destination. As mentioned earlier, the "Abruzzo Promozione Turismo" (APT) is the entity responsible for marketing the Abruzzo region. To fulfill its role, the APT works with the various stakeholders to create a unified strategy that is used to appeal to international markets. Promotion for the destination is designed to promote the destination as a whole to target markets using quality symbols to strengthen the image of the destination. The APT conducts different promotional activities for tourists and tour operators, targeting tour operators mainly through participation in tourism fairs and creation of special packages.[335] On the local level, the destination can be affected significantly from local tourism players' marketing activities, which highlights the importance of stakeholder coordination in this area. In Val Passiria, joint marketing efforts led by the large resort, which uses the destination name, helped the local DMO with the branding of the destination. In Naturno, the hotel consortium Dolce Vita Hotels helped in rebranding the destination from budget to quality destination by introducing the "alpine wellness" theme. The hotel consortium managed to get the "alpine wellness" certification and eventually the destination itself became certified.[336]

c. The role of DMOs with regards to stakeholders

On a national level, the Ministry of Cultural Heritage and Activities and Tourism has played an instrumental role in bringing together and involving stakeholders in the development of the 2017-2022 Strategic Plan for Tourism. The plan was a result of high levels of cooperation and coordination between Directorate General of Tourism of the Ministry of Cultural Heritage and Activities and Tourism and central, regional and local authorities as well as tourism businesses and associations interested in the tourism sector. Both traditional and online tools were used to collect stakeholders input, from direct meetings and round tables to online tools. Consulting, involving, and collaborating tourism businesses and associations interested in

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[334] Pechlaner, H., Beritelli, P., Pichler, S., Peters, M., & Scott, N. (2015). Contemporary Destination Governance: A Case Study Approach. *Bridging Tourism Theory and Practice*, 6, iii. doi:10.1108/s2042-144320140000006045

[335] Presenza, A. (2005). The Performance of a Tourism Destination. Who Manages the Destination? Who Plays the Audit Role? *XIV International Leisure and Tourism Symposium ESADE.*

[336] Pechlaner, H., Beritelli, P., Pichler, S., Peters, M., & Scott, N. (2015). Contemporary Destination Governance: A Case Study Approach. *Bridging Tourism Theory and Practice*, 6, iii. doi:10.1108/s2042-144320140000006045

the tourism sector in the decision-making process and implementing decisions was an integral part of the process.[337]

On a regional level, integration of stakeholders in decision making is ensured through membership of lower level DMOs in higher level DMO as discussed earlier in the Naturo and Val Passiria DMOs which are both members of the Meran regional DMO. Regional DMOs are themselves composed of members from the local tourism industry ensuring that their interests are represented and feedback is taken into consideration in decision making. In terms of the coordination role between the various stakeholders, regional DMOs efforts can be affected by the relative size and power relationships of the various stakeholders. As in the case of the Val Pissiria DMO, where efforts to coordinate different stakeholders' interests is affected by the centrality of the Sport and Wellness Resort Quellenhof to the destination, which makes the resort a main player in decision making and formulation of strategies.[338]

4.   Funding sources for DMOs

Both public and private sources are used to fund destination management organizations activity. Due to Italy's "subsidiary approach", regional governments have the authority to impose taxes. However, traditionally both national and regional governments have not imposed taxes. In South Tyrol, the government initially adopted a "voluntary" approach for funding DMOs through membership fees. However, a lodging tax, paid by tourists, was introduced recently to fund the activities of destination management organizations since membership in the local tourism organizations is not mandatory and revenue from membership fees would not ensure sustainable funding of DMOs. In the case of Naturno, the DMO budget is mainly funded through membership fees and contributions. The contribution of the hotels consortium, which is the largest player in the tourism industry in Naturno, accounts for a large portion of the budget. It is worth noting that even though the hotel consortium contribution is quite large to the budget and that it finances many of the activities needed for support of small tourism businesses in the area, many of the smaller tourism players would like the consortium to contribute more to the budget of the DMO.[339]

5.   Lessons Learned
- The private sector can play an important and leading role in some instances in destination development and rejuvenating destinations especially in areas where public resources are limited.
- The existence of a "core" can increase the effectiveness of a network as in the case of Naturno where the Dolce Vita Hotel represents an "entrepreneurial core" which succeeded in transforming the destination and spreading the notion of quality to other stakeholders through the local DMO.
- The "leading firm" governance model, where one player has significant influence on decision making, can benefit a destination as long as the interests of the leading player and other tourism businesses are convergent.

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[337] Ministry of Cultural Activities and Tourism . (2017). Strategic Plan for Tourism 2017-2022. Retrieved from
http://www.pst.beniculturali.it/wp-content/uploads/2017/07/Executive-Summary_ENG_web_def.pdf
[338] Pechlaner, H., Beritelli, P., Pichler, S., Peters, M., & Scott, N. (2015). Contemporary Destination Governance: A Case Study Approach. *Bridging Tourism Theory and Practice*, 6, iii. doi:10.1108/s2042-144320140000006045
[339] Ibid.

4.2.3 Nigeria

Background

Nigeria, with a population of 186 Million[340] possesses a vastly untapped tourism sector in comparison to its Eastern African neighbours, Kenya and Tanzania and its neighbour, South Africa.

The Ministry of Information and Culture, which oversees tourism development at a National Level, aims to achieve a rise in domestic tourism to contribute 4% to Nigeria's GDP, substantially higher than its current contribution.[341]

Nigeria is endowed with natural beauty, with over seventy naturally developed attractions. However, only a fraction of those have been fully developed and made accessible for tourists, with the country being ranked 131st out of 141 countries in the 2015 Tourism Competitiveness Index.[342]

Table 18: Nigeria Competitiveness Statistics[343]

International tourist arrivals (2015) (million)	6.0
International tourism inbound receipts (2015) (million)	$470
Average receipts per arrival (2015)	$78
Travel and Tourism % of GDP (2015 forecast)	1.7
Travel and Tourism employment (2015 forecast) (%)	3. 6

Source: UNWTO 2017 Travel and Tourism Competitiveness Annual Report

Destination Development Institutional Strategies

Strategies for tourism development fall under the federal government and all master plans related to tourism and DMO development are under the Ministry of Information and Culture. The Ministry of Information and Culture executes its strategic plans through the Nigerian Tourism Development Corporation (NTDC) which is responsible for granting licenses to private tourism agencies at the federal and state levels.

Each arm of the Ministry of Information and Culture falls under a legal act that provides guidelines in terms of tourism attraction maintenance, marketing, licensing and development of tourism in the country.

At the state level, there are state tourism boards that act as regulators and revenue generators for the tourism sector in each of the 36 states in Nigeria. Most state tourism boards rely on government funding and are directly under the state government.

DMOs are responsible for developing the tourism sector in their respective states and are accountable to their respective State Governments. The most prominent DMO in Nigeria is the Cross River Tourism Bureau, the core focus of this case study

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[340] World Bank Data. (2017). Retrieved from https://data.worldbank.org/indicator/SP.POP.TOTL?locations=NG
[341] Interview with the Ministry of Culture & Tourism, October 2017
[342] World Economic Forum. (2015).
[343] World Travel and Tourism Council. (2016).

Figure 34: Nigeria Destination Management Structure
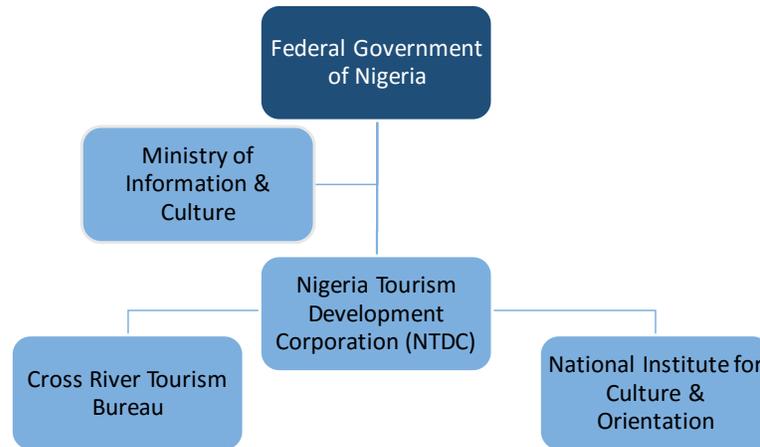
Source: DinarStandard Analysis

To ensure effective tourism development at a national level, there is a steering committee which sits annually to discuss the strategic roadmap for tourism in Nigeria. The steering committee consists of the Ministry of Information and Culture, the Presidential Council on Tourism (PCT), the Association of Tourism Practitioners of Nigeria, the National Institute for Hospitality and Tourism and the Nigerian National Association of Travel Agencies which consists of privately run tourism agencies.

The United World Tourism Organisation (UWTO) has recently joined the committee in 2016 to provide oversight on the overall tourism strategy for the Nigeria.

An actionable outcome of the committee was the strategic partnership between the ministry of culture and tourism with the United World Tourism Organization (UWTO) to consult on best practices to revise the tourism sector and assist the federal government in diversifying its revenues from oil exports by focusing on the tourism sector. The UWTO has made progress by classifying hotels in the country using the star rating system and revising the tourism licensing process.

1. DMO Development

Cross River Tourism Bureau is the most prominent DMO in Nigeria, tasked with a key role in diversifying the Economy of Cross River State, which lies to the South East of the country, bordering Cameroon, with a coastline along the Gulf of Guinea, and the 11th largest state in Nigeria in terms of GDP.[344]

History

Historically, the State's Economy had been reliant on oil but identified tourism as a key sector to develop. Diversification became especially important following disputes with Cameroon over the oil rich territory of Bakassi, part of which was in Cross River state, ultimately conceded to Cameroon in 2008, resulting in the loss of valuable economic resources.[345]

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[344] Canback Global Income Distribution Database [Online database]. (2017, October 24). Retrieved January 6, 2018, from https://www.cgidd.com/
Thisday (29 October 2002). *Bakassi Threatens to Declare Own Republic*. Retrieved from
https://web.archive.org/web/20090813003633/http://www.thisdayonline.com/archive/2002/10/30/20021030news03.html

Established in 2003 by the Federal Government of Nigeria under the Tourism Bureau Law, the Cross River Tourism Bureau is responsible for promoting tourism within the state of Cross River to both international and domestic tourists.

The Bureau acts as a regulator and active stakeholder in the development of tourism, conservation parks and natural heritage sites in Cross River State.

USPs

Several features underscore the merits of Cross River State. The state has capitalized on key events, with the annual Calabar Carnival and Calabar Festivals attracting over 400,000 visitors to the State according to the Cross River Tourism Bureau.

Cross River State is also naturally and culturally endowed with idyllic scenery, such as Obudu Rattle Ranch, Kwa Falls, Agbokim Water Falls, Ebom Ox Bow lake, and Cross River State National Park, as well and the Mary Slessor Tomb.

The State has also developed attractive supra-structure assets, most notably the Tinapa resort, located in the Calabar Free Zone.

In terms of key attractions, a survey conducted in 2014 found that Tinapa resort, and the Calabar Carnivals and Festivals, were top attractions for visitors to the State.[346]

Product Life Cycle

Cross River State is at the involvement stage of the product development life cycle. While experiencing a substantial growth in tourist arrivals following dedicated investment and support by the State, the destination has a long way to develop, with much needed investment in infrastructure, and greater involvement from private sector participants.[347]

Figure 35: Cross River State – Destination Life Cycle
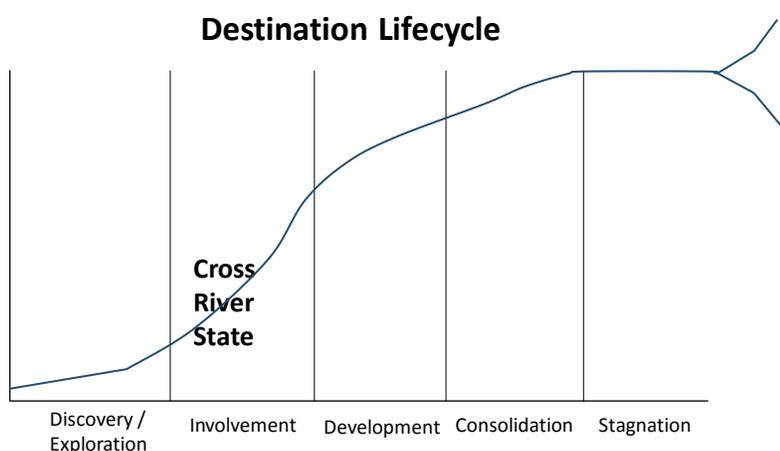
Source: DinarStandard Analysis

[346] "Influence of Marketing Strategies on Tourists' Choice of Destination Area in Cross River State, Nigeria", Anim O. Ajake, American Journal of Tourism Marketing, 2015
[347] Interview with MD

Major Markets

The main source of visitors is domestic – primarily from Lagos, Abuja and Port Harcourt. However, the UK and China are notable international source markets.[348]

2. DMO Governance and Organizational Structure

The Cross River tourism bureau is a publicly-owned entity, reporting to the Governor of cross river state, and tasked with regulating the tourism sector in the state, as well as for attracting tourists through its role as a DMO.

The Bureau has a staff of 37 full time staff and two part-time staff.

The bureau is further divided into five departments with separate roles and responsibilities related to tourism development in Cross River.

1. Operations department: Manages operations with the private sector stakeholders (site and attraction owners). The government invests in these ventures as well and are engaged in product development strategies for the development of state level tourism.

2. Marketing department: In charge of promotions and marketing to increase traffic to the state and highlight investment opportunities to prospective investors.

3. Corporate Services department: Manage the administrative body of the tourism bureau and is in charge of any administrative related functions.

4. Research & planning department: In charge of research analysis and identify projects and partnership opportunities that tourism bureau can venture into.

5. Executive department: This is the managing director's office which is the executive arm of the bureau, responsible for the execution of the state level strategic policies related to tourism.

State-level DMOs have a board, who are government appointed officials, permanent secretaries and tourism associations to participate in board meetings and discuss how best to synergize federal and state DMOs to boost Nigerian tourism.

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[348] Interview with MD

Figure 36: Cross River Tourism Bureau Organizational Chart
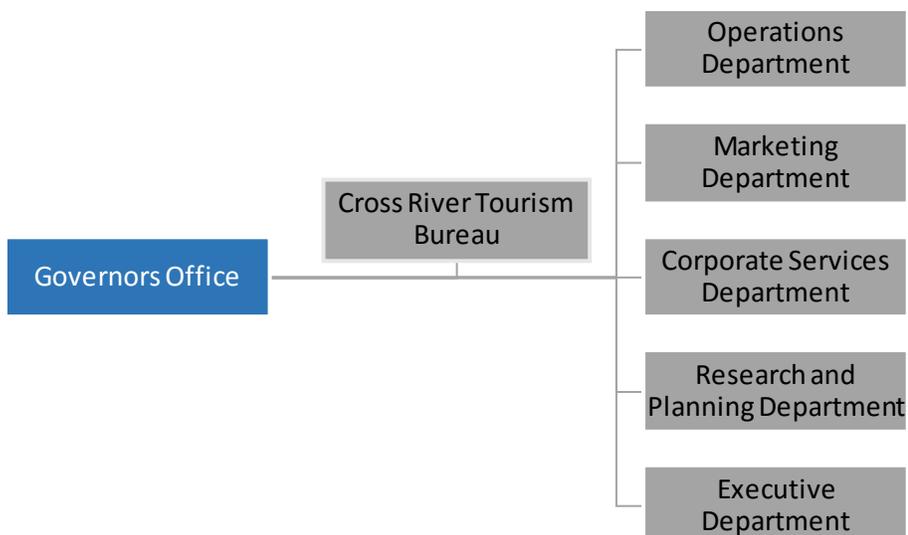
Source: Interview with Cross River Tourism Bureau

3.   The Role of DMOs

a.   The role of DMOs in terms of marketing

State governments in Nigeria have developed media platforms to promote tourism in their states through social media interaction and TV programs[349].

Marketing is a core function of the Cross River Tourism Bureau's, with the Bureau leveraging a number of online and offline marketing strategies to raise awareness of the State and its key attractions. Its video promotions, however, have been particularly effective, most notably, its Paradise in the Clouds program, a TV documentary which highlights the beautiful attributes of Calabar, with a survey of 154 tourists in 2014, finding that 21% of respondents were attracted to the State due to the documentary. [350]

The Calabar Festival and Events are themselves a major attraction, well-known throughout the African Continent, hence the focus on marketing is to raise awareness of the events and broader attractions in the State to a broader, international audience.

b.   The role of DMOs in terms of destination development

Product Development Strategies

The State has actively been involved in product development after assessing the important of tourism, and following international awareness of the State's Natural and Cultural endowments after hosting the 2000 Miss World Beauty pageant photo shoot.

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[349] Interview with team member, Golf and Resort Kaduna, October 2017
[350] Ajake, A. O. (2015). *American Journal of Tourism Management,* 4(3), 61-76. Retrieved from
http://article.sapub.org/10.5923.j.tourism.20150403.03.html

The Calabar Carnival has been a significant focus of product development, with the State Government set up a commission to ensure strong organization and promotion since 2003, only recently limiting its involvement in the annual organization of the event.

The government also invested heavily in establishing new resorts in the early 2000s – most notably, Tinapa Business and Leisure Resort, Obudu Mountain Resort and Marina Resort. The Tinapa resort was particularly key development funded by the State – covering 40 acres of land, the resort included an ecosystem of shopping establishments, bars and hotels, with the aim of attracting two thousand visitors daily. [351]

Cross River Tourism Bureau has also engaged in developing animal sanctuaries for orphaned Chimpanzees in an attempt to create a new tourist attraction in the state. The funding for conservation is sourced from the United Nations and the World Bank as the federal government has ceased funding to the Cross River Bureau[352].

However, despite product development efforts, the State has fallen short on developing the infrastructure needed to attract tourists and encourage repeat visits. The lack of road or rail infrastructure has made travel to Cross River State impractical, compounded by poor utility infrastructure. The government has also been unable to sustain maintenance expenditures on the resorts developed.

Without the infrastructure, private sector operators have been reluctant to invest heavily until tourist numbers increase substantially, despite incentives being made available to entrepreneurs to establish tourism related businesses. [353]

Managing Capacity

Given the growth phase that the state is going through, the emphasis is to attract substantial numbers of tourists. However, to manage capacity, Cross River Tourism can leverage pricing and incentives to attract tourists during low seasons.

c. The role of DMOs with regard to stakeholders

The Cross River Tourism Bureau relies primarily on meetings, with substantial room for more continuous engagement and data collection and sharing.

The Cross River Tourism Bureau requires its stakeholders to form associations under each of their specialized areas such as the Hotel Associations, travel agency associations, tourism investor associations and tourism investors association to hold meetings and develop products on how best to promote tourism within the state.

The Cross River Tourism Bureau engages with stakeholders directly as a regulator to promote tourism development in the state. All key stakeholders actively participate in the famous Calabar festival and hold annual meetings on how best to secure additional sponsorship revenue, attract more visitors and for any infrastructural development before the start of the peak season for travel to the state which is usually around November- December.

Each tourism operator is divided into an association with the heads of each association sitting on the state level tourism committee to promote each association's agenda in terms of tourism development in the state.

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[351] Interview with President of Nigeria Hotel and Tourism Investment Conference
[352] Interview with Cross River Tourism Bureau, November 2017
[353] Interview with President of Nigeria Hotel and Tourism Investment Conference

A breakdown of the stakeholder organization is represented in the chart below:

Figure 37: Stakeholder Organization Chart
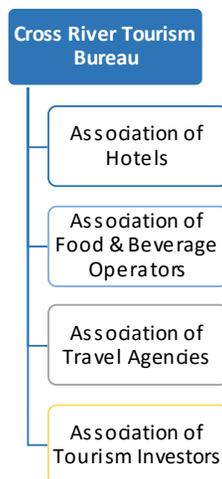
Source: Interview with Cross River Tourism Bureau

4.   DMO Key Performance Indicators

The objective of the tourism bureau is to achieve a target of 1 million visitors by the end of 2017 and a 7% increase in visitors annually and to add one additional attraction that can bring 200-500 additional visitors every year, driven by its engagement with Associations. The target of reaching 1 million visitors per year has been achieved this year, with the help of these associations, partly due to the collaborative efforts of each association in organizing the annual carnival which attracts over 400,000 visitors in Calabar alone.

Accountability

The Cross River Tourism Bureau is overseen by the office of the State Governor.

Legislation

Nigerian DMOs fall under the Nigerian Tourism Act[354]. Under this act, there has been a National Tourism Corporation set up by the Federal Government of Nigeria to promote tourism both locally and abroad and assist in the development of museums and historical sites, game reserves and holiday resorts to mention a few. Under the Act, a tourism board will be established at the state and federal levels responsible of oversight of all DMOs within their jurisdiction.

In 1991 the Nigerian tourism act was revised and a Nigerian Tourism Development Corporation (NTDC)[355] was established to replace the National Tourism Corporation. To date, the NTDC has Zonal offices across all states in Nigeria that possess heritage sites or tourist attractions. Federal funding from the Nigerian Federal Government specifically for tourism development is channelled through the NTDC to develop the tourism eco system in the country.

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[354] Nigerian Tourism Development Act. (1992). Retrieved from http://extwprlegs1.fao.org/docs/pdf/nig120668.pdf

[355] Nigerian Tourism Development Corporation. (n.d.) Retrieved January 6, 2018 from
https://en.wikipedia.org/wiki/Nigerian_Tourism_Development_Corporation

National parks are governed by the National Park Service Act which falls under the mandate of the National parks service who are responsible for the conservation of wildlife and natural park communities within Nigeria.[356] National Museums in Nigeria fall under the National Commission for Museums and Monuments act, who are responsible for establishing and preserving Nigerian antiquities, cultural heritage and history.[357]

5.   Funding Sources for DMOs

All government owned DMOs rely heavily on government funding as a source of investments in their organization.[358]

In 2017, the Nigerian federal government allocated N133.3 Million (US$1.34 Million) to the National Institute for Culture and Orientation to develop the cultural tourism sectors in the nation[359], a portion of which has been allocation to the Cross River Tourism Bureau in the form of government grants.

The bureau also receives sponsorship revenue from prospective investors interested in developing the tourism sector in the state and in its role as a regulator, the bureau has also issued a 5% levy to tourism operators in Cross Rivers State on consumer spending incurred by tourists. These monies are then used in maintenance and development costs of hotels, food and beverage providers and to invite new performing artists to the annual Calabar festival.

However, the bureau has indicated a challenge in increasing the funds it receives from the government, and has applied to the UN for specific funding relate to community development activities. The bureau is also hesitant to generate direct revenues, concerned that it may inadvertently compete with, and slow the development of, the private tourism sector.

6.   Lessons Learned

The tourism sector in Nigeria is still a work in progress. Although the country has a number of tourist attractions which can attract tourists from all over the world, a number of these resorts and parks remain in a poor state due to a lack of funding from the government.

In reviewing the Nigerian tourism sector, the following lessons can be learnt about the current state of the sector;

- There is a need for more government support in developing the Nigerian tourism sector. It is not enough to increase the funding to Ministries of Information and Culture within the country, but to include boosting tourism as part of the National agenda in its strategic plans for the future to boost both investment and entrepreneurship in the region.
- The Ministry of Information and Culture will need to be more proactive in creating a holistic tourism ecosystem, not only organizing sensitization schemes for hotel and resort operators, but also by engaging with the community at both state and federal roadshows. International tourism roadshows should also be an important step to be taken if the Nigerian tourism sector aims to become a hub for the Sub- Saharan Africa.
- Both public and privately funded DMOs need to allocate more resources towards maintenance of parks and resorts before the start of the "tourist season". More attention should be made towards

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[356] Interview with Yankari Game Reserve, October 2017
[357] Interview with National Commission for Museums and Monuments, October 2017
[358] Interview with Yankari Game Reserve, October 2017
[359] Ministry of Budget and National Planning (2017). Budget Office. Retrieved from

http://www.nationalplanning.gov.ng/2017/index.php/budget/budget-office

developing new tourist packages on a regular basis to attract more tourists both locally and internationally.

- At the state level, there is a need for incentives to be developed by the government for states to allow tourism to take centre stage and attract tourism revenue to the state. With declining oil prices, it would be best for the federal government to work together with state level tourism boards in structuring an achievable strategic plan and to develop the dilapidated hospitality and tourism sectors nationwide.

4.2.3 The United States of America

Background

The United States is a well-developed tourist destination. It ranked 6th in the World Economic Forum Travel and Tourism Competitiveness Report 2017. Its international tourist arrivals reached 77.5 million in 2016, and its tourism receipts were $204.5 billion.[360] The top 5 source countries for the US are Canada, Mexico, the United Kingdom, Japan, and China.[361] With a large number of distinct destinations across its 50 states and 14 territories, the US has over 2,000 DMOs.[362]

Table 19: United States Competitiveness Statistics[363]

International tourist arrivals (million)	77.5
International tourism inbound receipts (billion)	$204.5
Average receipts per arrival	$2,639
Travel and Tourism % of GDP	2.7
Travel and Tourism employment (%)	3.8

Source: UNWTO 2017 Travel and Tourism Competitiveness Annual Report

The United States has strong global connectivity through air transport (it ranks 2nd globally in air connectivity in the Travel and Tourism Competitiveness Report 2017), and well-developed tourism infrastructure (3rd rank). The country has vast natural and cultural resources (ranking 10th and 13th consecutively). It offers a business-friendly environment (16th) and qualified human resources (13th).[364]

Destination development institutional strategies

On the national level, there are three main entities that are responsible for tourism, each with a distinct area of responsibility. Brand USA leads the country's global marketing efforts, focusing on increasing inbound travel to the United States. The US Travel Association advocates for the US travel industry in terms of establishing pro-travel policies and removing travel barriers. It also provides research and networking opportunities for the industry. The US Department of Commerce's National Travel and Tourism Office (NTTO) is responsible for the development of tourism policy, providing technical assistance in expanding tourism exports, and managing the travel and tourism statistical system for assessing the economic contribution of the tourism industry.[365] [366]

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[360] Crotti, R., & Misrahi, T. (2017). The Travel & Tourism Competitiveness Report 2017. *World Economic Forum, 2017.* 336.
[361] Peltier, D. (2017, July 20). International Tourism to the United States Dropped in 2016 [Web log post]. Retrieved from https://skift.com/2017/07/20/international-tourism-to-the-united-states-dropped-in-2016/
[362] Interview with CEO of SimpleView, destinations marketing technology solutions provider
[363] Crotti, Roberto, and Tiffany Misrahi. The Travel & Tourism Competitiveness Report 2017. World Economic Forum, 2017, p. 336, The Travel & Tourism Competitiveness Report 2017.
[364] Ibid.
[365] Brand USA (2017). *Who We Are.* Retrieved from https://www.thebrandusa.com/about/whoweare
[366] National Travel and Tourism Office. (n.d.). *Contact Us.* Retrieved from https://travel.trade.gov/about/index.asp

Figure 38: US Tourism Management Organizational Structure
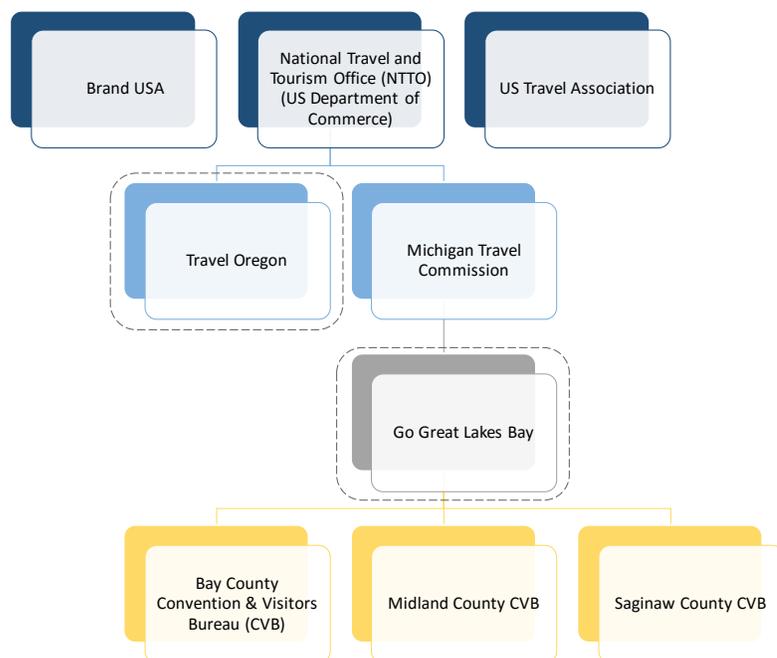
Source: Brand USA website and DinarStandard Analysis

1. DMO Development

History

The Oregon Tourism Commission, which does business as Travel Oregon, is one of the DMOs featured in this study because of its success in destination product development as well as in engaging stakeholders. In the 1930s the state built a major highway called the Pacific Coast Scenic Byway that runs through vast stretches of beaches. This 363-mile highway made it possible to reach the state parks, historic lighthouses, beaches and harbor. In the 1970s, Oregon had a progressive governor who was interested in preserving public space for people, as a result Oregon passed the Beach Bill which made the entire Oregon coast public. Early visitors to Oregon were interested in climbing Mount Hood, as well as enjoying the diverse landscape and visiting the beaches.

The other DMO featured in this case study is Go Great Lakes Bay, which is a regional DMO in the state of Michigan. The state of Michigan has been a tourism destination for over 100 years, with the City of Detroit forming the world's first Convention and Visitors Bureau. Within the Great Lakes Bay region, which consists of six destinations, the most established general tourism destination is Frankenmuth, Michigan. Frankenmuth has played host to visitors since around 1900. The communities of Saginaw, Bay City and Midland followed just shortly after the beginning of the 1900's, with meetings and conventions playing the largest facets of tourism growth.

Unique Selling Propositions (USPs)

Oregon is characterized by beautiful scenery, in the form of mountains, beaches, lakes, and forests, and well-developed tourism infrastructure in the form of accommodation, transportation, roadways, and recreation

facilities, such as skiing resorts. The main USPs the destination focuses on are outdoor adventure activities that are offered throughout its scenic landscapes. These include hiking, kayaking, biking, surfing and other outdoor activities. Its Seven Wonders marketing campaign focuses on what the DMO calls the seven natural wonders of the state.

The Great Lakes Bay region in Michigan is comprised of six small cities and agricultural regions. It is renowned for its outdoor activities, mainly in the summer, which include hiking, and biking, as well as sailing, and fishing, since the region lies along the coast of the Saginaw Bay, which is part of Lake Huron. It is also known for festivals and events such as boating, film, music, and culinary events. There are over 25 major events throughout the year.[367]

Figure 39: Destination Life Cycle
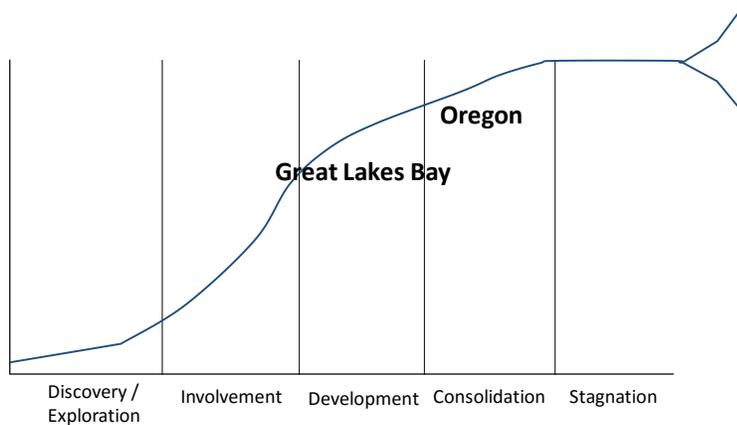
Source: DinarStandard Analysis

Product Life Cycle

Oregon is in the consolidation stage of its life cycle. Tourist growth has stabilized and so has investment in tourism. (Refer to the definitions of each of the stages in section 1.1 of this study).

Great Lakes Bay, on the other hand, is in the development stage of its life cycle. It is continuing to grow as a destination and is still focusing on attracing more visitors and additional investment.

Major Markets

The major markets visiting Oregon are local US travelers that live in neighboring US states, namely California, Washington and Idaho, and secondarily visitors from New York. Outside of the US, Canada is the largest market for Oregon, with 1.5 million visitors each year. Oregon's top five overseas visitors are from China, Japan, the UK, Germany, and Australia. The chart below shows a breakdown of international source markets by region.[368]

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[367] O'Deay, J. W. (2017, January 31). *#GoGreat Like A Local: For The Festival-goers* [Web log post]. Retrieved from http://www.gogreat.com/blog/post/2017/31/-GoGreat-Like-A-Local-For-The-Festival-goers/65/
[368] Oregon Tourism Commission (2017). *Activating Explorers - Annual Report FY 2016-2017*.

Figure 40: Oregon's International Source Markets by Region

Share of total state visits, 2015

- Canada
- Asia-Pacific
- Europe
- Latin America
- Middle East & Africa
- Mexico
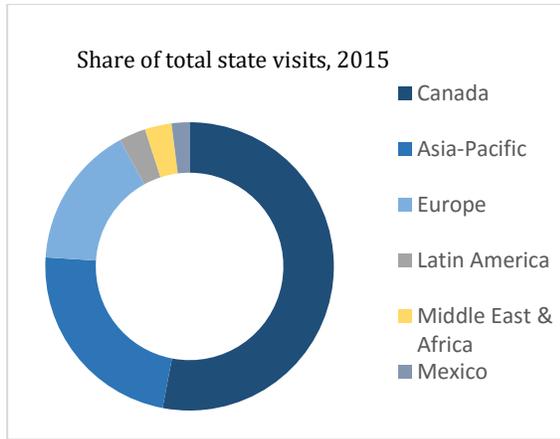
Source: Travel Oregon

The major markets visiting Great Lakes Bay are local residents of the state of Michigan, Northern Ohio, Northern Indiana, Northern Illinois and Ontario, Canada, in addition to visitors from around the globe.

Impacts of Tourism

Oregon's tourism revenue was $11.3 billion. In 2016, there were 109,500 tourism jobs, with employee earnings reaching $3.1 billion. [369]

In terms of Great Lakes Bay, $2.25 million in room tax and assessment revenue was generated in 2016.

2. DMO Governance and Organizational Structure

Travel Oregon is a semi-independent regional agency established in 2003. The DMO is led by a Chief Executive Officer and reports to nine commissioners who are appointed by the governor of Oregon. Each of the commissioners has a specific area of focus. One represents the community, five represent the accommodation sector, and three represent the tourism industry (apart from accommodation facilities). The commissioners approve and oversee the commission budget and strategic plan.[370]

There are five departments, each lead by a vice president reporting to the CEO. The Destination Development team works with Oregon communities and businesses to help them better participate in Oregon's tourism economy. The destination development programs offered include the Product Development program, which addresses outdoor recreation, agritourism, culinary, and cycling; the Sustainable Tourism program, and the Rural Tourism Studio program.

The Global Marketing team oversees developing communication strategies, running integrated marketing campaigns, and providing the industry with promotional materials. The Global Sales team works with tour operators around the world to feature Oregon and to also build awareness through the media. The Global

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[369] Oregon Tourism Commission (2017). *Activating Explorers - Annual Report FY 2016-2017*.
[370] Travel Oregon (2017). *Destination Development.* Retrieved from http://industry.traveloregon.com/organization/travel-oregon-teams/destination-development/

Strategic Partnerships team focuses on regional cooperative tourism programs, developing strategic partnerships, grants, and industry services. The Operations department provides support to all the other departments and is responsible for finance and accounting, legal issues and contracts, human resources, facilities management, development of business plans and performance tracking systems, in addition to developing and monitoring budgets.

Travel Oregon's budget is about $36 million for the 2017-2018 fiscal year.[371]

Figure 41: Travel Oregon's Organizational Structure

Source: Travel Oregon

Go Great Lakes Bay DMO is a public-private organization that was formed in 2010 by unifying the Convention and Visitors Bureaus of Bay, Midland and Sanginaw Counties into a single regional Destination Marketing and Management Organization (DMMO). The rational for combining these organizations is to take a larger role in tourism development, provide more sophisticated marketing and provide unified sales and promotion efforts for the region.[372] Focusing on the whole region allows the DMO to promote the combined resources of the three counties to attract visitors, entrepreneurs, as well as skilled workers. It also allows for combined efforts in influencing legislation and funding.

When Go Great Lakes was formed, it published a legislative guide titled *Great Lakes Bay Regional Alliance Legislative Guide* to help educate and mobilize industry representatives around the legislative process. The guide provided an overview of the structure of Michigan's State Government and provided sample legislative strategies.[373]

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[371] Interview with Director, Product Development, Travel Oregon
[372] Go Great Lakes Bay (2017). *Destination NEXT Strategic Roadmap 2016-2017*.
[373] Great Lakes Bay, Michigan: Detailing a Legislative Guide. (2014). Retrieved from https://www.slideshare.net/meetDMAI/great-lakes-bay-michigan-advocacy-case-study

Figure 42: Go Great Lakes Bay's Organizational Structure
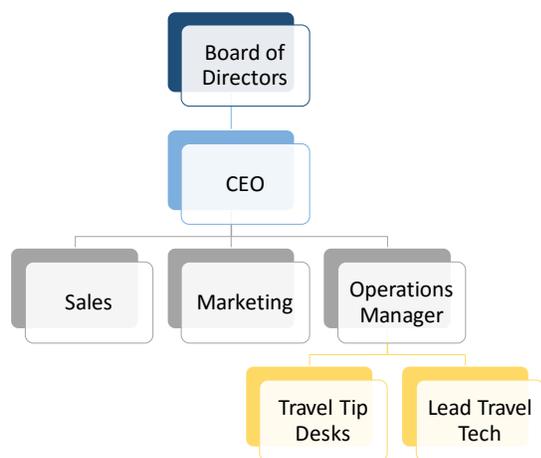
Source: Go Great Lakes Bay

Go Great Lakes Bay is governed by a Board of Directors that are selected from the local hospitality community. Each county selects three community members to serve on the Board, with at least three people on the Board representing the accommodation sector. Three departments report directly to the CEO. The sales department consists of three staff members, with one staff member in charge of meetings, another responsible for sports, and the third responsible for group tours. The marketing department is composed of a Creative Director, and a Marketing Manager. The Operations Manager oversees two departments: the Travel Tip Desks and the Lead Travel Tech departments. The Travel Tip Desks department employs three staff members, each responsible for providing travel information to visitors focusing on one of the three counties. The administrative staff consists of an Operations Manager and a Technology Manager.[374] [375]

3. The Role of DMOs

Go Great Lakes Bay's mission is to increase overnight lodging stays contributing to economic growth within the region. Whereas it's vision is to position and brand the region as a destination of choice for overnight visitors. The vision and mission were developed as part of DestinationNEXT's Strategic Roadmap for Go Great Lakes Bay.[376]

Travel Oregon's vision is: "A better life for Oregonians through strong, sustainable local economies." It's mission statement is "We inspire travel that drives economic development. Through innovation and partnerships, we share the stories of Oregon's people and places, ensuring the preservation of Oregon's way of life and natural places.

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[374] Go Great Lakes Bay (2017). *Destination NEXT Strategic Roadmap 2016-2017.*
[375] Go Great Lakes Bay - Meet Our Team. (2018). Retrieved from http://www.gogreat.com/travel-info/team/
[376] Go Great Lakes Bay (2017). *Destination NEXT Strategic Roadmap 2016-2017.*

a. The role of DMOs in terms of marketing

Travel Oregon's annual marketing budget is $17 million which represents about half of the DMOs allocated budget.

In terms of promotion, Travel Oregon uses the following channels: social media, e-newsletters, website marketing. The DMO is currently building a Visitor Life Cycle Management system that gathers data on prospects based on which it delivers customized content. The system will allow the DMO to deliver content that is tailored to where they are in the visitor life cycle through the website, e-newsletter and social media.

The Oregon Tourism Commission uses both demographic and psychographic/behavioral segmentation in identifying their target markets. In terms of US travelers, it targets adults aged 25 to 64 who spend $1,000 or more on vacation travel each year. In terms of psychographic segmentation, it targets adventurous, curious, and experience-driven people for whom travel has become a lifestyle.[377]

Its Global Sales team participates in several international and domestic travel trade and consumer shows each year. Qualified leads from the tradeshows are distributed to the regional DMOs in Oregon as well as to the Oregon Tour and Travel Alliance, which is a non-profit membership-based organization that works in partnership with Travel Oregon to increase packaged travel to Oregon.

In terms of marketing communication, the content team oversees the development, production and distribution of a wide range of content, including an annual print visitor guide, about 30 digital feature stories, videos and itineraries each quarter. The goal of this content is to evoke an emotional response from readers and ignite a desire to travel. The DMO also works with influencers. It curates and features stories from bloggers, Oregon personalities and content partners.

Travel Oregon conducts PR campaigns. Its Global Communications Department works with international and domestic media by providing them with information about the state and by hosting journalists and travel writers on press trips.

The DMO operates eight Welcome Centers that are located at high-traffic gateways to the state, at which they distribute the visitors guide and industry brochures.

In terms of sales, Travel Oregon works with tour operators who sell Oregon to its target markets.

Go Great Lakes is responsible for developing and managing the destination brand, in addition to conducing public relations and promotions campaigns.

The DMO promotes the destination to leisure travelers through trade shows, print advertising and social media marketing. The DMO focuses on social, digital marketing, which includes banner campaigns on TripAdvisor and other relevant websites, in addition to content marketing, and trying to engage with potential visitors on their most-used platforms. They track analytics throughout the year and report on progress.

Go Great Lakes also has a blog for which they develop an annual editorial plan to guide content. They also include content from guest bloggers.

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[377] Travel Oregon (2017). *The Americas.* Retrieved from http://industry.traveloregon.com/industry-resources/oregons-target-markets/the-americas/

In addition, the sales team conducts sales calls, and the DMO submits proposals to attract meetings, conventions, sporting tournaments and group tours.

The DMO holds quarterly marketing workshops in which they brainstorm promotion ideas for the following quarter.

b. The role of DMOs in terms of destination product development

Given that tourism infrastructure in the United States is well developed, product development strategies often focus on enhancing public spaces so they are more exciting to visitors as well as for local businesses, developing a signature event or building a new attraction.

Travel Oregon actively supports local communities within Oregon in product development. One is example is their support of the town of Oakridge which was a struggling timber town at the foothills of the Cascade Mountains. Travel Oregon helped the town reinvent itself as the mountain biking capital of the Northwest, which resulted in drawing new visitors as well as in attracting new business. Travel Oregon worked with a steering committee from Oakridge that consisted of the local DMO, the Mayor of Oakridge and representatives from the town's tourism committee. In 2009-2019, Travel Oregon worked with Oakridge to help build the bicycle tourism product. The DMO conducted workshops directed at stakeholders who were already working together around mountain biking. The workshops helped build broader community awareness about the significant economic development potential. In 2010, Oakridge received a $400,000 federal grant to implement trail improvements which helped improve the condition of the trails, some of which were deteriorating, had poor signage and lacked clear access points between the city center and trail network.[378]

Similarly, Go Great Lakes Bay is heavily involved in product development. The DMO invested $1.2 million to improve the quality of life and increase tourism in a poverty-stricken area of the City of Saginaw in Michigan. Another project involved purchasing an aged property in the downtown area of the City of Midland, that would have otherwise been torn down, and converted it into a five-story mixed-use development.[379] . The DMO partnered with the county of Saginaw, where the property is located, as well as with the county's Land Bank Authority, and acquired the property with the understanding that the county would then invest in an outdoor concert venue.

To attract additional visitors, the DMO helped acquire additional properties adjacent to a 16-field soccer complex so that it could be brought up to a twenty-one field soccer complex; and that put the region on the national stage in the U.S to host larger soccer competitions and championships. The DMO also organized arts competitions. In 2017, the DMO conducted its first gap analysis on its tourism product to determine what physical assets need to be added to the tourism product to make it stronger. The ideas that resulted as an outcome of the gap analysis are planned to be implemented in the future.[380]

Managing Capacity

To manage overtourism in some areas and in response to requests from stakeholders, Travel Oregon started promoting shoulder season (the time between high and low season) travel. To encourage winter travel from

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[378] Travel Oregon (2017). *Bicycle Tourism in Oakridge: Achieving Critical Mass.* Retrieved from
http://industry.traveloregon.com/content/uploads/2015/02/Bicycle-Tourism-in-Oakridge_Case-Study.pdf
[379] Destinations International (2017). *Destination NEXT Practice Handbook.* 1-89.
[380] Interview with CEO, Go Great Lakes

source markets who have a shorter booking period, the DMO developed a mobile compass that provided real-time trip ideas based on current weather and available activities.

Travel Oregon also developed a program called: Ready, Set, Gorge!". This program encouraged locals and visitors to: Go Early, Go Late, Go East, and Go By Bike. The program allows visitors to have a great experience by directing them to avoid busy times or congested areas. It also ensures that the town of Gorge - to which it directs visitors - is positively impacted economically by the visitors. In developing and implementing this program, the DMO collaborated with the Oregon Department of Transportation, U.S. Forest Service, Friends of the Columbia River Gorge, and Oregon Solutions, a non-profit dedicated to developing sustainable solutions to community-based problems.

c.   *The role of DMOs with regard to stakeholders*

Travel Oregon strives to develop the local economy and strengthen the local tourism industry by working with local communities, industry associations, government agencies and private businesses. The DMO conducts informational sessions for the tourism industry, that include Travel Oregon 101 sessions, and Oregon Tourism Studios. In 2016 Travel Oregon conducted a statewide survey asking industry members for their local, regional and statewide tourism priorities. After which it conducted 22 regional stakeholder meetings across the state.[381]

Travel Oregon also provides training to the tourism industry. The DMO developed a front-line staff training program as a response to industry requests. The Guest Service Gold program was developed in partnership with the Oregon Restaurant & Lodging Association Education Foundation.

Travel Oregon also shares tourism intelligence with stakeholders. They share data about tourism source markets, average length of visit, reason for visit, average spend, source of information on Oregon, and what tourists post on social media. In addition, Travel Oregon created a collaborative platform to share tourism related data. The objective of the Oregon Tourism Information System is to streamline content management and communication and unify the efforts of the industry. The DMO plans to conduct training to stakeholders to increase awareness of the platform and to encourage its use. To keep industry partners up to date, Travel Oregon produced newsletters focused on key tourism development areas such as outdoor recreation, bicycle tourism and agritourism.

Go Great Lakes Bay is especially active in engaging with the local government. It identified elected officials and representatives from organizations that complement their tourism efforts, such as local chambers of commerce, and economic development corporations, and invited them to serve on the DMO's board. The DMO makes an effort to actively initiate communication with elected officials by sharing information directly with elected officials and their staff, hosting community gatherings, providing presentations, and conducting legislative familiarization tours that highlight the top issues to be addressed within the fiscal year.

By partnering with local organizations and government officials, Go Great Lakes Bay facilitated collaboration among community stakeholders and government representatives, while solidifying its leadership role in the community. By involving different stakeholders, it encouraged unconventional ideas and fresh approaches. Its collaboration with government officials and chambers of commerce gave the DMO a voice regarding legislative issues important to tourism.[382]

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[381] Oregon Tourism Commission (2017). *Engaging Explorers - Annual Report FY 2016-2017.*
[382] Destinations International (2017). *Destination NEXT Practice Handbook.* 1-89.

Great Lakes Bay promotes local tourism businesses in its marketing material, as long as they are members of one of the local chambers of commerce, as a way of supporting business associations in the area that otherwise receive limited funding. [383]

4. DMO Key Performance Indicators

For Go Great Lakes Bay its main KPIs include total room nights as well as Room Tax and Assessment Revenue, which is generated from a 5% hotel tax that is charged on all lodging stays and is funneled to the DMMO.

Travel Oregon's KPIs include statewide economic impact, which includes a goal of 1.75% increase in year-over-year lodging demand, supporting and empowering Oregon's tourism industry, the public's perception of Oregon's tourism industry, and internal business processes that include ratings of fiscal processes from third-party evaluators, employee engagement, and use of industry database by staff.[384]

Accountability

The Oregon Tourism Commission is required by law to submit an annual report on the funds it received during the previous fiscal year.[385]

Go Great Lakes Bay conducts regular audits on its performance. It also maintains electronic records of all important Board and Committee documents, including financial information.

5. Funding Sources for DMOs

Travel Oregon's source of funding is a 1% statewide lodging tax that was levied in 2003. Before that, Oregon's tourism budget was ranked among the lowest in the nation and was Oregon was losing its tourism market share. The DMOs budget for 2017-2017 is $75.7 million. It plans to spend 41% of the budget on global marketing, 36% on global strategic partnerships and partnership grants, 10% on administration and operations, 8% on global sales, and 5% on destination development.

Go Great Lakes Bay is funded through a 5% tax on overnight hotel stays.

6. Lessons Learned
- Identify source of funding, such as new tourism tax, government grant, or local business support in the form of joint projects or membership dues
- Involve stakeholders in projects, get their feedback as well as assign them responsibilities
- Approach local business leaders to partially fund product development as a way to rejuvenate local business
- Lobby politicians for their support. Having a strong relationship with government officials is instrumental in influencing regulation affecting the industry. Government officials can be invited to join the Board of Directors of DMOs.
- DMOs are responsible to improve the quality of life for locals so they benefit from tourism. It is important that locals support tourism as they are part of the product – the friendliness of locals is one of the destinations' selling points. DMOs should improve public spaces for both tourists and local enjoyment

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[383] Interview with CEO, Go Great Lakes
[384] Oregon Tourism Commission (2017). *Travel Oregon Strategic Plan – Activating Explorers 2017-2019*. p. 16.
[385] Oregon Tourism Commission (2017). *Engaging Explorers - Annual Report FY 2016-2017*.

- DMOs should provide value to the wider business community, and not just to companies involved in tourism
- In case of insufficient funding, DMOs should lobby government officials to impose additional tourism taxes to fund the DMO. The DMO should also seek to obtain additional funding from local tourism businesses through membership fees, advertising fees, as well as through commissions from reservations through the DMO website
- Incentivize travelers to visit attractions during less busy times as well as to visit less congested areas. Promote shoulder season (which is the period between high and low seasons) travel
- Digital marketing strategies should include customizing content based on where a prospect is in his or her purchase life cycle. Whereas visitor-generated content is being used by some DMOs

5. Comparison of Destination Development Strategies in the OIC Countries With Global Best Practices

5.1. Defining the Parameters for Destination Management Best Practices

The ultimate goal of a nation's tourism strategy is to encourage economic growth, with national oversight essential, but for individual destinations, ownership necessarily must be delegated to DMOs that are supported by the government in numerous ways, and empowered by a legislative framework.

In this section, we examine best practices across the core components of destination development, which underpins the success of tourism strategy.

Figure 43: Best Practice Destination Development Parameters
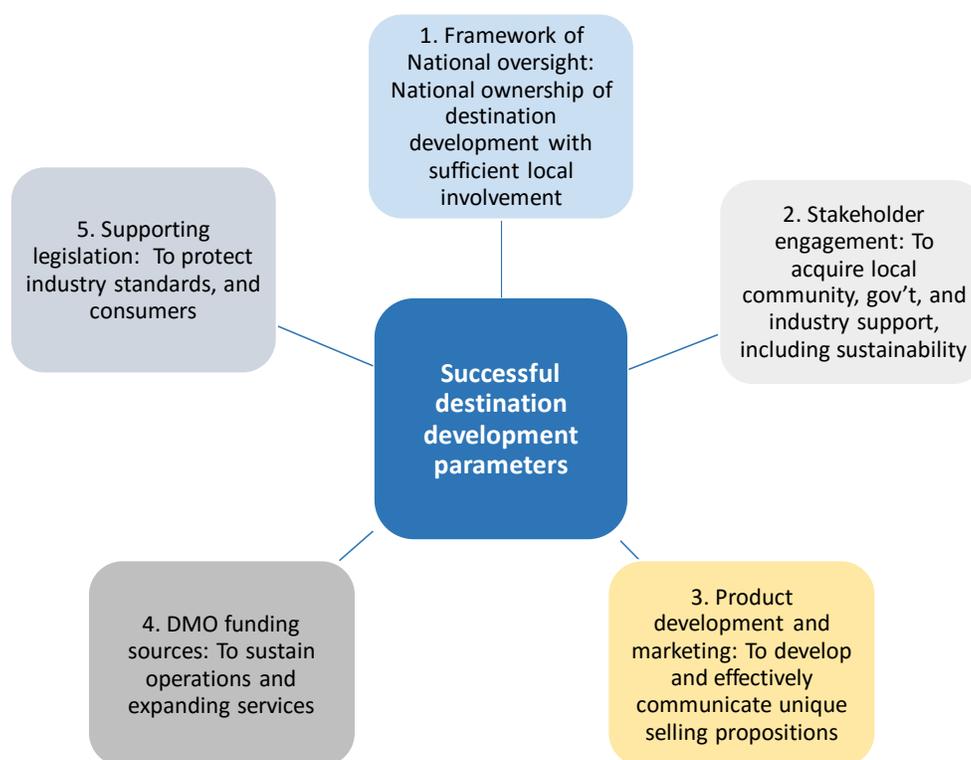
Source: DinarStandard Analysis

Against each of these categories, we examine in detail best practice countries, and a comparison to select the OIC countries across various stages of development, building upon the case studies presented earlier. While these case studies may not be a complete reflection of the norm, their distribution in terms of development and geography allow useful inferences to be drawn.

5.2   Regulatory Value Chain

According to the UNWTO, successful management of a destination is exemplified by cooperation of public-sector agencies, private sector organizations and the local community.[386]

Destination management, when following best practices, is led by a national tourism body that owns the primary economic objective – increasing a countries international competitiveness, boosting exports and ensuring a strong policy framework exists to support the tourism industry. Oftentimes, the body represents the official voice of the country when interacting with international organizations, and when establishing agreements with international counterparts.

Distinct from the national tourism body, the management office is a national DMO which owns the specific objective of promoting tourism at a national level and delivering on key economic objectives and outcomes.[387] The DMOs, representing the focus of this report, are where substantial work is done to promote individual destinations – whether to domestic or international tourists. Separately, a steering committee and industry associations are essential supporting components to creating a strong tourism-based economy.

Figure 44: Parameter 1: National Oversight Structure
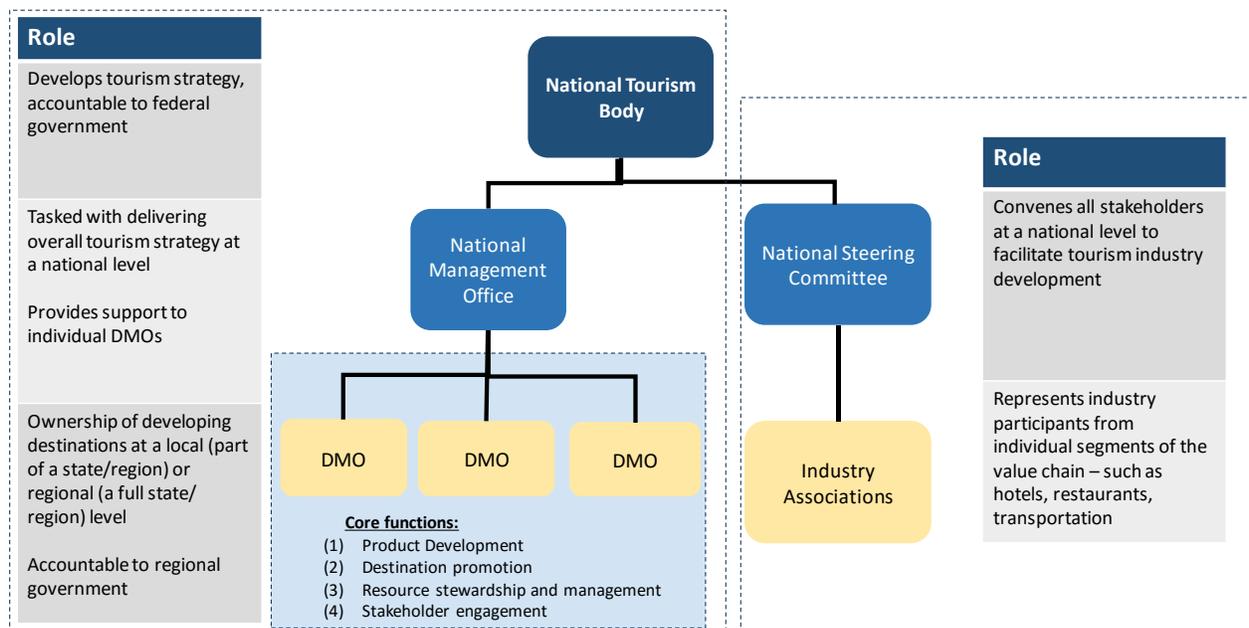
Source: DinarStandard Analysis

Comparing the OIC with best practice examples

In leading non-OIC countries with developed destinations, all the core components of destination management are clearly evident, with DMOs playing a clear role in developing and managing individual destinations.

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[386] United Nations World Tourism Organization. *Destination Management & Quality Programme.* (n.d.). Retrieved from http://destination.unwto.org/content/conceptual-framework-0

[387] Bosnic, I. (2014). *Role of Destination Management in Strengthening the Competitiveness of Croation Tourism.*

However, in OIC countries, especially in less developed destinations, destination management is a centralized function, directly overseen by the government, with the limited existence of devolved, independently managed DMOs. In more developed destinations, notably Turkey, there is a clear distinction of roles. Furthermore, when comparing select, representative developing OIC destinations to best practice examples, established DMOs tend to be stronger in promotion and product development, but need to strengthen and formalize their stakeholder engagement and resource stewardship activities, with dedicated personnel in those areas.

Table 20: Leading Non-OIC Developed Country Examples

Country	United States	New Zealand
National tourism body:	US Department of Commerce's National Travel and Tourism Office	Ministry of Business, Innovation, and Employment
National management office	Brand USA	Tourism New Zealand
DMO (Regional, state, or local)	168 local internationally accredited DMOs[388]. Example: Travel Oregon	29 DMOs [389]. Example: Southland District
National Steering Committee	US Travel Association	Tourism Industry Aotearoa

Source: DinarStandard Analysis

Table 21: OIC Country Examples[390]

Phase	Discovery/ Exploration phase		Development phase	Developed phase
Country	Azerbaijan	Nigeria	UAE (Dubai)	Turkey
National tourism body	Ministry of Tourism and Culture	Ministry of Tourism and Culture	Dubai Department of Tourism and Commerce Marketing (single DMO)	Ministry of Culture and Tourism
National management office	Full ownership by the Ministry (Destination Development owned by Domestic Tourism Section)	Nigerian Tourism Development Corporation (not yet recognized by law)		
DMO (Regional, state, or local)		Only 1 formally recognized DMO - Cross River Tourism		81 provicial directorates + and local DMOs [391]. Example: Istanbul Congress and Visitor Bureau
National Steering Committee	*No formal committees identified*	National Tourism Committee	Dubai Chamber of Commerce	National Tourism Council to be formed by 2023 (not fully realized as of 2017).[392]

Source: DinarStandard Analysis

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[388] Destinations International (2017). *DMO Organizational and Financial Profile Study.*

[389] Matakana Coast Tourism Development Plan gains momentum. (n.d.). Retrieved from http://www.nztri.org.nz/Matakana-Coast-Tourism-Development-Plan-gains-momentum

[390] All components of table based on case study feedback unless otherwise mentioned

[391] Based on interview feedback – to confirm

[392] Ministry of Culture and Tourism. (2007). *Tourism Strategy of Turkey 2023.*

Table 22: Comparing DMO Functions

DMO example	Function			
	Product development	**Destination promotion**	**Resource stewardship and management**	**Stakeholder engagement**
Travel Oregon (U.S.A)	Well-developed function	Well-developed function	Well-developed function	Well-developed function
Destination NSW (Australia)	Well-developed function	Well-developed function	Well-developed function	Well-developed function
Istanbul Convention and Visitor Bureau (Turkey)	Well-developed function	Well-developed function	Limited focus	Well-developed function
Dubai Department of Tourism and Commerce (UAE)	Well-developed function	Well-developed function	Limited focus	Well-developed function
Cross River Tourism Bureau (Nigeria)	Well-developed function	Moderately developed function	Limited focus	Developing function

Source: DinarStandard Analysis

5.3   How OIC Countries Compare in Terms of Stakeholder Engagement

A top priority for destination management organizations includes engaging with stakeholders including tourism companies, government agencies, professional associations, and local community members. To effectively engage with stakeholders that have different needs, a variety of platforms to facilitate engagement must be created.

Figure 45: Parameter 2: Stakeholder Engagement Platforms
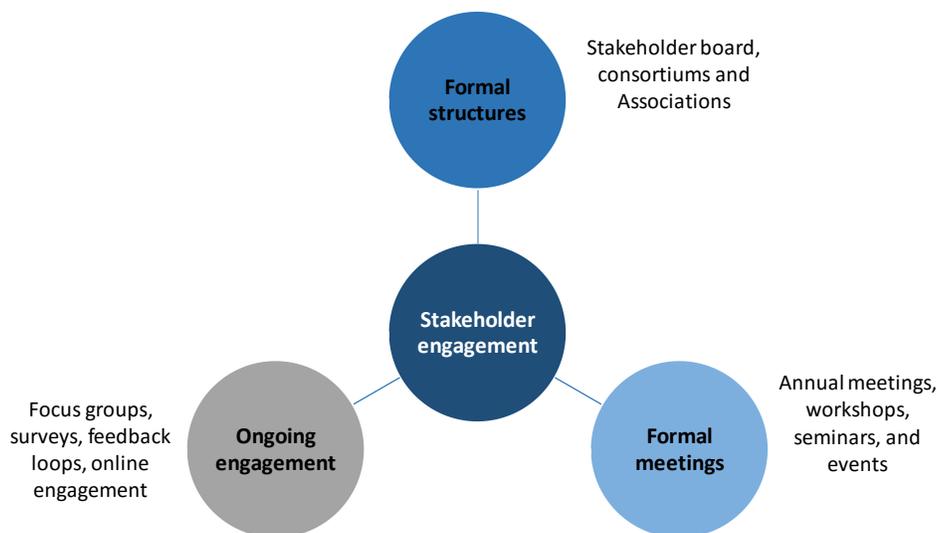
Source: DinarStandard Analysis

Comparing the OIC member countries with best practice examples

The best practice examples show a moderate or high level of formal, and ongoing engagement with industry stakeholders, with well-established formal organizations that bring DMOs, local government, and stakeholders together.

The OIC region, based on the examples shown, may have some forms of formal structure that aligns the broader tourism industry, with a respectable process for discussion throughout the year, but falls short on the process on ongoing engagement – which in the strongest example presented, notably Oregon, is granular and methodical – split across data sharing, training, and formalized feedback, including surveys.

Table 23: Assessment of Engagement in Select Leading Non-OIC Countries[393]:

Country/ Destination	Spain (Barcelona/ Cordoba)	United States (Oregon)
Formal organizations	Well-established: In Spain, stakeholder engagement is common in the form of consortiums, which include representatives across stakeholder groups and local government agencies (i.e. the Consortium of Tourism of Cordoba).[394]	Well-established: Oregon has a Regional Cooperative Tourism Program workgroup that brings industry leaders together with local government
Formal meetings	Moderate: In Barcelona, plenary sessions are held on a regular basis to engage stakeholders, connecting them with the local council to address their concerns	Substantial: It is common practice in the U.S. to hold regular meetings with stakeholders. Travel Oregon, a state level DMO, hosts 22 regional stakeholder meetings across the state annually.
Ongoing engagement	Substantial: Ongoing feedback is obtained through well-established lobbies, as well as through surveys, training and statistics	Substantial: Regular data exchange between Travel Oregon and stakeholders, training, and surveys

Source: DinarStandard Analysis

[393] All components of table based on case study feedback unless otherwise mentioned
[394] Interview with team member of Tourism Planning and Development, Patronato Provincial de Toursimo de Granada.

Table 24: OIC Country Examples[395]**:**

Phase	Discovery/ Exploration phase		Developed phase
Country/ Destination	Azerbaijan (National)	Nigeria (National)	Turkey (National)
Formal organizations	Limited: Exists to a limited extent through public-private partnerships, such as the Azerbaijan Convention Bureau.	Moderate: Codified as a formal responsibility of Cross River Tourism Bureau In Nigeria, stakeholder engagement comes in the form of professional associations, which include the Association of Hotels, Association of Travel Agencies, Association of Food and Beverage Operators and the Association of Tourism Investors, which are overseen by the local DMO, Cross River Tourism Bureau.	Limited: Turkey's Tourism Strategy to 2023 has set objectives to create a Tourism Council at a National level of 15-20 industry stakeholders and similar councils at provincial levels.
Formal meetings	Moderate: Public-private sector meetings are held by the Department of Tourism periodically to raise concerns and identify issues with stakeholders.	Moderate: Meetings occur regularly around key annual events, most notably the Annual Calabar Festival.	Moderate/ Substantial: In Turkey, regional DMOs including the Istanbul Congress and Visitor Bureau, arranges meetings with international players and local stakeholders to create opportunities. The DMO organizes seminars to relay the latest tourism developments. [396]
Ongoing engagement	Limited: Overall, limited evidence of ongoing engagement.	Limited: Outside of formal events, there is limited evidence of the type of ongoing engagement that is evident in best practice countries.	Moderate: The structure of DMO boards facilitates ongoing communication with the industry, and with evidence of data sharing used in developed non-OIC country examples are also seen in Turkey with the TourismPortalSystem leveraged by the Ministry of Culture and Tourism of Turkey which is a database of tourism entities.[397]

Source: DinarStandard Analysis

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[395] All components of table based on case study feedback unless otherwise mentioned
[396] Interview with ICVB team (17 Nov 2017). ICVB Office, Istanbul.
[397] Turkey Tourism Portal website, http://www.kultur.gov.tr/EN.100271/turkish-tourism-portal.html.

5.4 How the OIC Countries Compare in Terms of Product Development and Promotion

Destinations are the core products of tourism, and their development is a critical part of a DMO's role.

A well-developed destination has strong core resources. The ability of tourists to enjoy those resources is enabled by well-established supporting resources which make travel feasible and pleasant, and a supporting environment that enables tourists to access and enjoy core resources over a period of time.

Figure 46: Parameter 3: Product Development Elements
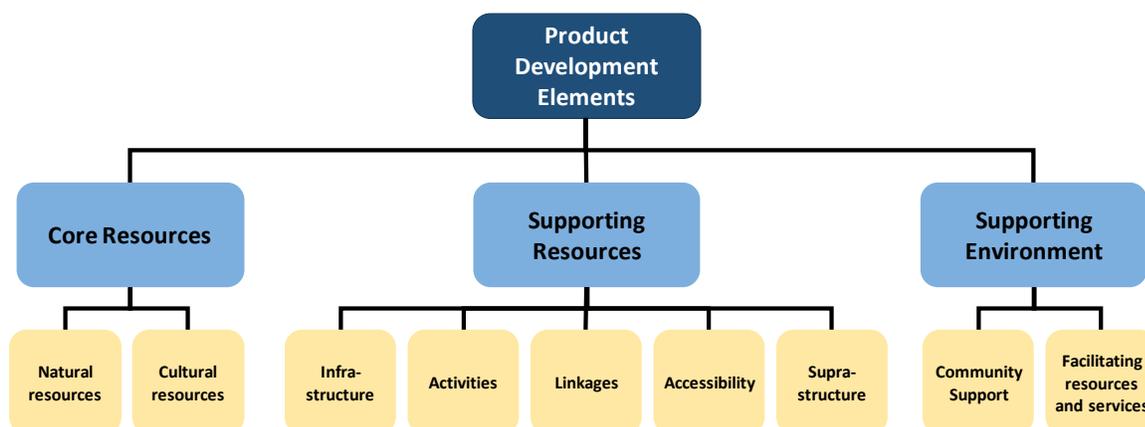
Source: DinarStandard Analysis

Comparing the OIC with best practice examples

In best practice examples, DMOs have taken a leading role in developing a destination, including ensuring supporting resources were sufficient, and improving it to benefit local communities, such as in the case of Oregon developing the town of Oakridge.

In the OIC countries, the illustrative DMOs reviewed have showed at the more advanced end, strong practices in developing destinations. However, at the earlier stage of development, political will, and the limited effectiveness of the DMO in pushing through required supporting resources, has held back destination development, despite very strong core resources.

Table 25: Leading Non-OIC Developed Country Examples[398]:

Country	Barcelona	Oregon	South Tyrol
Core resources	Predominantly cultural: Barcelona has a rich cultural and architectural heritage which has been well-established and makes it a top tourist destination in Europe	Predominantly natural: A sizable state in the Northwest U.S., Oregon is split into seven regions, with a strong focus on enjoying the state's natural scenery, but with cultural and urban elements in Portland, the State Capital. The DMO has actively sought to extend the state's resources through helping Oakridge, a struggling timber town, reinvent itself as the mountain biking capital of the Northwest.	Predominantly natural: South Tyrol is a province in Northern Italy. Although Italy is known for its strong cultural heritage, South Tyrol's mountains offer sports activities including mountain climbing and hiking. South Tyrol also attracts visitors for food and wine tourism.
Supporting resources and environment	Wholly strong: Building atop of Barcelona's core resources, is a well-established supporting ecosystem – the city is accessible through standardized visa policy, having its own airport, well-developed physical infrastructure, multiple ways of moving around the city and a broad range of organized activities (57 of which are well-publicized)[399]. The city also has a strong diversity of hotels and restaurants catering to different price points.	Wholly strong: Oregon is accessible via domestic flights in the U.S., with five airports in the state, as well as an international airport, and a train system that connects various parts of the State. The State has a strong supporting environment, with well-developed lodging and restaurant industries. [400] The State DMO has also played an active role in obtaining funding to develop supporting infrastructure for new products, such as Oakridge, for which a $400k federal grant helping improve the conditions of trails for biking.	Wholly strong: South Tyrol has strong province level, regional, and local DMOs in place and the province received over 30 million tourists in 2016. DMOs in South Tyrol have steering committees formed by key tourism industry stakeholders including accommodation establishments and tourism agencies. The province has increased the number of 4 and 5 star hotels since 190 and has also improved infrastructure to attract a wider variety of tourists.
Marketing effectiveness	Highly effective: Barcelona's DMO has a well-developed marketing function that spans digital and offline materials and advertising. The DMO also organizes 200 promotional events each year targeting different markets and customer segments. [401]	Highly effective: With an annual marketing budget of $17 million, Travel Oregon uses multiple channels, including social media, to reach their target audience, supported by sales associates that travel to international and domestic conferences. The organization also conducts PR digitally and through printed media and works closely with tour operators.	Highly effective: With the lodging tax in South Tyrol, DMO activities are funded and marketing of promotional activities for tourists and tour operators have been effective by attending tourism fairs and creating specialized tourism packages.

Source: DinarStandard Analysis

[398] All components of table based on case study feedback unless otherwise mentioned
[399] Things to Do in Barcelona. (n.d.). Retrieved from https://www.likealocalguide.com/barcelona/things-to-do
[400] Transportation - Getting Around Oregon by Bike, Rail, Car and Air. (2017). Retrieved from https://traveloregon.com/plan-your-trip/transportation/
[401] Barcelona Activa. (2014). *Barcelona's Tourism and Activity: Tourism Management.* 1-45.

Table 26: The OIC Country Examples:

Country	Nigeria (Early development)	Dubai (Developing)	Turkey (Developing)
Core resources	Predominantly natural: Known as a "Paradise in the Clouds", Cross River State is endowed with forests and mountains, but is also home to the annual Calabar Festival, one of the most popular in Africa	Predominantly cultural: Dubai has emerged as a top tourism destination, led by an expansive economic diversification strategy that saw substantial investment in buildings, facilities and resorts that transformed the city	Predominantly cultural: Istanbul is known as an old walled city with over 2,500 years of history with palaces, mosques, and water fountains.
Supporting resources and environment	Limited: The State is in the very early stages of tourism development, lacking roads and utilities, making travel and extended stays difficult. Despite substantial investment by the government in resorts, maintenance has been limited.	Well-developed: Dubai has a very strong ecosystem supporting its tourism industry, established as a global hub, will well-developed connectivity within the city, and a broad range of supporting resources	Well-developed: Istanbul has a strong supporting environment with an international airport hub and acts an international commercial trade center.
Marketing effectiveness	Developing: Cross River Tourism has engaged in both online and offline marketing, with innovation, impactful content, but has a broader role to play internationally in promoting its destination.	Well-developed: DTCM has a very effective marketing function which spans online, offline, event attendance and promotion, as well as close cooperation with Emirates Airlines.	Well-developed: The Istanbul Convention and Visitor Bureau is a destination marketing organization with an online presence and actively initiates and attends special international events.

Source: DinarStandard Analysis

5.5 How the OIC Countries Compare in Terms of Funding

Destination management organizations typically rely on public sources (government funding) or private sources, funding from hotel room tax and membership fees. Other sources of revenue from private sources may include website ad revenue, subscriptions, sponsorships or selling services.

Figure 47: Parameter 4: Funding Options
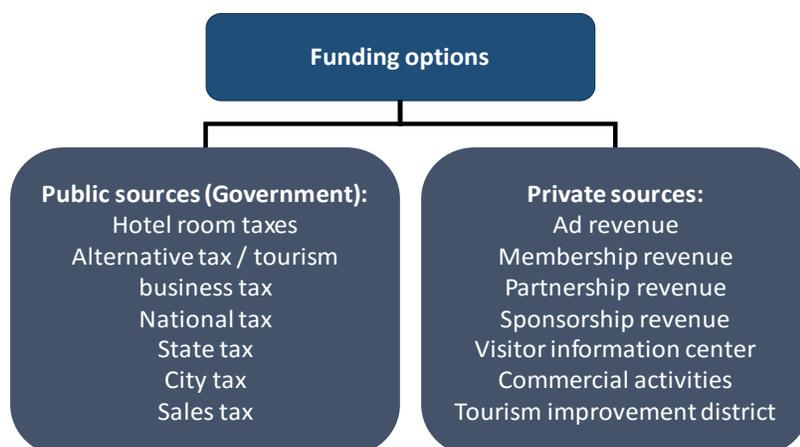
Source: DinarStandard Analysis

Comparing the OIC to best practice examples

In the best practice examples that are shown, public funding represents a significant component of revenues but is met through a tax rather than direct government grants. 97% of DMO funding on average comes from public sources, 73% of which is from a lodging tax, according to Destination Marketing International in 2017[402]

However, in the OIC countries, the source of funding in the examples reviewed were primarily directly from the government in the form of grants or from private entities, with a larger role for lodging taxes to play.

Table 27: Leading Non-OIC Developed Country Examples[403]:

Country	United States	Australia	Italy
Public sources	Travel Oregon, a state DMO, receives 1% statewide lodging tax levied in 2003. Go Great Lakes Bay, a local DMO, is funded by 5% tax on overnight hotel stays.	Destination NSW received funding from NSW Treasury government grants, which amounted to $148 million in 2017.	Italy's regional DMOs, such as the IDM South Tyrol are funded by a lodging tax.
Private sources	In the United States, DMOs have generated revenue using ads and have taken booking and reservation fees. [404]	Destination NSW received $11.3 million in contributions received from industry sponsorships and membership fees.	Naturno, a local DMO, is funded by membership fees and industry stakeholder contributions.

The OIC countries have leveraged traditional ways to attract funding[405].
Source: DinarStandard Analysis

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[402] Destinations International. (2017). [Infographic of 2017 Organizational and Financial Profile Study]. Retrieved from
https://mktg.destinationsinternational.org/acton/attachment/9856/f-079d/1/-/-/-/-/Dest_Intl_2017_Org_Fin_Infographic.pdf
[403] All components of table based on case study feedback unless otherwise mentioned
[404] SimpleView provides a tool that allows DMOs to display relevant ads on their websites. They also offer a solution that allows DMOs to sell tickets to attractions, activities, and tours through their website.
[405] All components of table based on case study feedback unless otherwise mentioned

Table 28: The OIC Country Examples:

Phase	Discovery/ Exploration phase		Developed phase
Country/ Destination	Azerbaijan (National)	Nigeria (National)	Turkey (National)
Public sources:	In Azerbaijan, only public funds are available for destination development by the Ministry of Tourism.	In Nigeria, the Cross-River Tourism Bureau relies on government grant funding, totaling $1.3 million for cultural tourism sectors in the nation in 2017. There is also a 3% tax levied on consumer spending, but admittedly, this tax has been challenging to collect.	Overall: Turkey does not use city taxes to fund DMOs, however, direct funding from government and local Chambers
Private sources:	Government plans to enact a new law to encourage public-private partnership funding.	Private sponsorships from industry stakeholders to fund operations. In addition, the tourism board has issued licenses and memberships to tourism operators.	Turkey's DMO membership fees support the local DMOs operating costs. For example, Belek DMO is funded by 47 private hotel members with an annual budget of over $350,00. ICVB example: Direct Contribution from the Istanbul Chamber of Commerce.

Source: DinarStandard Analysis

5.6 How the OIC Countries Compare in Terms of Legislation

In the tourism sector, government regulations are developed to ensure best practice and protect consumers or develop sustainable resources. Regulations are typically developed by national tourism bodies and agencies and DMOs are typically established through legislation. Legislation regarding tourism typically entail destination's entry visa requirements and taxation regulations, which have a major impact on DMO capabilities and activities. Visa requirements impact accessibility and tourist taxes impact competitiveness.

Figure 48: Parameter 5: Legislation Responsibility
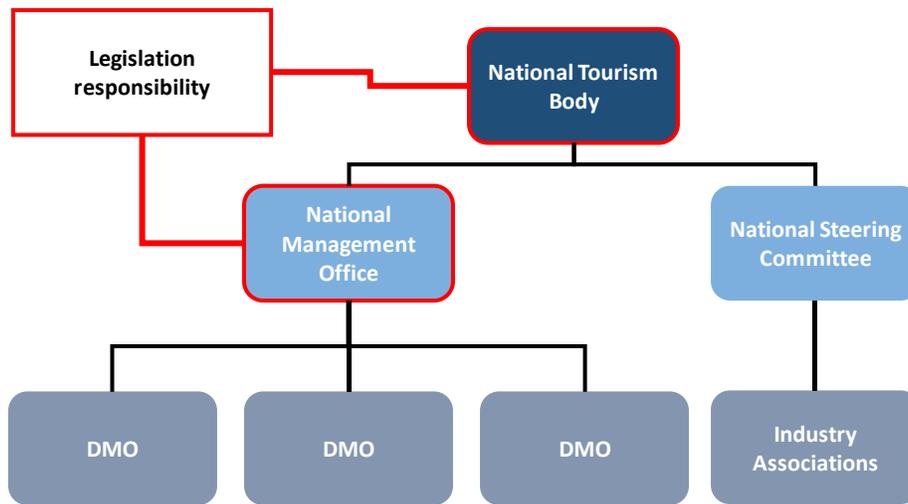
Source: DinarStandard Analysis

Table 29: Leading Non-OIC Developed Country Examples[406]:

Country	United States	Australia	Italy
Legislation responsibility and example:	In the United States, the US Department of Commerce's National Travel and Tourism Office is responsible for developing tourism policy. Legislation developed by the department requires the state level tourism commissions such as the Oregon Tourism Commission to submit annual reports on funds received.	The Ministry of Trade, Tourism and Investment is responsible for tourism policy. Public-private partnerships were established by legislation from the Ministry of Trade, Tourism and Investment, as in the case of Tourism Tasmania established in 1996 in Australia.[407]	In Italy, tourism legislation is primarily the responsibility of regional governments and the National Tourism Agency. In 2006, the overall responsibility at the national level for tourism was developed through the Department of Tourism.

Source: DinarStandard Analysis

In the OIC countries, government agencies at the national level have been designated to take ownership of creating legislation, which are then implemented and monitored by local authorities.

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[406] All components of table based on case study feedback unless otherwise mentioned
[407] Pike, S. (2016). *Destination Marketing: Essentials.* London: Routledge.

Table 30: The OIC Country Examples[408]**:**

Phase	Discovery/ Exploration phase		Developed phase
Country/ Destination	Azerbaijan (National)	Nigeria (National)	Turkey (National)
Legislation responsibility and example:	In Azerbaijan, the Ministry of Culture and Tourism has designated state authorities to implement policies that have been described in its charter. In addition, there are monthly, quarterly, and annual reports prepared for the Ministry for transparency. The Ministry itself is annually audited to review funds spent.	In Nigeria, the Federal Government of Nigeria developed the Nigerian Tourism Act, which established a tourism board at state and federal levels responsible for destination oversight.[409]	The Turkish government created travel agency laws, which call for local authorities to monitor destinations. For example, The Istanbul Provincial Directorate of Culture is a local tourism authority arm of the government responsible for legal inspection of destinations. [410]

Source: DinarStandard Analysis

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[408] All components of table based on case study feedback unless otherwise mentioned
[409] Nigerian Tourism Development Corporation. (n.d.) Retrieved January 6, 2018 from
https://en.wikipedia.org/wiki/Nigerian_Tourism_Development_Corporation
[410] *İstanbul'da turisti kandırana af yok.* (2017, August 6). Retrieved from
http://www.istanbulkulturturizm.gov.tr/TR,188074/istanbul39da-turisti-kandirana-af-yok-6082017.html

6. Policy Recommendations for the OIC Member States

This chapter presents destination product development and institutional strategies for OIC member states.

The first section helps countries profile their destination based on the destination life cycle phase, tourism resource mix and tourism budget.

The second section provides product development recommendations based on tourism resources available to a destination in addition to its stage in the destination life cycle and with a consideration to its tourism budget.

Whereas the third section provides recommendations for improving DMO governance systems, in context of the roles, structure and regional scopes of DMOs, segmented by destination life cycle and with consideration to budgets available. Finally, in the fourth section, recommendations for regional and international recommendations among the OIC countries are presented.

Figure 49: Policy Recommendations Chapter Breakdown

Section 6.1

Profiling Tourism Destinations

Policy Recommendations for OIC Member States

Section 6.2	Section 6.3	Section 6.4
Destination Product Development	**Developing DMO Excellence**	**Strategic Alliances**

Source: DinarStandard Analysis

6.1 Segmentation of the OIC Tourist Destinations

The Member countries should determine where it stands in three key areas, namely Destination Life Cycle Stage, Tourism Resources, and Tourism Budget, before developing appropriate destination product development strategy.

Figure 50: Policy Recommendations for the OIC Member States
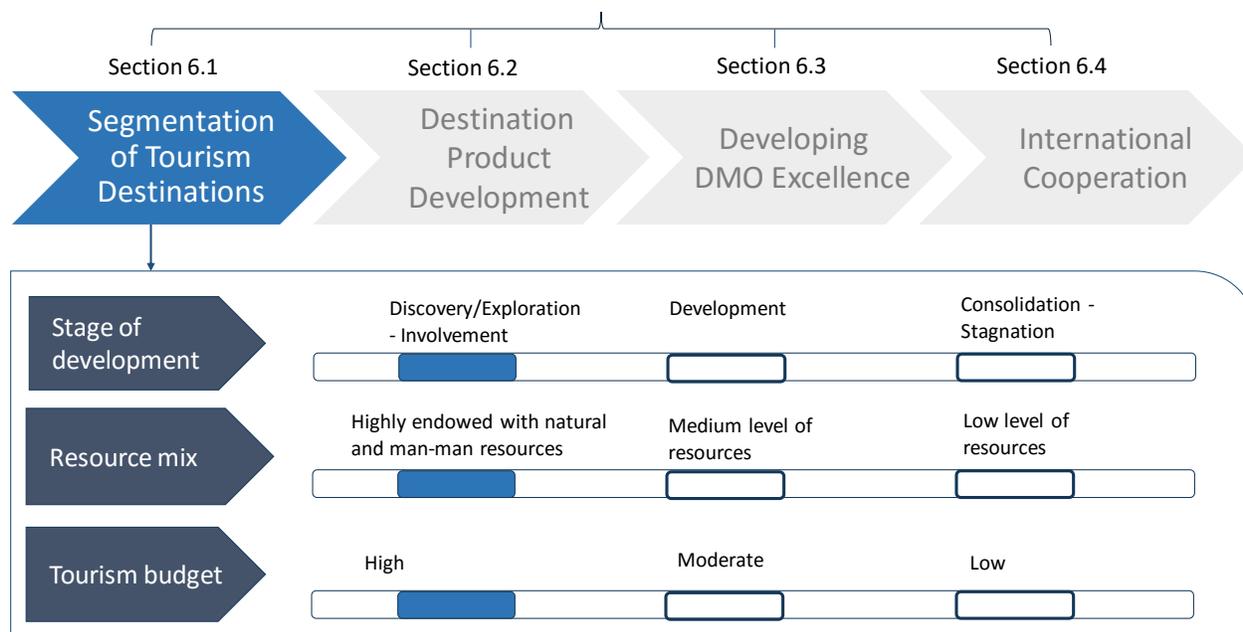
Source: DinarStandard Analysis

Below is a brief description of each of the destination profiling areas.

a) *Destination Life Cycle*

The destination life cycle graph is described in detail in Section 1.1 of this study. It covers five typical stages of a destination life cycle: Discovery/Exploration, Involvement, Development, Consolidation, and Stagnation. The four OIC case study countries are plotted on the graph below based on which phase they are at

in the destination life cycle, which considers arrival numbers. In addition, tourism contribution to GDP is reflected in the size of the circle for each of the four OIC case study countries have been plotted on the graph.

Figure 51: Destination Life Cycle
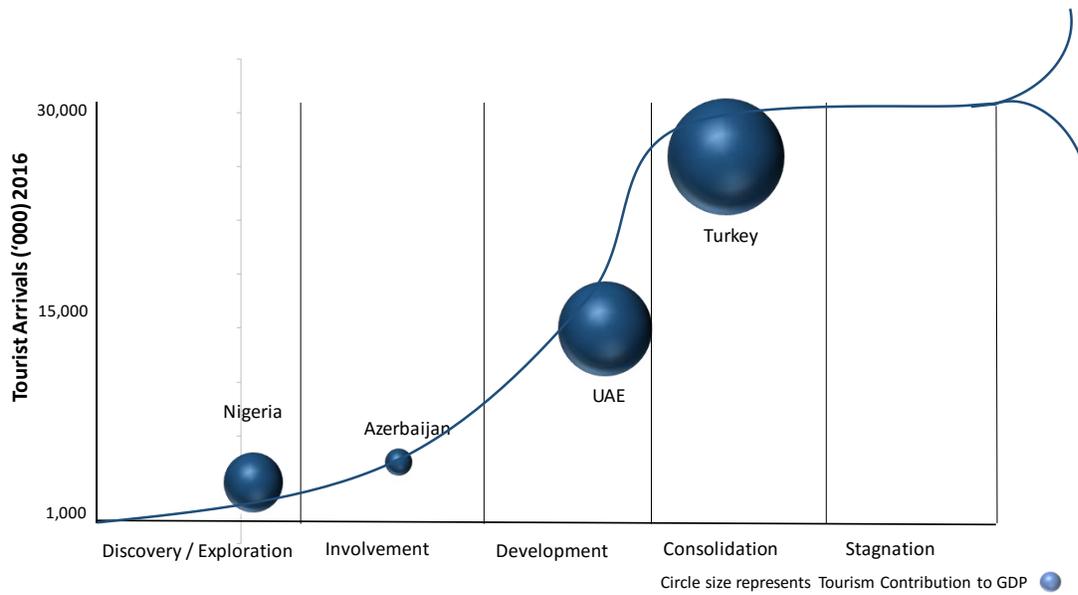
Source: Butler's Tourism Area Life Cycle (TALC) and DinarStandard analysis

b) Tourism Resources Assessment
Below is a list of resources as categorized in Chapter 1.

Resource
Natural
Physiography
Natural preserved areas
Climate
Cultural Resources
Culture
History
Heritage sites
Activities
Mix of activities
Special events
Entertainment
Linkages
Family/Friends
Business
Religious
Tourism Superstructure
Accommodation Facilities
Food & Beverage Facilities
Transportation Facilities
Attractions

Source: Based on the destination competitiveness/sustainability model by Richie and Crouch

a) Tourism Budget

As a proxy to budget, we've used tourism contribution to GDP, but, budgets will vary. To provide some benchmarks, France's travel and tourism contribution to GDP is $90 billion, compared to Turkey's, which is $29 billion, while the UAE's travel and tourism contribution to GDP is $18.7 billion, and Nigeria's is $7.4 billion.
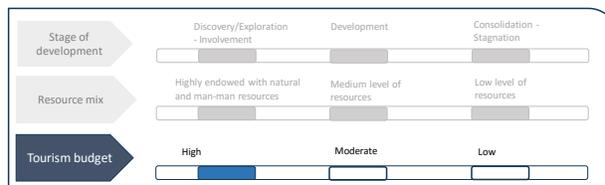
	Tourism Contribution to GDP
High	$60+ billion
Medium	$12 - $59.99
Low	$0 - $11.99 billion

Country Profiling Checklists

Country Profiling Step 1:
To determine the life cycle stage of an OIC country, destination managers may answer the questions on the chart below. Answering "yes" to most of the questions related to one of the stages determines that the destination belongs to that stage.

Destination Life Cycle Assessment

Does your destination have the features below?   **Yes/No**   *If "Yes" then you are in the:*

- Low number of tourist arrivals
- Few tourist facilities are available
- Weak tourism infrastructure

→ Discovery / Exploration Phase

- Regular but low number of tourists
- Community is aware of economic contribution of tourism
- Basic level of tourism services provided by local players

→ Involvement Phase

- Growth in tourist arrivals   • Growth in tourism investment
- Physical transformations of the destination
- Destination is recognized as a tourist destination

→ Development Phase

- Growth in tourist arrivals slows down
- Investments start to decrease

→ Consolidation Phase

- No growth in tourist arrivals
- Exit of some tourism industry players
- Decline in facilities available to tourists

→ Stagnation Phase

Source: DinarStandard analysis

Country Profiling Step 2:

Resource	Exists (√) Doesn't Exist (X)	Destinations that check (√) most of the resources under each category are high in that resource category, otherwise they are considered low
Natural		
Physiography		
Natural preserved areas		
Climate		
Cultural Resources		
Culture		
History		
Heritage sites		
Activities		
Mix of activities		
Special events		
Entertainment		
Linkages		
Family/Friends		
Business		
Religious		
Tourism Superstructure		
Accommodation Facilities		
Food & Beverage Facilities		
Transportation Facilities		
Attractions		

Source: Based on the destination competitiveness/sustainability model by Richie and Crouch

Country Profiling Step 3:

Tourism Contribution to GDP	Add a check (√) next to relevant range
High ($60+ billion)	
Medium ($12 - $59.99)	
Low ($0 - $11.99 billion)	

Source: DinarStandard analysis

6.2 Destination Product Development

The Member Countries with low natural and cultural resources should focus on developing activities – such as events, festivals, experiential activities etc. - and countries with high natural and cultural resources should focus on implementing measures to protect resources and develop activities around these resources.

In this section, specific recommendations are provided for product development based on the destination's stage in the tourism life cycle, its available resources, and with a consideration to its tourism budget. The steps that should be followed in developing new products are then provided, followed by how DMOs can encourage investment.

Policy Recommendations for OIC Member States

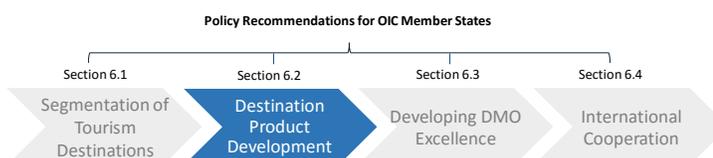| Section 6.1	Section 6.2	Section 6.3	Section 6.4
Segmentation of Tourism Destinations	Destination Product Development	Developing DMO Excellence	International Cooperation

The recommendations in the tables below are based on each country's available resources, where they are in their destination life cycle, with consideration to their tourism budget.

Table 31: Recommendations for Countries in the Discovery/Exploration – Involvement Phases (New Destination)

Type of Resource	Recommendation
Natural and cultural resources	LOW: Since these resources are beyond the control of destination managers as it is difficult to develop new natural and cultural resources, focus should be placed on developing activities since these are within the control of destination managers. Also, when a country is low in cultural natural resources, it is important to focus on the living culture and the lifestyle of the local community - why do locals live where they live and why. Destination managers should position their destination as a lifestyle destination with a special focus for example on gastronomy, spa, the event calendar, modern design etc..
	HIGH: • Improve facilities and available amenities at heritage and natural sites • Implement measures to protect the resources. Although resource degradation is not at the forefront of concerns for new destinations, it is important to start implementing measures early as degradation happens gradually and starts at a low level of impact, but increases dramatically in the more developed stages of the life cycle. EXAMPLES: Azerbaijan, Nigeria
Activities	LOW: Activities are within the control of destination managers. Countries with natural and cultural resources should develop activities around those resource, which can be in the form of events or festivals or experiential activities. Entertainment events can include live shows. Countries that have low natural and cultural resources should especially focus on developing activities and events.

	A non-profit in Providence, Rhode Island in the United States, developed an attraction in the form of a sculpture that consists of over 100 sparkling bonfires along the rivers of downtown Providence, around which it developed monthly events, during which the bonfires are activated and there is music from around the world. The attraction/event helped solidify Providence's reputation as an arts and cultural hub. Average attendance is 40,000 per night, which results in significantly increased business for hotels and restaurants during the event. Even countries with a high level of natural resources need to develop activities around these resources. Azerbaijan for example is rich in natural resources, as it has both historic monuments, as well as nature-related resources, however there are limited activities involving the main tourist attractions. For example, there is a Burning Mountain (Yanardaq) with fires emerging from the ground for thousands of years. It is a unique natural attraction but there is not much for tourists who travel one hour from Baku to do beyond admiring the phenomena and taking pictures.[411] Countries with a high tourism budget can develop mega events and entertainment attractions. During the Dubai Shopping Festival in 2001, to create buzz and attract visitors, every day for the duration of the month-long festival, a Rolls Royce was given away in a raffle draw. More recently, Dubai has opened several theme parks including IMG Worlds of Adventure, Dubai Parks and Resorts, Legoland, and others to attract family-friendly tourism. EXAMPLES: Azerbaijan, Nigeria
	HIGH: It is less likely that new destinations have high levels of activities. Destinations with high levels of activities need to continue re-inventing themselves and adding new activities to encourage repeat visitors. It is important to monitor and maintain a high level of quality in both the product and services related to it, as well as to track visitor satisfaction and needs.
Linkages	**LOW:** Linkages involve immigrants returning to their home country to visit family and friends, business trips as well as religious trips. In case of low linkages, DMOs can encourage immigrants to visit their home country by developing relevant tour packages for visitors and their families and promoting them through other social media. This will allow locals to reach out to their immigrant family and friends to encourage them to visit. The Italian region of Umbria lacked a regional website for a long time. As a result, citizens became active on Facebook and created Facebook groups to promote the

[411] Azerbaijan case study

	region. The stakeholders and local community are taking it on themselves to tell others about the beauty of their region.[412]
	HIGH: In case of high levels of visitation from immigrants who come back to visit family and friends, destinations can offer attractions at discounted rates if visiting with a local, with locals entering attractions for free or at highly discounted rates. This will encourage the locals to take their visitors to the attractions since they are at a low (or no cost) to them. A country, that receives business travelers, such as Nigeria, where 90% of hotel stays in Lagos are related to business trips[413], can offer short tour packages so the rest of the industry (and not just hotels, restaurants and convention centers) benefits from the visit. In the case of Nigeria, capitalizing on business travelers, will encourage investors to further build tourism facilities that will help attract leisure travelers. EXAMPLES: Azerbaijan, Nigeria
Tourism Super-structure	LOW: Superstructures such as accommodation facilities, transportation facilities and attractions are elements that destination managers can control, however they require investments. In a country like Nigeria where transportation facilities and attractions are low due to lack of funding, it is recommended to focus on adventure travel and attract that segment of travelers who are interested in going to new undiscovered places. EXAMPLES: Azerbaijan, Nigeria
	HIGH: Countries with high superstructures should continue to maintain them as well as address any future needs.

Source: DinarStandard analysis

Table 32: Recommendations for Countries in the Development Phase (Growing Destination)

Type of Resource	Recommendation
Natural and cultural resources	LOW: Since these resources are beyond the control of destination managers, focus should be placed on developing activities since these are within the control of destination managers. Also, as mentioned in the Discovery/Exploration – Involvement Phases, when a country is low in cultural natural resources, it is important to focus on the living culture and the lifestyle of the local community - why do locals live where they live and why. Destination managers should position their destination as a lifestyle destination with a special focus for example on gastronomy, spa, the event calendar, modern design etc. EXAMPLES: Dubai

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[412] Interview with Founder and Director of Tourism Marketing Concepts
[413] Interview with President/Founder, Nigeria Hotel and Tourism Investment Conference

	HIGH: • Improve facilities and available amenities at heritage and natural sites • Implement measures to protect the resources. Although resource degradation is not at the forefront of concerns for growing destinations, it is important to start implementing measures early as degradation happens gradually and starts at a low level of impact, but increases dramatically in the more developed stages of the life cycle.
Activities	LOW: Activities are within the control of destination managers. Countries with natural and cultural resources should develop activities around those resources. Activities can be in the form of events or festivals or experiential activities. Entertainment events can include live shows. In fact, creating events and entertainment attractions is the new focus of modern DMOs, who are moving away from relying on inherited attractions to developing their own. Countries that have low natural and cultural resources should especially focus on developing activities and events. Even countries with a high level of natural resources need to develop activities around these resources. Azerbaijan for example is rich in natural resources, as it has both historic monuments, as well as nature-related resources, however there are limited activities involving the main tourist attractions. For example, there is a Burning Mountain (Yanardaq) with fires emerging from the ground for thousands of years. It is a unique natural attraction but there is not much for tourists who travel one hour from Baku to do beyond admiring the phenomena and taking pictures. Countries with a high tourism budget can develop mega events and entertainment attractions.
	HIGH: Destinations with high levels of activities need to continue re-inventing themselves and adding new activities to encourage repeat visitors. It is important to monitor and maintain a high level of quality in both the product and services related to it, as well as to track visitor satisfaction and needs. Examples: Dubai
Linkages	LOW: Linkages involve immigrants returning to their home country to visit family and friends, business trips as well as religious trips. In case of low linkages, DMOs can encourage immigrants to visit their home country by developing relevant tour packages for visitors and their families and promoting them through Facebook and other social media. This will allow locals to reach out to their immigrant family and friends to encourage them to visit. Examples: Dubai

	HIGH: In case of high levels of visitation from immigrants who come back to visit family and friends, can offer attractions at discounted rates if visiting with a local, with locals entering attractions for free or at highly discounted rates. This will encourage the locals to take their visitors to the attractions since they are at a low (or no cost) to them. A country, that receives business travelers, such as Nigeria, where 90% of hotel stays in Lagos are related to business trips[414], can offer short tour packages so the rest of the industry (and not just hotels, restaurants and convention centers) benefits from the visit. In the case of Nigeria, capitalizing on business travelers, will encourage investors to further build tourism facilities that will help attract leisure travelers.
Tourism Super-structure	LOW: Superstructures such as accommodation facilities, transportation facilities and attractions are elements that destination managers can control, however they require investments.
	HIGH: Countries with high superstructures should continue to maintain them as well as address any future needs. Examples: Dubai

Source: DinarStandard analysis

Table 33: Recommendations for Countries in the Consolidation – Stagnation Phases (Developed)

Type of Resource	Recommendation
Natural and cultural resources	LOW: Since these resources are beyond the control of destination managers, focus should be placed on developing activities since these are within the control of destination managers. Also, when a country is low in cultural natural resources, it is important to focus on the living culture and their lifestyle: Why do locals live where they live and why. Destination managers should position their destination as a lifestyle destination with a special focus for example on Gastronomy, spa, the event calendar, modern design etc..
	HIGH: In the more developed stages of the tourism life cycle degradation of resources usually happens at a rapid rate due to over-tourism, if not properly managed. • Forecast demand by establishing data systems that compile data on a regular basis on arrivals growth (an increasing growth rate could strain destinations that are already overcrowded), density of tourism (number of visitors per square kilometer) in both the destination as well as at specific sites, tourism intensity (number of visitors per resident), arrival seasonality (difference in arriving-flight seats between high and low months. Encourage data sharing by stakeholders and share aggregated statistics as it will benefit the entire value chain.[415] • Implement measures to prevent/manage overtourism which can result in an unpleasant experience for tourists, inconvenience the local community, and damage natural and cultural resources. Such measures include

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[414] Interview with President/Founder, Nigeria Hotel and Tourism Investment Conference
[415] Dichter, A., & Guevara Manzo, G. (2017). *Coping with Success – Managing Overcrowding in Tourism Destinations*. 30–31.

	o Studying carrying capacity for various parts of the destination and put limits in place to avoid overcrowding (which may include limiting hotel building or Airbnb licenses or other restrictive measures) o Raise pricing to attractions during peak times and offer discounted rates during slower times o Limit access to certain activities. For example, Amsterdam banned the opening of additional tourist-focused shops, such as souvenir shops, fast-food restaurants and bike rental companies[416]. Also, Disney World closes its gates a few times a year when it reaches maximum capacity o Implementing littering policies for beaches/parks and make sure there are enough waste bins in place. o Investing in ticketing/access solutions to help manage foot flow and reduce queuing at attractions. o Pushing for environmental policies (which may include solar/wind/water conservation) to protect clean air, reefs, beaches, forests, rivers, lakes etc. o Educating locals (and resident groups) about these policies and the importance of protecting accesses and improving the visitor experience. [417] • Provide incentives to tourism companies that implement "green" measures EXAMPLES: Turkey
Activities	LOW: Activities are within the control of destination managers. Countries with natural and cultural resources should develop activities around those resources. Activities can be in the form of events or festivals or experiential activities. Entertainment events can include live shows. Countries that have low natural and cultural resources should especially focus on developing activities and events.
	HIGH: Destinations with high levels of activities need to continue re-inventing themselves and adding new activities to encourage repeat visitors. It is important to monitor and maintain a high level of quality in both the product and services related to it, as well as to track visitor satisfaction and needs. Activities, including entertainment and events should be developed for less popular areas. EXAMPLES: Turkey
Linkages	LOW: In case of low linkages, DMOs can encourage immigrants to visit their home country by developing relevant tour packages for visitors and their families and promoting them through Facebook and other social media. This will allow locals to reach out to their immigrant family and friends to encourage them to visit.
	HIGH: Linkages involve immigrants returning to their home country to visit family and friends, business trips as well as religious trips.

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[416] Interview with head of Amsterdam Marketing
[417] Interview with Doug Lansky, destinations consultant, travel writer, and keynote speaker

	In case of high level of visitation from immigrants who come back to visit family and friends, DMOs can offer attractions at discounted rates if visiting with a local, with locals entering attractions for free or at highly discounted rates. This will encourage the locals to take their visitors to the attractions since they are at a low (or no cost) to them. A country, that receives business travelers, such as Nigeria, where 90% of hotel stays in Lagos are related to business trips[418], can offer short tour packages so the rest of the industry (and not just hotels, restaurants and convention centers) benefits from the visit. In the case of Nigeria, capitalizing on business travelers, will encourage investors to further build tourism facilities that will help attract leisure travelers. EXAMPLES: Turkey
Tourism Super-structure	LOW: It is highly unlikely that developed destinations have low superstructures.
	HIGH: Countries with high superstructures should continue to maintain them as well as address any future needs. EXAMPLES: Turkey

Source: DinarStandard analysis

Product Development Process

The process of developing new products involves the following:

- Engage with stakeholders including the local community, government officials, the tourism industry, and visitors to determine the type of products that are needed. This can be in the form of surveys, focus group discussions, and town hall meetings
- Conduct feasibility studies on the proposed products to determine costs involved, sources of funding and potential revenue as well other intangible benefits
- Rally the community, politicians and the tourism industry around the proposed product to get their support
- Collect the funding required for the destination, whether it's through government funding, industry funds or another source
- Build the product. Once it has been built, train the staff, promote the product through an integrated marketing campaign.
- Conduct on-going assessments to determine the return-on-investments, gather stakeholder feedback
- Implement on-going improvements to the product based on feedback

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[418] Interview with President/Founder, Nigeria Hotel and Tourism Investment Conference

A DMO in a small town outside of Dallas, Texas developed a vintage railroad as the anchor attraction for the destination. In an effort to create a unique destination experience in order to compete with other well-established destinations in the region, the Grapevine CVB developed the Grapevine Vintage Railroad, which is now managed by the DMO. The process of establishing the railroad started first with engaging the community and politicians and selling them on the benefits that increased tourism would provide to the community. Community and political support resulted in the establishment of a tourism/economic development fund, through a room tax and sales tax allocation to support destination development and marketing. The DMO then established a local foundation to raise the capital required to purchase the railroad assets and pay for access to the track. The Grapevine Vintage Railroad which opened in 1993, now carries about 100,000 riders each year. In addition, the DMO introduced a variety of activities that are part of the attraction, including food, wine and music related activities, as well as children and family activities.[419]

Facilitating Investment

DMOs should lobby the government to provide incentives to potential investors to encourage the development of products needed at the destination.

Guam needed additional hotels to accommodate the growing number of visitors. In response, the local government released a Hotel Qualifying Certificate Program about two years ago, that allows hospitality investors to get 10% of their hotel investment back through tax rebates from the government over the life of the property.[420]

In Pawtucket, Rhode Island, public investment in infrastructure helped the destination attract private investment. The federal government invested $21 million in the Blackstone Valley after it designated the area a National Heritage Corridor because of its historic significance as the birthplace of the American Industrial Revolution. The federal investment in the region has attracted over $73.5 million in private funds. Private investors interested in historical buildings preservation bought several buildings in Blackstone Valley's historic district.[421]

Cross River State in Nigeria has a Tourism Investors Association whose members are tourism investors. The Cross River Tourism Bureau works with them to help them further understand tourism needs and direct them to develop required tourism products.[422]
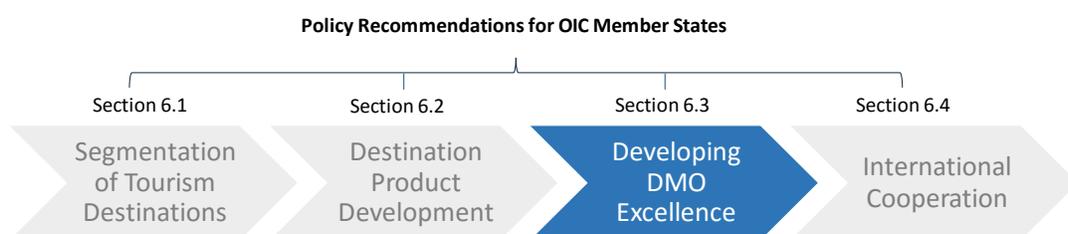
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[419] Destinations International (2017). *Destination NEXT Practice Handbook.* 1-89.
[420] Interview with President and CEO, Guam Visitors Bureau
[421] Pike, S. (2008). *Destination Marketing: an Integrated Marketing Communication Approach.* London: Routledge.
[422] Interview with Managing Director, Cross River Tourism Bureau

6.3   Recommendations for Developing DMO Excellence

Policy Recommendations for OIC Member States

Section 6.1	Section 6.2	Section 6.3	Section 6.4
Segmentation of Tourism Destinations	Destination Product Development	Developing DMO Excellence	International Cooperation

Local and regional DMOs should be established as public-private partnerships with a Board including the relevant stakeholders and responsible for destination branding and promotion.

DMOs should coordinate stakeholders and monitor product and service quality as well as their funding sources should be diversified, from both tourism taxes and self-funding.

Table 34: Recommendations for Countries in the Discovery/Exploration – Involvement Phases (New Destination)

DMO Characteristics		Recommendation
Operating Parameters	**Legal Form**	• Public-Private • Board (stakeholders, community representatives. Stakeholder and community representation on the Board will realistically be low in new destinations).
	Geographic Scope	National, regional and local In case of only NTOs being in place, efforts should be made to establish regional and local DMOs
Governance Models	(High centralization – Low Centralization)	Highly centralized model
Stakeholders	Local tourism industry	New tourism destinations will typically have low stakeholder engagement since the industry isn't develop yet. However, DMOs may focus on a few pioneering stakeholders from across industry sectors and engage with them as well as coordinate their efforts
	Public tourism institutions (attractions, recreation facilities, transport services)	
	Government bodies	
	Universities	
	Professional associations	• Engage through meetings, surveys, social media, e-newsletters, website
	Tourists	• Coordinate collaboration among stakeholders
	Local community	• Create stakeholder committees
DMO Activities	Marketing	• Destination branding and promotion (digital campaigns, social media, influencer, print, TV ads, PR, fam trips) • Oversee products developed by stakeholders to ensure adherence to the destination's brand • Focus on keeping the destination unique
	Operational	• Support tourism industry, coordinate stakeholders, manage visitor experience

	Strategic	• Have a long-term plan in place to manage tourism resources to avoid negative impact • Monitor product and service quality (through mystery shopping, visitor surveys, and focus group discussions) • Produce annual report to provide visibility on how funding was allocated and to report on performance against KPIs • Prepare a crisis management plan
Funding		• Diversify funding sources. Try to receive a combination of direct government and funding, funding from tourism taxes

Source: DinarStandard analysis

Table 35: Recommendations for Countries in the Development Phase (Growing Destination)

DMO Characteristics		Recommendation
Operating Parameters	**Legal Form**	• Public-Private • Board (stakeholders, community representatives)
	Geographic Scope	National, regional and local
Governance Models	(High centralization – Low Centralization)	Highly centralized model, with strong emphasis on making sure interests of stakeholder are represented
Stakeholders	Local tourism industry	• Engage through meetings, surveys, social media, e-newsletters, website • Coordinate collaboration among stakeholders • Create stakeholder committees • Allocate staff to manage stakeholder relations • Balance addressing the needs of different stakeholders, and avoid favoring one group over the rest.
	Public tourism institutions (attractions, recreation facilities, transport services)	
	Government bodies	
	Universities	
	Professional associations	
	Tourists	
	Local community	
DMO Activities	Marketing	• Destination branding and promotion (digital campaigns, social media, influencer, print, TV ads, PR, fam trips) • Oversee products developed by stakeholders to ensure adherence to the destination's brand • Focus on keeping the destination unique • Developed destinations should continue developing products to rejuvenate their offerings
	Operational	• Support tourism industry, coordinate stakeholders, manage visitor experience
	Strategic	• Control negative impact on tourism resources and manage overcrowding

		• Monitor product and service quality (through mystery shopping, visitor surveys, and focus group discussions) • Produce annual report to provide visibility on how funding was allocated and to report on performance against KPIs • Prepare a crisis management plan
Funding		• Diversity funding sources. Try to receive a combination of direct government funding, funding from tourism taxes, and funding from local businesses • As destinations become more developed, DMOs should increasingly rely on self-funding. Examples of self-funding include advertising revenue from both print as well as the DMO's website, membership revenue from fees charged to companies, revenue from selling city passes online as well as commission from ticket sales.

Source: DinarStandard analysis

Table 36: Recommendations for Countries in the Consolidation – Stagnation Phase (Developed)

DMO Characteristics		Recommendation
Operating Parameters	**Legal Form**	• Public-Private • Board (stakeholders, community representatives. It is important to ensure a balanced representation of the industry on the board to avoid focusing on the interests of a few stakeholders.)
	Geographic Scope	National, regional and local
Governance Models	(High centralization – Low Centralization)	Some aspects of de-centralization may be considered, in terms of stakeholders having some decision-making power
Stakeholders	Local tourism industry	DMOs should coordinate collaborations among stakeholders that benefit the destination. To achieve that, they should create platforms that facilitate engagement, such as stakeholder meetings and seminars, a digital portal. They should also allocate staff to manage stakeholder relations. • Engage through meetings, surveys, social media, e-newsletters, website • Create stakeholder committees • Allocate staff to manage stakeholder relations • Balance addressing the needs of different stakeholders, and avoid favoring one group over the rest
	Public tourism institutions (attractions, recreation facilities, transport services)	
	Government bodies	
	Universities	
	Professional associations	
	Tourists	
	Local community	
DMO Activities	Marketing	• Destination branding and promotion (digital campaigns, social media, influencer, print, TV ads, PR, fam trips)

		• Oversee products developed by stakeholders to ensure adherence to the destination's brand • Focus on keeping the destination unique • Developed destinations should continue developing products to rejuvenate their offerings
	Operational	• Support tourism industry, coordinate stakeholders, manage visitor experience
	Strategic	• Control negative impact on tourism resources and manage overcrowding • Monitor product and service quality (through mystery shopping, visitor surveys, and focus group discussions) • Produce annual report to provide visibility on how funding was allocated and to report on performance against KPIs • Prepare a crisis management plan
Funding		• Diversity funding sources. Try to receive a combination of direct government funding, funding from tourism taxes, and funding from local businesses • The DMOs of developed destinations should increasingly rely on self-funding, which includes advertising revenue, membership dues, and revenue from selling city passes online as well as commission from ticket sales.

Source: DinarStandard analysis

Operating Parameters:

Legal Form:
It is advised that destinations at different levels of the tourism life cycle develop DMOs that are public-private, which is the most common legal structure in developed destinations. In this type of legal structure DMOs usually receive funding from the government and report to the government, while maintaining a non-profit, non-governmental status. The boards usually consist of industry players. This legal structure allows DMOs to take swift actions, while at the same time being monitored by the government. It also allows for stakeholders to be well represented and encourages collaboration among stakeholders.

Operating Parameters	Legal Form (Public – Private – Public-Private Partnership)		
	Geographic Scope (National – Regional – Local)		
Governance Models	(High centralization – Low Centralization)		
Stakeholders	Local tourism industry		
	Public tourism institutions (attractions, recreation facilities, transport services)		
	Government bodies		
	Universities		
	Professional associations		
DMO Activities	Marketing		
	Operational		
	Strategic		
Funding			

The organizational structure of a DMO should also be conducive to accountability. A board formed of industry stakeholders and community representatives should be in place to oversee performance and take part in major decision-making. It is important however to ensure a balanced representation of the industry on the board to avoid focusing on the interests of a few stakeholders.

When appropriate the board may include elected officials which allows for better collaboration and gives the DMO more lobbying power when it comes to legislation.

Great Lakes Bay, a regional DMO that covers six destinations in Michigan, identified elected officials and representatives from organizations that complement their tourism efforts, such as local chambers of commerce, and economic development corporations, and invited them to serve on the DMO's board. Its collaboration with government officials and chambers of commerce gave the DMO a voice regarding legislative issues important to tourism.[423]

The DMO should have an Executive Director or Chief Executive Officer who is responsible for day to day decision making, and who reports to the board, and to whom each of the department heads reports. In terms of the departments within the DMO, they need to reflect the activities for which the DMO is responsible. If the DMO is responsible for promotion, product development, as well as marketing, then each should be a separate department with distinct performance metrics. The management side needs to look out for sustainability issues and serve as stewards of the culture and environment to make sure there is a good destination for generations to come.

Consider this example of a sea-side destination with good diving/snorkeling. It is costlier to educate local excursion boats about protecting the reef and putting underwater rangers on popular sites to help project the reefs, and many local visitors might find it slightly annoying that they need to keep a safe distance of a few meters from the reef and never touch it. For marketers who are tasked with attracting more visitors, this becomes a low priority. But in the long run, protecting the reef will ensure its continued success. If this management is simply under the wing of the marketing department, it may feel in the short run like the tourism management division is upsetting the visitors by not letting them touch the corals and using a considerable part of the "marketing budget" for things that are not helping the marketing team reach their sales goals. Therefore, each need to be separate but equal divisions with their own staff and budget. If anything, the management side (when taking decisions to protect the culture/environment) should take precedence over the marketing decisions. Barcelona has led the way with this. Their tourism management team has a separate budget in a separate building with its own staff.[424]

The number of staff employed in a DMO is determined by budget, but does not necessarily reflect on the success of the DMO. There are examples of successful DMOs with small staff that can maximize coordination with stakeholders to achieve great results.

DMOs may employ a limited number of staff members and outsource additional work as well as rely on volunteers, in the case of events.

Guam Visitors Bureau employs 35 staff members, but subcontracts most of the services to contractors to avoid the overhead, while the internal staff focuses on administration.[425]

To be successful in product development, the product development team needs to include people who have an urban planning background or an economic development background.[426]

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[423] Destinations International (2017). *Destination NEXT Practice Handbook.* 1-89.
[424] Interview with Doug Lansky, destinations consultant, travel writer, and keynote speaker.
[425] Interview with President and CEO, Guam Visitors Bureau
[426] Interview with Vice President, Destinations International

DMOs require legislation to be issued to govern setting up the DMO, define its authority, accountability and source of funding.

Geographic Scope:

The geographic scope of a DMO depends on the size of the country and the distinct destinations within the country. Large countries with distinct destinations should have a national tourism organization (NTO), regional tourism organizations (RTO)s, in addition to city- or town-level DMOs.

Operating Parameters	Legal Form (Public – Private – Public-Private Partnership)
	Geographic Scope (National – Regional – Local)
Governance Models	(High centralization – Low Centralization)
Stakeholders	Local tourism industry
	Public tourism institutions (attractions, recreation facilities, transport services)
	Government bodies
	Universities
	Professional associations
DMO Activities	Marketing
	Operational
	Strategic
Funding	

It is not advised that destinations rely only on NTO's without having regional or local DMOs as regional and local DMOs are better able to work closely with stakeholders and focus on the unique characteristics of their destination.

Azerbaijan relies on its NTO for product development and promotion. It is advised that it also develop regional and local DMOs to better address the unique needs of each of its destinations. However, the challenge is that, apart from hotels and airline office, the tourism industry is concentrate in Baku, the capital.[427]

To establish regional and local DMOs in Azerbaijan, the following steps need to be taken: changes to legislation need to be introduced that allow the establishment of public-private DMOs. The allocation of public funds need to be stipulated in these laws, in addition to laws related to local funding source (such as a hotel room tax). The responsibilities and authority of the DMOs, in addition to organizational structure need to be clearly identified. One challenge will be sourcing qualified staff for the DMOs as there are a limited number of tourism professionals outside of Baku.[428] Possible solutions include hiring managerial staff from Baku, while providing training to local staff. To succeed, these DMOs need to be given the authority and budget to develop projects at their destinations. There also needs to be a high level of coordination between the NTO and regional/local DMOs.

Governance Models

Governance models can be either highly centralized, in which one entity creates a network of relationships with other stakeholders but manages the destination by itself; or decentralized, in which all tourism providers are on equal footing and follow their own strategies.

Operating Parameters	Legal Form (Public – Private – Public-Private Partnership)
	Geographic Scope (National – Regional – Local)
Governance Models	(High centralization – Low Centralization)
Stakeholders	Local tourism industry
	Public tourism institutions (attractions, recreation facilities, transport services)
	Government bodies
	Universities
	Professional associations
DMO Activities	Marketing
	Operational
	Strategic
Funding	

For new destinations that are in the Discovery/Exploration – Involvement phases, it is best to follow a corporate model, where the DMO makes sure all the interests of stakeholders are represented and establishes clear processes for the industry and ensures regulations are in place. The rationale is that industry players in new destinations are usually small and fragmented and need a strong industry

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[427] Azerbaijan case study
[428] Ibid.

leader to develop a clear strategy, set operating parameters and establish regulations, while supporting the interests of stakeholders.

More developed destinations, in the Development or Consolidation/Stagnation phases may consider a community model, in which the DMO structure and operations are defined and can be modified by its members. Examples of this model are DMOs in Barcelona and Berlin.

Stakeholders

DMOs should engage with and coordinate stakeholders. These stakeholders include local tourism companies, public attractions and facilities, government bodies, professional associations and universities, in addition to tourists and the local community. Since the interests of stakeholders differ, it is important for the DMO to balance addressing the needs of the different stakeholders without compromising those of others. In most DMOs, the hospitality sector tends to be the most powerful and most vocal, given that a large part of most DMOs' funding comes from the room tax. The DMO should also play a central role in coordinating collaborations among stakeholders that benefit the destination. To achieve that, it should create platforms that

Operating Parameters	**Legal Form** (Public – Private – Public-Private Partnership)		
	Geographic Scope (National – Regional – Local)		
Governance Models	(High centralization – Low Centralization)		
Stakeholders	Local tourism industry		
	Public tourism institutions (attractions, recreation facilities, transport services)		
	Government bodies		
	Universities		
	Professional associations		
	Tourists		
	Local community		
DMO Activities	Marketing		
	Operational		
	Strategic		
Funding			

facilitate engagement, such as stakeholder meetings and seminars, a digital portal. It should also allocate staff to manage stakeholder relations.

In terms of the level of engagement with stakeholders (refer to chapter 2 for a diagram on the engagement levels), all stakeholders should be informed of updates; stakeholders that are essential for the success of the destination should be consulted, involved, and there should be collaboration on projects that benefit the destination.

DMOs should use e-newsletters, the DMO website, as well as informational seminars to inform stakeholders of happenings. For consultation and involvement, DMOs should use surveys and focus group sessions, and workshops. For collaboration, DMOs should create special committees that include stakeholders, as well as include stakeholders in joint planning and strategy formulation sessions. They may also use social media groups, such as WhatsApp or Facebook groups.

In Spain stakeholder engagement is common in the form of consortiums, which include representatives across stakeholder groups and local government agencies (such as the Consortium of Tourism of Cordoba).[429]

Below are details on the purpose and means of the interactions with each of the stakeholder groups.

Local tourism industry

The local tourism industry, which is comprised of travel agencies/tour operators, accommodation facilities, restaurants, private attractions, and private transport services, represents the core products available to visitors.

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[429] Interview with team member of Tourism Planning and Development, Patronato Provincial de Toursimo de Granada.

It is important to engage with stakeholder on an on-going basis through meetings as well as other forms of communication.

> Guam Visitors Bureau have 11 subcommittees that include both staff and stakeholders that meet monthly. Through the meetings the DMO updates the stakeholders on what it is doing and receives feedback from the stakeholders, which has resulted in a high level of engagement from the stakeholders which drives the DMOs success.

DMOs should share tourism market intelligence with stakeholders.

> Travel Oregon shares data about tourism source markets, average length of visit, reason for visit, average spend, source of information on Oregon, and what tourists post on social media. In addition, Travel Oregon created a collaborative platform to share tourism related data. The objective of the Oregon Tourism Information System is to streamline content management and communication and unify the efforts of the industry. The DMO plans to conduct training to stakeholders to increase awareness of the platform and to encourage its use.

The DMO should provide training to staff at attractions and lower-end hotels and restaurants to ensure visitors receive quality service.

> NYC & Company, the official DMO for New York City, educates tourism businesses on tourism marketing related topics. In 2015, it launched its Tourism Ready initiative, which is a series of five seminars that help small businesses position themselves within the travel industry. Topics included cross promotion, the packaging of goods and services, and how to better engage tourism trade such as tour operators and marketers to increase visitation and spending.

Travel Oregon developed a front-line staff training program as a response to industry requests. The Guest Service Gold program was developed in partnership with the Oregon Restaurant & Lodging Association Education Foundation.

The Guam Visitors Bureau does a lot of social media training as well as training around TripAdvisor for the industry. They are also preparing a Visitor Industry Professional program which is a series of two-minute videos that provide tourism professionals or people who want to get into tourism with bite-sized information on customer service, culture, and language skills.[430]

Public tourism institutions (attractions, recreation facilities, transport services)

Government bodies
Government bodies control regulation and oversee infrastructure development in a destination. It is important for DMOs to get a seat on the table when it comes to city planning so that their needs are considered.

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[430] Interview with President and CEO, Guam Visitors Bureau

Amsterdam Marketing works with the government of the city of Amsterdam, as well as the 32 smaller cities around it.[431]

Universities

Universities help provide human resource talent needed for the tourism workforce as well as providing research studies. DMOs should work closely with universities and advise them on the skills needed in the workforce. They can facilitate internship opportunities within the industry, which benefits the industry while training the future workforce.

Guam Visitors Bureau coordinates with the University of Guam and Guam Community College on skills needed in the workforce.[432]

In Europe, the presence of universities is helping destinations take advantage of their knowledge economy to promote a destination as a place for meetings and events.[433]

Professional associations

Working with professional associations such as hotel associations and travel agency associations is key in reaching industry players, especially smaller companies, since those companies form the membership base of these associations, and associations are usually able to rally their members around issues that benefit the destination. Associations can also provide valuable industry research.

Barcelona Activa established a tourism council that consists of six business associations, including the Spanish Travel Agencies Association, the hotels association as well as social and cultural entities and academic experts. The council meets periodically in plenary sessions, where they discuss planned activities and exchange suggestions. The DMO then considers the advice provided by the City Council.

Tourists

Tourists are ultimately the DMOs end customer. DMOs need to implement tools to listen to tourists and find out their needs. These can be in the form of focus groups, surveys or social media listening.

Guam Visitors Bureau conducts exist surveys with visitors leaving the territory.

In Cross River State in Nigeria, the state is on target to receive its targeted 1 million visitors in 2017, mainly due to large number of domestic travelers coming to attend popular festivals held at the destination, however, these visitors tend not to be repeat visitors because the tourism facilities available in the state are not up to standard.[434] Measures should be taken to listen to tourist complaints, find out their top needs, and find a way to address them.

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[431] Interview with CEO, Amsterdam Marketing
[432] Interview with President and CEO, Guam Visitors Bureau
[433] Interview with Vice President, Destinations International
[434] Interview with Managing Director, Cross River Tourism Bureau

Local community

Ignoring the needs of the local community can be perilous for the destination manager, because they constitute part of the appeal of the destination. Host community support is essential; therefore, it is important to manage their perception of tourism.

Guam Visitors Bureau's mission statement can be summarized as "Making Guam a Better Place to Live, Work and Visit". They believe they are responsible to maximize the benefit of tourism for the local people. In addition to conducting exit surveys at the airports for the key markets, they also survey the local community to get insights on their perceptions of tourism. The Bureau also conducts economic surveys to see how tourism is benefiting the economy.[435]

Travel Oregon's mission statement is "We inspire travel that drives economic development…." which embodies its focus on developing the local economy through strengthening the local tourism industry.

Go Great Lakes Bay conducts surveys to find out the local community's opinion on where tourism should be located, where it should not be located, and what level of tourism is considered acceptable, and at what level do they start to become offended by it, what kind of tourism development would benefit residents and what kind they do not want.[436]

The mission of Amsterdam Marketing is to make the city livable, lovable and prosperous for its inhabitants, visitors and the business community. The DMO has representatives from the community on their advisory board, with whom they discuss the needs of the community and plans for the city.[437]

DMOs should have an ongoing conversation with the local community about their needs, through focus group discussions, surveys, and meetings with community leaders, and incorporate those needs in their vision. Travel Oregon's vision statement indicates that it aims to achieve "a better life for all Oregonians through strong, sustainable local economies".

Barcelona Activa, which is the DMO for Barcelona, established a platform called City Council, where the local community, private stakeholders and the local government come together and discuss issues that affect each side and defend their interests to arrive at solutions that benefit the city as a whole.[438]

Developing projects that not only for visitors but benefit the local community is a win-win. Great Lakes Bay in Michigan invested $1.2 million to improve the quality of life and increase tourism in a poverty-stricken area of the City of Saginaw in Michigan. Another project involved purchasing an aged property in the downtown area of the City of Midland, that would have otherwise been torn down, and converting it into a five-story mixed-use development.[439]

DMOs need to share with the local community the positive impacts of tourism on the community, including the economic impact, job creation, development of infrastructure, facilities and

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[435] Interview with President and CEO, Guam Visitors Bureau
[436] Interview with CEO, Go Great Lakes Bay
[437] Interview with CEO, Amsterdam Marketing
[438] Interview with Director of Tourism, Barcelona Activa
[439] Destinations International (2017). *Destination NEXT Practice Handbook.* 1-89.

activities that the local community can also enjoy. Communicate the positive impacts through press releases, social media, e-newsletters, workshops and meetings with community leaders. The Guam Visitors Bureau have partnerships with local media to cover their activities. They also run a television commercial campaign called "Tourism Works", which features different people from the community talking about how tourism benefits them.[440]

In addition, it is important for DMOs to manage overtourism as it negatively impacts the local community by affecting traffic, noise levels, and crime rates. In some instances, overtourism may lead to the de-population of certain neighborhoods or historical centers, which is the case in some parts of Barcelona.[441]

Amsterdam Marketing, which is the DMO for Amsterdam and the marketing organization for the city, does not do any active marketing anymore, instead they focus on spreading visitors to avoid overcrowding in certain parts of the city. They are trying to make the city bigger by focusing on the metropolitan areas around Amsterdam and trying to get people outside of the historical center. The DMO developed a marketing campaign that is funded by the city of Amsterdam as well as the 32 cities and towns surrounding Amsterdam to get people to go to the beach villages, which are about a half hour train ride away from Amsterdam. The city government of Amsterdam has regulations in place such as preventing the building of additional hotels in the city center, regulations on Airbnb, which limit renters to only rent their home for a maximum of 60 days throughout a year, they also must register their accommodation with the government. They also released a law limiting the number of tourist shops in the historic city center. Amsterdam Marketing advises new destinations to think ahead to avoid overtourism, and to avoid overdevelopment in the form of hotels and shops in the city center[442]

DMO Activities

The traditional role of DMOs has been to promote a destination and develop its branding. However, it is crucial that DMOs are also involved in product development and in lobbying for the industry. Below are the key roles DMOs should play:
Marketing - Promotion:

DMOs should be responsible for developing the branding of the destination and for promoting the destination. In terms of branding, it is important for destinations to try to stand out by a few things that are unique to it rather than trying to become a place that has everything for everyone, because in the end they become similar to many destinations worldwide. In terms of promotion, special focus should be given to digital marketing campaigns, including social media and influencer campaigns. Traditional, above the line, advertising tools such as television advertising and print ads, can still be used, but a larger share of the budget can be allocated to more cost effective digital advertising, including YouTube ads, which can now replace television advertising. Additionally, below the line tools such as trade show participation, public relations activities, familiarization trips, are all important to implement. It is important that DMOs educate the industry on the destinations branding and share marketing collateral to ensure the integrity of the brand.

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[440] Interview with President and CEO, Guam Visitors Bureau
[441] Interview with Director of Tourism, Barcelona Activa
[442] Interview with CEO, Amsterdam Marketing

The tourism industry can also play an important role in supporting DMOs in promoting their destinations. As mentioned earlier in the study, Emirate Airlines is instrumental in promoting Dubai as a destination. it implemented joint marketing campaigns and familiarization tours with Dubai's Department of Tourism and Marketing. The airline also encouraged visitors to go to Dubai by providing complimentary room nights and theme park tickets.

Marketing – Product Development:

Product development is an important role that DMOs need to play. This is usually best done in collaboration with the industry, but should be overseen by the DMO to ensure they adhere to the destination's brand. Products can include facilities, events, transportation, and attractions. It's important for DMOs to provide direction in terms of the focus of the destination. For example, a destination that decides to focus on wellness, should encourage stakeholders for example to build a spa, a yoga studio, or enhance hiking trails, but not a go-kart track.

In terms of private stakeholders creating their own attractions, it is especially important for the DMO to be involved to ensure that the overall brand of the destination is reflected.

The Guam Visitors Bureau uses about $5 million of their $13.5 million budget and nearly half of their staff to make the destination more appealing. This includes cleaning the most popular beaches to a higher "tourist standard" than the city was doing. They did some beautification landscaping projects in popular areas, added bus shelters after visitors complained about standing in the hot sun, and even helped pay for a new museum. They believe that their best marketing is still word of mouth, and these improvements have contributed to their popularity.[443]

Even developed destinations need to continue developing new products because consumers are accustomed to new products rolling out all the time as they are with new phones and cars and rides at theme parks, they expect destinations to refresh themselves at a higher rate to give people a reason to return, which means development is playing a larger role.[444]

In developing new products, it is important to focus on keeping the destination unique, since travelers go somewhere to experience something different that they do not have at home. Instead of opening more franchises like McDonald's, Starbucks, H&M, Hilton, Sheraton, etc., focus on building local brands. Even consider banning franchises from the historic part of town.

To have a say in product development, DMOs need to make sure they are part of the conversation when civic leaders are planning how the community is going to be development in the next 20 years.[445]

DMOs need to provide incentives to the industry to develop products needed by the destination.

In the case of Cross River State in Nigeria, the problem is that it lacks good infrastructure, such as roads to reach sites and attractions, issues with regular electricity and fresh water supplies. It

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[443] Interview with President and CEO, Guam Visitors Bureau
[444] Interview with Doug Lansky, destinations consultant, travel writer, and keynote speaker
[445] Interview with Vice President, Destinations International

lacks proper facilities at visitor attractions. This results in visitor dissatisfaction and loss of repeat visitors.[446]

Operational:

DMOs are responsible for managing the visitor experience, stakeholder coordination and industry support.

DMOs have traditionally managed visitor information centers, however, in today's digital age, these centers can be easily replaced by websites and social media presence.

Stakeholder engagement has been discussed in the previous section on stakeholders. It is important to support the industry by providing information, training programs, and sharing investment opportunities.

Strategic:

DMOs are responsible for resource stewardship, monitoring and evaluation, and crisis management. In terms of resource stewardship, it is important that DMOs manage a destination's resources to minimize negative impact on resources. They need to estimate supply and demand and prevent over-crowding, which puts a strain on resources. DMOs also need to monitor product and service quality. This can be done through mystery shopping as well as visitor surveys and focus group discussions.

To ensure DMO accountability, it is important to have a monitoring and reporting system. DMOs should be required to produce annual reports that provide full visibility on how their funding was allocated, report on performance based on pre-determined KPIs, and discuss plans for the following reporting period. This should be submitted to the government but also be available to stakeholders, including the public.

In Azerbaijan, where the Tourism Ministry acts as the NTO, there are no measurements of efficiency of marketing and product development projects. Such measures need to be in place to enhance the general accountability of the NTO and improve performance.[447]

In addition, audit mechanisms need to be put in place. In Spain, both Barcelona Activa and Tourism Granada have their accounts checked by comptrollers to ensure regulations are followed.

DMOs should have a crisis management plan to deal with crises that occur as a result of terrorist attacks or natural disasters. They should also have a plan to manage the media during and after the attack. Guam Visitors Bureau recently had to deal with the threat of an attack from North Korea. About one hundred media channels from around the world arrived in Guam to cover the news. The DMO was tasked with the job of communicating to the media that Guam continues to be a safe and peaceful destination. They also took this as an opportunity to educate people about the destination and about the thriving tourism industry and ultimately turned it into a positive situation.[448]

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[446] Interview with Managing Director, Cross River Tourism Bureau
[447] Azerbaijan case study
[448] Interview with President and CEO, Guam Visitors Bureau

DMO Funding

Having sufficient and sustainable funding is one of the main challenges of DMOs. Possible funding models are discussed in detail in Section 2.4.

Typically, DMOs either receive direct funding from the government or receive funding from a hotel room tax and membership fees, or a combination of all. Public DMOs typically receive funding from the government in addition to hotel room taxes. Whereas public-private DMOs mainly rely on the portion of hotel room taxes allocated to them in addition to membership fees, and revenue from sponsorships and promotional activities.

In general, it is best for a DMO to diversify its funding sources to ensure financial stability and to be better funded to support more projects. Ideally DMOs should receive a combination of direct government funding, funding generated from tourism taxes, such as the hotel room tax, as well as funding from local businesses, through membership fees, sponsorship, or joint funding for projects. As destinations become more developed, DMOs should increasingly rely on self-funding. Examples of self-funding include advertising revenue from both print as well as the DMO's website, membership revenue from fees charged to companies, revenue from selling city passes online as well as commission from ticket sales. In the US, several DMOs obtain additional revenue through ads on their website, in addition to attraction and activity bookings from the DMO website. However, these revenue source are supplementary and the main funding sources are tourism taxes and Tourism Improvement Districts (TIDs), which are discussed in detail in section 2.4.[449]

There is not one correct funding model as it depends on each country's overall tourism budget, legislation, willingness of the industry to support the DMO and other factors. However, it is not advised that the DMO generate revenue from selling products or services as this takes away from its core role and also creates a conflict of interest with the local tourism industry.

In the US, there are small DMOs like in Salt City, Utah, with a $6 million budget, while Houston, Texas has about a $75 million budget, while Las Vegas' budget is $260 million. They all do a good job, while there are bureaus that have a $75-100 million budget that do not do a good job, and it mostly comes down to leadership, and the leadership's ability to organize effectively, properly staff the DMO and garner community support. Destinations that seem to do the best often have extremely engaged communities.[450]

Cross River Tourism Bureau in Nigeria recently lost its government funding and is expected to run revenue-generating activities. It is also applying for international grants related to environmental conservation.

In Nigeria, the government released a law called the Tourism Development Levy Law, which made it mandatory for hospitality sector providers to charge an extra 5% of the consumer spend. These funds go into a government managed fund and are used for events, industry training, and other purposes.[451] However, it is clear from interviews with tourism stakeholders in Nigeria that

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[449] SimpleView provides a tool that allows DMOs to display relevant ads on their websites. They also offer a solution that allows DMOs to sell tickets to attractions, activities, and tours through their website.
[450] Interview with CEO, SimpleView
[451] Interview with Managing Director, Cross River Tourism Bureau

they feel burdened by additional taxes levied on them for various revenue generating activities. The government should consider other sources of funds to encourage the tourism industry.

Visit Myrtle Beach, the official DMO for Myrtle Beach in South Carolina needed an additional budget for destination marketing during a period of economic recession between 2008 and 2009, since its existing annual budget of $5 million was not sufficient. The DMO estimated that it needed between $25 to $35 million to allocate to marketing to remain competitive. Since local businesses were unable to provide additional investment support given they were going through the recession, Visit Myrtle Beach lobbied the state legislature and the local community to vote yes for a new sales tax to support tourism. To convince local residents and politicians, the DMO launched an awareness campaign on the value of tourism for all community stakeholders. The DMO also communicated the initiatives that would be delivered from the funds collected through the sales tax, which included activities that were beneficial to the community, such as creating new jobs, developing public infrastructure and social benefits. The 1% sales tax was approved and the funding was used for tourism promotion and tourism product development. Visit Myrtle Beach's budget reached $30 million in 2015. Annual visitors are up by 26% and lodging revenues have increased by 30%.[452]

In terms of Amsterdam Marketing, they receive an annual subsidy from the city of Amsterdam, which constitutes around a third of their income, the second third is from their partnership income, and the last third is from their commercial income.

In terms of budget distribution across the DMOs functions, this depends on each destination's needs and special circumstances. As a benchmark, a recent study by Destination Marketing Association International (DMAI), the "2015 DMO Organizational and Financial Profile Study" which consisted of a survey of 246 DMOs from the United States, Canada and Bermuda, indicated that about respondents allocated about 50% of their budget to marketing promotions programs, 37% to personal costs, and about 11% to administrative/general expenses.[453] Another example of funding allocation is Travel Oregon, which allocated 41% of its $75.7 million budget for 2017-2018 to global marketing, 36% on global strategic partnerships and partnership grants, 10% on administration and operations, 8% on global sales, and 5% on destination development.[454]

Key Performance Indicators (KPIs)
DMOs must have clear KPIs against which their success is measured, and through which areas needing improvement can be identified and addressed.

The following table lists KPIs, and is discussed in detail in Section 2.

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[452] Destinations International (2017). *Destination NEXT Practice Handbook.* 1-89.
[453] Destination Marketing Association International (2015). *DMO Organizational and Financial Profile Study.* 1-40.
[454] Oregon Tourism Commission *(2017). Travel Oregon Strategic Plan – Activating Explorers 2017-2019.* p. 16.

Table 37: DMO Key Performance Indicators

Measurement Approach/Model	KPI	Measurement
Visitor Metrics	Visit Statistics	Number of Visitors Average Length of Stay Tourist Spending
	ROI	Ratio of Visitor Spending to DMO Spending
Marketing Communications	Activity	Number of Programs/Campaigns Total Reach Total Frequency
	Performance	Advertising Awareness Brand Image Changes
	Productivity	Conversion Rates Cost-per-Conversion Rate Return on Investment
Consumer-Based Brand Equity (CBBE)	Brand Salience	Top of Mind Decision Set
	Brand Associations	Cognitive Attributes Affective perceptions
	Brand Resonance	Previous Visits Intent to Visit
	Brand Loyalty	Repeat Visits Word of Mouth Referrals
Organizational Effectiveness	Appropriateness of Objectives	Clarity of Objectives Feasibility of Objectives
	Achievement of Objectives	Progress towards Objectives
	Implementation Efficiency	Efficient Resource Allocation Cost-effectiveness
Stakeholder	Tourist Evaluation	Satisfaction with Access to Services Satisfaction with Accommodation Satisfaction with Transport
	Local Industry Evaluation	Satisfaction with Destination Promotion Satisfaction with Industry Support
	Local Community Evaluation	Satisfaction with Quality of Life

Source: DinarStandard analysis

Each of the metrics listed above is measured by different entities. For example, visitor metrics are gathered on an on-going basis by immigration officers as well as tourist intercept surveys. Visitor monitoring programs are currently used by DMOs in many destinations to track visitor arrivals.[455] Marketing promotions conversion rates and cost per conversion should be monitored by DMOs per campaign as well as on an annual basis and the results should be included in the DMOs annual report.[456] Consumer-Based Brand Equity (CBBE) is measured through primary research such as interviews, focus groups and surveys.[457] Organizational effectiveness is measured through an independent marketing audit.[458] Whereas stakeholder satisfaction is measured through surveys, including tourist satisfaction surveys.

In terms of consequences of poor performance, the metrics should be linked to the CEO's and staff's performance appraisals, with poor ratings resulting in disciplinary actions or termination.

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[455] Pike, S. (2008). *Destination Marketing: an Integrated Marketing Communication Approach.* London: Routledge.

[456] Destination Marketing Association International (2011). *Standard DMO Performance Reporting: A Handbook for DMOs.* 1-42.

[457] Pike, S. (2008). *Destination Marketing: an Integrated Marketing Communication Approach.* London: Routledge.

[458] Ibid.

Visitor Metrics:

Visitor spending is an especially important metric to measure. Revenue is a more important indicator than number of visitors, as a lower number of visitors with higher spending is more beneficial than a large number of visitors with lower spending. Therefore, before a destination tries to bring in more visitors, it is easier to get more money from the visitors who are already there.[459]

For Go Great Lakes Bay their main KPIs include total room nights and Room Tax and Assessment Revenue, which is generated from a 5% hotel tax that is charged on all lodging stays and is funneled to the DMMO.

Marketing and Communication:

Marketing promotions conversion rates, cost per conversion and return on investment are especially important metrics to measure.

Conversion rates measure actual sales that result from a certain promotion. Cost per conversion is calculated by dividing the cost of the marketing campaign by the number of conversions received.

Consumer-Based Brand Equity (CBBE)

The indicators for this metric measure factors related to the consumer's awareness and perception of the destination. It also takes into consideration repeat visits, which indicate product satisfaction, and which also represent a lower visitor acquisition cost.

Organizational Effectiveness:

This indicator relates to the achievement of objectives, and starts by setting SMART objectives, that are specific, measurable, achievable, relevant, and time-oriented. At the end of the time period for which the goals have been set, as well as at regular milestones, the achievement of the goals should be measured against the clear objectives.

Destinations International's Performance Reporting Handbook for DMOs lists the following productivity related metrics: (1) Personnel productivity metrics (number of leads and number of bookings per sales manager), (2) Cost productivity through the use of the cost productivity ratios. For example, cost per lead is measured by dividing the travel trade sales function direct and indirect operating costs by the number of leads.[460]

Stakeholder Satisfaction

DMOs should measure stakeholder satisfaction which includes visitors, the local community and the tourism industry. This can be done through surveys.

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[459] Interview with Doug Lansky, destinations consultant, travel writer, and keynote speaker
[460] Destination Marketing Association International (2011). *Standard DMO Performance Reporting: A Handbook for DMOs.* 1-42.

Guam Visitors Bureau measures visitor satisfaction through exit surveys at the airport. They also measure the attitudes of residents toward tourism through community surveys.

Additional KPIs

In addition to the above KPIs, Destinations International advises DMOs to measure the following: (1) Convention Sales Performance, (2) Travel Trade Sales Performance, (3) Marketing & Communications,
(4) Membership Performance, (5) Visitor Information Center Performance, (6) Return on Investment.

Travel Oregon's KPIs include statewide economic impact, which includes a goal of 1.75% increase in year-over-year lodging demand, supporting and empowering Oregon's tourism industry, the public's perception of Oregon's tourism industry, and internal business processes that includes ratings of fiscal processes from third-party evaluators, employee engagement, use of industry database by staff.[461]

It is also important that DMOs ensure sustainable destination competitiveness in the medium and long-term, so KPIs need to be in place to measure that. For example, if DMOs allow stakeholders to plow under forests to create golf courses, then they're not looking long term. Golf, for example, is decreasing in popularity worldwide.[462]
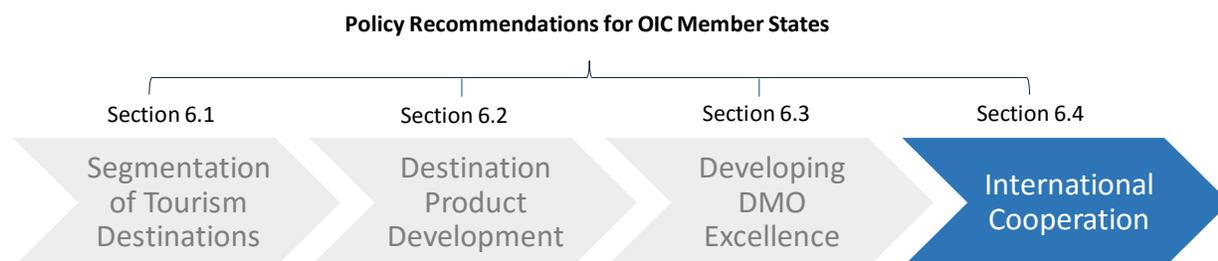
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[461] Oregon Tourism Commission (2017). *Travel Oregon Strategic Plan – Activating Explorers 2017-2019.* p. 16.
[462] Interview with Doug Lansky, destinations consultant, travel writer, and keynote speaker

6.4 Recommendations for Strategic Alliances

The Member Countries should consider running joint promotions and cross-marketing activities, as well as form strategic alliances with entities such as airlines.

International cooperation among the OIC countries in terms of destination development should focus on knowledge exchange, cross promotion of destinations. DMOs in the same region should consider pooling their resources for joint product development as well as for promoting the region as a whole.

Policy Recommendations for OIC Member States

Section 6.1 — Segmentation of Tourism Destinations

Section 6.2 — Destination Product Development

Section 6.3 — Developing DMO Excellence

Section 6.4 — International Cooperation

The national tourism boards of Namibia, Botswana and South Africa joined efforts and pooled resources for a campaign that promotes the region instead of individual countries since visitors to Africa may decide to visit more than one country. They are also working to put together policies where you can get one visa to visit five countries in the southern Africa region.[463] Similarly, Nigeria can join efforts with neighboring countries to jointly promote the region.

Even destinations that are not geographically close can benefit from cross-marketing initiatives.

The DMOs of New York City and Cape Town signed a city-to-city partnership to boost tourism between the two cities. In addition to the exchange of advertising assets, the two-year alliance involves sharing best practices, and providing joint offers to boost travel between the two cities. In terms of cross promotion, NYC and Co. will feature Cape Town ads on bus stop shelters and billboards, since the DMO owns advertising assets in New York. In exchange, New York City advertising will be featured through digital as well as outdoor advertising, including a mobile branded visitor information centered that will be stationed at events and high visitor traffic areas. This partnership allows both cities to promote their respective destination in a cost-effective and creative way.[464]

In addition to their partnership with Cape Town, NYC & Company have partnerships with Toronto, Canada, as well as with Milan (with a special focus on increasing low-season travel), and Seoul (which includes a promotional fare between the two cities).

In Azerbaijan, the Ministry of Culture and Tourism, which acts as the national tourism destination management organization in the country, partnered with the Tourism Ministry of Turkey to offer

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[463] Interview with Vice President of Destinations International
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special training sessions for hotels and restaurants by Turkish experts. Azerbaijani universities have also partnered with Turkish universities to offer internship opportunities for its students.[465]

In terms of strategic alliances, destinations that offer complementary experiences can join efforts and connect stakeholders. For example, European countries, through which the Alps mountain ranges run, can offer a combined package in which they promote a skiing trip and includes multiple destinations. Similarly, the OIC countries that offer mountain climbing or desert safari trips, can similarly offer a combined package. Indonesia launched a Global Halal Travel Alliance focused on ASEAN nations to increase intra-ASEAN tourism flow.[466]

Additionally, DMOs can form strategic alliances with national airlines, sports federations, and retail outlets, as in the case of shopping festivals. Examples of strategic alliances with airlines include Tourism Malaysia forming an alliance with Etihad Airways to boost inbound tourism to Malaysia by conducting joint marketing activities targeting Malaysia's leading inbound markets.[467] Also, the Dubai Department of Tourism and Commerce Marketing formed a strategic alliance with Emirates Airlines to promote the destination. They implemented joint advertising campaigns such as "Hello Dubai" and joint familiarization tours for influencers and journalists. They also jointly offered special promotions aimed at attracting tourists to Dubai, including special airline ticket fares from certain destinations as well as complimentary products such as visas, room nights, and theme park tickets. They also jointly developed "My Emirates Pass" which offers discounts to tourists for various activities and attractions simply by using the airline's boarding pass at the different outlets.[468]

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