The primary reason cities created destination marketing organizations hasn’t changed in more than 100 years: “Bring in the business”.

John A. Marks, President and CEO, San Francisco Convention & Visitors Bureau (in Marks, 2004).

Aims

The aims of this chapter are to enhance understanding of:

- the proliferation of DMOs
- the rationale for the establishment of DMOs
- the challenge of marketing multi-attributed destinations in dynamic and heterogenous markets.
Perspective

DMOs are the result of a tourism community becoming organised. The first were established over a century ago, although a large number only emerged in the 1970s and 1980s. The early DMOs were predominantly promotion oriented, focusing on booster policies. Increasingly, communities are recognising that a foundation of their destination’s competitiveness is the establishment of a partnership approach between stakeholders with a vested interest in the impacts of visitors; and that the partnership recognises the importance of the local environment, an effective market position, the visitor experience, the profitability of tourism businesses, and local residents’ views. In today’s market place it is doubtful that destination competitiveness could be attained, let alone sustained, without an organisation committed to such a holistic and long-term perspective. This chapter provides an introduction to the politics, opportunities, challenges, and constraints faced by DMOs. In the history of DMO development, the rationale has been the quest for destination competitiveness.

A brief history of DMO development

Recognition by tourism communities of the need to become organised, to foster a cooperate to compete approach to achieve destination competitiveness has led to a proliferation of DMOs, particularly since the 1980s.

Table 3.1 Historical analyses of tourism

<table>
<thead>
<tr>
<th>Author</th>
<th>Topic</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sigaux (1966)</td>
<td>History of tourism</td>
<td>France</td>
</tr>
<tr>
<td>Walton (1983)</td>
<td>Seaside resorts in the 18th and 19th centuries</td>
<td>UK</td>
</tr>
<tr>
<td>Stafford (1986, 1988)</td>
<td>Development of a resort area in the 19th and 20th centuries</td>
<td>New Zealand</td>
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<tr>
<td>Sears (1989)</td>
<td>Tourist attractions in the 19th century</td>
<td>USA</td>
</tr>
<tr>
<td>Black (1992)</td>
<td>The Grand Tour of the 18th century</td>
<td>UK</td>
</tr>
<tr>
<td>Aron (1999)</td>
<td>History of vacations</td>
<td>USA</td>
</tr>
<tr>
<td>Richardson (1999)</td>
<td>A history of Australian travel and tourism</td>
<td>Australia</td>
</tr>
<tr>
<td>Davidson &amp; Spearritt (2000)</td>
<td>Tourism in Australia since 1870</td>
<td>Australia</td>
</tr>
<tr>
<td>Shaffer (2001)</td>
<td>Tourism and national identity, 1880–1940</td>
<td>USA</td>
</tr>
<tr>
<td>Cross &amp; Walton (2006)</td>
<td>Pleasure places in the 20th century</td>
<td>UK, USA</td>
</tr>
<tr>
<td>Berger (2006)</td>
<td>Development of Mexico’s tourism industry</td>
<td>Mexico</td>
</tr>
</tbody>
</table>
Although no one knows exactly how many DMOs exist on the planet, after seeking input from academics on the global TRInet listserv in 2003, Professor Bob McKercher’s estimate was over 10,000.

The history of DMOs is relatively short, with the first emerging in the late 19th century. While there is a growing body of literature interpreting the development of modern tourism in general, a selection of which is shown in Table 3.1, disappointingly the published literature on the evolution of DMOs around the world is sparse.

National tourism offices

The establishment of the New Zealand Department of Tourist and Health Resorts in February 1901 represented the world’s first NTO (NZTPD, 1976). This was a remarkably forward-thinking initiative for a small, fledgling and far-flung South Pacific colony, at a time when only four New Zealand towns had electricity. At the same time, New Zealand was the first country to introduce government tourist bureaux (Coventry, 2001), which were a vertical integration of overseas sales and promotion office, tour wholesaler, travel agent, and visitor information centre. The first regional Government Tourist Bureau was built in Rotorua, on the southern end of the city’s current visitor information centre, and was funded and operated by the NZTPD for almost 90 years. The first overseas sales mission was a visit to the 1904 St Louis Exposition in the USA. In 1906 the department opened a bureau in Australia (NZTPD, 1976), and by 1910 honorary agents had been appointed in England, USA, Canada, and South Africa (TNZ, 2001). Interestingly, it would be another fifty years before a national umbrella association of private-sector tourism interests was formed in New Zealand (Staniford & Cheyne, 1994).

Many example, of the key neighbouring competitors to New Zealand in European markets, Australia’s federal government did not become involved in tourism marketing until 1929 when a grant was provided to the newly-formed Australian National Tourist Authority (Carroll, 1991). The nearby Samoa Visitors Bureau was not established in 1986 (Pearce, 1999).

In Europe, the French NTO was established in 1910 (Sigaux, 1966). By 1919, when the Italian NTO was established (Osti & Pechlaner, 2001), the Alliance Internationale du Tourisme had been formed in Brussels, bringing together 30 European NTOs. In Britain, the government provided financial support for the 1929 establishment of the Travel Association of Great Britain and Ireland (Elliott, 1997). However, the organisation was no more than embryonic until after World War II, when the publicly supported British Tourism and Holiday Board was formed in 1947 (Jeffries, 1989). Pre-dating this was the English Channel island state of Jersey, where a tourism committee was empowered to promote the destination in 1937 (Cooper, 1997). In a case of unfortunate timing, both the Irish Tourism Board and the Belgium General Commission for Tourism were established in 1939 (WTO, 1979). The Northern Ireland Tourist Board was established through the Development of Tourism Act of 1948 (Davidson & Maitland, 1997). The first statutory legislation in Britain did not occur until the Development of
Tourism Act of 1969 (English, 2000), which paved the way for the national tourist boards of Scotland, Wales, and England, as well as the British Tourist Authority (BTA). It has been suggested that in Scotland tourism had not been seriously addressed until this time (Kerr & Wood, 2000).

Following World War II the International Union of Official Tourism Organisations, the predecessor of the World Tourism Organisation, had around 100 member NTOs in 1946 (Vellas & Bécherel, 1995). In Asia the Hong Kong Tourism Association was established in 1957 (Gartrell, 1994), Japan and Thailand established NTOs in 1959, and Singapore in 1964 (Choy, 1993). The Barbados Tourism Board was formed in 1958. In Africa the Ghana Tourist Board and Ivory Coast Ministry of Tourism were established in 1960, and the Nigerian Tourist Association was formed in 1962 (WTO, 1979). The first official NTO in Sweden was not established until 1976 (Pearce, 1996).

The Mexican federal government created the Mixed Pro-Tourism Commission in 1928, which brought together representatives from government ministries and the private sector, to develop a tourism industry (Berger, 2006). The Cuban National Tourism Commission was also formed in the 1920s (Berger, 2006), while the Canadian Bureau of Tourism was established in 1934 (Go, 1987; Jenkins, 1995). The government of the USA did not become seriously involved in international tourism promotion until 1961, when the International Travel Act was passed by congress (Mill & Morrison, 1986). This enabled the establishment of the United States Travel Service as a division of the Department of Commerce, which would later be changed to the US Travel and Tourism Administration (USTTA). The USTTA folded in 1996 due to a lack of funding (Brewton & Withiam, 1998). Morrison et al. (1998) observed that CVBs such as Las Vegas had larger budgets than the fledgling NTO. Congress then established the National Tourism Organisation, a smaller NTO, to encourage public/private sector cooperation, which was in turn scrapped (Blalock, 2000). The USA became actively involved at a national level again in 2003 with the formation of the new Tourism and Travel Promotion Advisory Board (Hoover, 2003).

By 2006, WTO membership included 150 countries, seven territories and 350 affiliate organisations (www.world-tourism.org/):

> With its headquarters in Madrid, Spain, the UNWTO plays a central and decisive role in promoting the development of responsible, sustainable and universally accessible tourism, with the aim of contributing to economic development, international understanding, peace, prosperity and universal respect for, and observance of, human rights and fundamental freedoms. In pursuing this aim, the Organization pays particular attention to the interests of developing countries in the field of tourism.

State tourism organisations

The Hawaii Visitors Bureau was established in 1903, following tourism promotional visits to the US mainland in 1901 and 1902 by the Honolulu Chamber of Commerce and Merchants Association (Choy, 1993). Most
other American state tourism marketing did not occur until much later. Doering (1979) suggested that some state tourism marketing offices were being established during the 1940s in anticipation of a post-war surge in domestic tourism. Of the then 48 states, 26 had become involved in tourism promotion by 1946. It would not be until the 1970s that all states had STOs.

The state government of Tasmania in Australia initiated the Tasmanian Tourist Association in 1893 (Davidson & Spearritt, 2000), although little has been reported about its activities. Spurred on by the success of the Tasmanian group in creating a tourism profile, the Governor of the state of New South Wales convened a conference of government officials in 1905 to initiate the establishment of a tourism division that was curiously called the Intelligence Department. The states of South Australia and Victoria followed in 1908. However, the first STOs to be formed as separate government agencies, rather than as part of other departments, did not occur in Australia until 1919 (New South Wales), 1921 (Western Australia), and 1934 (Tasmania).

Regional tourism organisations

The reported history of regional tourism promotion significantly predates that for NTOs and STOs. For example, the first travel guidebook for Cambridge in England was published in 1758 (Davidson & Maitland, 1997), while visitor guidebooks for English seaside resorts were also in use around this time (Walton, 1983). In Switzerland, the first RTO was established at St Moritz in 1864 (Lässer, 2000). In 1879 the Blackpool Municipal Corporation obtained British government authority to levy a local property tax for advertising the destination’s attractions (Walton, 1991, in Cross & Walton, 2005). This was a unique privilege as competing British resort areas only obtained lesser powers four decades later when the Local Authorities (Publicity) Act (1931) legislated to give local government the opportunity to engage in destination promotion (Lavery, 1990). Following the establishment of the English Tourist Board (ETB) in 1969, 12 English RTBs were created, jointly funded by the ETB, local government, and the private sector (Davidson & Maitland, 1997). Old industrial cities such as Bradford, Sheffield, Birmingham, and Manchester did not establish DMOs until the 1980s (Bramwell & Rawding, 1994).

The establishment of RTOs in Spain occurred only slowly from the 1980s (Pearce, 1996b). Similarly, in New Zealand most RTOs were established in the 1980s when local government became more proactive in economic development; although there had been various other forms of destination promotion since the 1880s. In Australia, Dredge (2001) suggested that the New South Wales local government were given legislative power to develop leisure and recreation facilities as early as 1858, at a time when demand was increasing for such facilities by excursionists and holiday-makers, and by 1908 were given powers to stimulate tourism through advertising. However, for a number of reasons, including a legacy of paternalistic and centralised state government, there had been, in general, a “timid approach” towards direct involvement in tourism development initiatives.
Convention and visitor bureaus (CVB)

While Sheehan and Ritchie’s (1997) survey of 134 North American CVBs identified 15 that had been in existence for over 50 years, the average was only 23 years. Tourism Vancouver, however, is over 100 years old (Vallee, 2005). Even though infrastructure developments enabled regional tourism in north-eastern USA during the late 1700s and early 1800s (see Shaffer, 2001), the development of place promotion organisations did not occur for another century. Interestingly, at Coney Island, which had attracted visitors since the early 1800s, there was no attempt to collectively advertise the destination until 1902 when a Board of Trade was formed (Cross & Walton, 2005). In the interim, travel advertising in many parts of the USA was organised by boosters and the railways. The CVB format emanated in the USA, where the first was set up in Detroit in 1896 (Gartrell, 1992). The next CVBs to be established were in Atlantic City in 1908, Denver in 1909, and Atlanta in 1913 (wee.iacb.org). Well-known cities to set up CVBs much later include New York in 1934, Chicago in 1943, Las Vegas in 1955, Anaheim in 1961, Orlando and Orange County in 1984.

Destination competitiveness

The rationale for the development of DMOs, at all levels, has been as a means for enhancing destination competitiveness. While destination competitiveness has been described as “tourism’s holy grail” (Ritchie & Crouch, 2000a), this field of research only emerged during the 1990s. An issue on tourism and travel competitiveness in Tourism (see Volume 47, Issue 4, 1999) featured three papers at the destination level: price competitiveness (Dwyer et al., 1999), the role of Spanish public administrations (Bueno, 1999), and the competitiveness of alpine destinations (Pechlaner, 1999). Tourism Management then devoted a special issue to ‘The Competitive Destination’ (see Volume 21, Issue 1, 2000). The range of topics covered in this issue highlights the multidimensional nature of destination competitiveness:

- sustainable competitiveness (Ritchie & Crouch, 2000b)
- price competitiveness (Dwyer et al., 2000)
- managed destinations (d’Hauteserre, 2000)
- responding to competition (Kim et al., 2000)
- the destination product and its impact on traveller perceptions (Murphy et al., 2000)
- the role of public transport in destination development (Prideaux, 2000)
- environmental management (Mihali, 2000)
- integrated quality management (Go & Govers, 2000)
- regional positioning (Uysal et al., 2000)
- marketing the competitive destination of the future (Buhalis, 2000).

From these works, along with a review of other papers on the topic (see Australian Department of Industry, Tourism and Resources, 2001; Ahmed & Krohn, 1990; Crouch & Ritchie, 1999; Dwyer, Livaic & Mellor,
Destination marketing organisations

2003; Enright & Newton, 2005, 2006; Faulkner, Oppermann & Fredline, 1999; Fayos-Sola. 2002; Heath, 2003; Kozac, 2002; March, 2003; Melian-Gonzalez & Garcia-Falcon, 2003; Poon, 1993; Ritchie & Crouch, 2000a, 2003; Ritchie, Crouch & Hudson, 2000; Rubies, 2001; Smeral, 1996, 2004; Smeral & Witt, 2002; Vanhove, 2006), it is clear that while there is not yet a widely accepted causal model of destination competitiveness, there is agreement that the construct comprises economic, social, cultural, and environmental dimensions. A competitive destination is one that features profitable tourism businesses, an effective market position, an attractive environment, satisfactory visitor experiences, and supportive local residents.

In practice

During 2004 the WTTC developed a destination competitiveness index, in conjunction with the Christel de Haan Tourism and Travel Research Institute at the University of Nottingham. The index tracked the extent to which each of over 200 countries provided a competitive environment for travel and tourism development. The data is summarised through a traffic-light colour-coded system for each country across eight indices. These provide a measure out of 100 that is relative to the other countries rather than one that is absolute. Green, amber, and red lights indicate above average, average, and below average performance. For example, the assessments for Australia and China across the eight measures are compared in Table 3.2. Australia was judged a world leader in terms of infrastructure, technology, human resources and social, but lagged in a number of areas such as price competitiveness and openness. China, on the other hand, was regarded as a leader in price competitiveness but fell short in areas such as environment, openness and human tourism.

<table>
<thead>
<tr>
<th>Index</th>
<th>Australia index value</th>
<th>China index value</th>
<th>Australia rank</th>
<th>China rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price competitiveness</td>
<td>35 (red)</td>
<td>89 (green)</td>
<td>95</td>
<td>3</td>
</tr>
<tr>
<td>Human tourism</td>
<td>32 (red)</td>
<td>9 (red)</td>
<td>68</td>
<td>107</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>100 (green)</td>
<td>34 (red)</td>
<td>1</td>
<td>93</td>
</tr>
<tr>
<td>Environment</td>
<td>60 (orange)</td>
<td>38 (orange)</td>
<td>42</td>
<td>133</td>
</tr>
<tr>
<td>Technology</td>
<td>100 (green)</td>
<td>51 (orange)</td>
<td>24</td>
<td>93</td>
</tr>
<tr>
<td>Human resources</td>
<td>100 (green)</td>
<td>50 (orange)</td>
<td>1</td>
<td>82</td>
</tr>
<tr>
<td>Openness</td>
<td>56 (orange)</td>
<td>35 (red)</td>
<td>89</td>
<td>127</td>
</tr>
<tr>
<td>Social</td>
<td>96 (green)</td>
<td>53 (green)</td>
<td>6</td>
<td>93</td>
</tr>
</tbody>
</table>
Given the multidimensional nature of destination competitiveness, it is doubtful in today’s competitive travel marketplace that a destination could sustain, even attain, competitiveness without effective organisation. Regardless of whether the first DMOs held a holistic perspective regarding the environment, visitors, businesses, and residents, which I referred to as a societal-marketing orientation in Chapter 1, or were essentially boosters limited to a promotion orientation such as in Spain during the 1960s and 1970s (see Bueno, 1999) and Mexico today (see Cerda, 2005), the purpose has been to enhance market competitiveness of a destination in a manner that could not be achieved by individual stakeholders working in isolation.

Booster is a term used to describe ‘. . . a simplistic attitude that tourism development is inherently good and of automatic benefit to the hosts’ (Hall, 1998, p. 248). Getz (1987, in Hall, 1998) argued that boosterism is practised by two groups: politicians seeking economic development and those benefiting financially from tourism. In boosterism little planning consideration is given to the wider issues of potential negative economic, social, and environment impacts. The first major booster campaign in the USA was probably the 1906 See America First concept, which originated in Salt Lake City (see Shaffer, 2001). The campaign endeavoured to convince Americans to see ‘The West’ of the USA instead of travelling to Europe, which was in vogue at the time. The idea was for the formation of an alliance of railways, governments, and businesses to advertise the West’s tourist attractions, as well as develop infrastructure. While a lack of funding quickly derailed the original plans, the See America First theme continued to be used for many years by various Western booster groups:

. . . See America First expressed the desires of western boosters interested in promoting scenery for the sake of increasing investment and settlement in the West.

For many destinations, maintaining competitiveness is now a major challenge (WTTC, 2001, in Australian Department of Industry, Tourism and Resources, 2001). Competition is intensifying due to maturing tourism growth rates, increasing numbers of DMOs, and increasing budgets of NTOs (Ritchie & Crouch, 2000). A number of destinations in decline or stagnation have been reported, including Hamm (Buckley & Witt, 1985), Majorca (Morgan, 1991), Canada (Go, 1987), Bermuda (Conlin, 1995), Amsterdam (Dahles, 1998), Spain during the 1970s (Bueno, 1999), USA during the 1980s (Ahmed & Krohn, 1990), Rotorua, New Zealand (Pike, 2007), Australia’s Gold Coast (Faulkner, 2002), and Fiji during the 1980s and 1990s (McDonnell & Darcy, 1998). As observed by Rubie (2001, p. 38):

There are many tourist destinations that produce little richness, low prosperity, and high social and environmental costs. Some were prosperous in the past and today hardly survive and face very strong social or economic problems. Others see their future with pessimism. And all wonder the keys to sustainability.
What have you got that I can’t get anywhere else?

At the 2005 Tourism & Travel Research Association conference in New Orleans (just prior to Hurricane Katrina), keynote speaker Peter Greenberg, well known to Americans as ‘the travel detective’ on one of the national television networks, challenged the audience with the same question he poses to destination promoters who lobby him to film a segment at their place: ‘Tell me what experience you offer me that I can’t find anywhere else’. This gets to the heart of the challenge of destination marketing, which is differentiating amidst an almost endless list of competitors. Greenberg argued that most destinations struggle to do this. One of the greatest obstacles to achieving destination competitiveness is the challenge of marketing multi-attributed destinations in dynamic and heterogeneous markets.

Marketing multi-attributed destinations in dynamic and heterogeneous markets

The tourism industry (in New Zealand) is so fragmented, diverse, unfocused, self-seeking, and disorganised that PhD theses have been written on its structural complexities. It’s got more separate working parts than a 747’s Rolls Royce engine and only some of them are vaguely headed in the same direction (Chamberlain, 1992).

While Chamberlain’s (1992) observations were made in the context of the New Zealand tourism industry, there will be few if any countries where a multiplicity of divergent tourism interests, and therefore potential for fragmentation to occur, does not exist. Consider also the small scale of the New Zealand tourism industry, with an estimated 13,500 to 18,000 small businesses (OTSP, 2001), compared to Europe with an estimated 1.5 million tourism businesses, of which 95% employ less than 10 people (Wason, 1998), and the issue is magnified. A key theme readers will find recurring throughout the text is the DMO challenge of promoting a multi-attributed destination in dynamic and heterogeneous and global marketplace. From the supply-side marketing perspective, a DMO represents a large, diverse and even eclectic range of destination attributes, including natural features, commercial, and not-for-profit facilities and amenities. Consider the following for example:

- commercial visitor attractions such as theme parks and wildlife sanctuaries
- water-based activities such as day cruises, whitewater rafting, and boat hire
- accommodation suppliers such as hotels, exclusive lodges, backpacker hostels, and bed and breakfast guest houses
- outdoor adventure activities such as parachuting, bungy jumping, and bridge climbs
- dining and nightlife, such as restaurants, cafes, pubs, and clubs
- shopping precincts, malls, and craft markets
- archaeological and historic sites
Destination Marketing

- castles and palaces
- battlefields and scenes of disaster
- cathedrals, churches, temples, and mosques
- beaches, harbours, lakes, rivers, and waterfalls
- museums and art galleries
- picnic and barbecue amenities
- children’s playgrounds
- forests, parklands, flora, and fauna
- sporting facilities such as football stadiums and golf courses
- festivals and special events
- mountains and landscape vistas
- ski fields
- theatres and cinemas
- host population characteristics such as language, customs, and indigenous culture
- climate.

The key tenet of this theme is that a DMO usually has no direct control over the products they represent, nor the packaged offerings of intermediaries such as airlines, tour wholesalers, and travel agencies. From the supply perspective, the often eclectic collection of destination features must somehow be presented to the market in a way that not only cuts through the clutter of crowded markets to offer benefits desired by travellers, but also satisfies the interests of the host community, local businesses, and travel intermediaries. DMO and stakeholder opinions on how this can be achieved are rarely congruent. It is not being cynical to suggest the natural self-interest of many businesses will instinctively be to expect their market of interest to be the target of promotions, which in turn feature their product. The politics of DMO decision-making can, and does, inhibit implementation of marketing theory. In this respect, destination marketing requires a certain amount of courage!

On the demand-side of destination marketing, the global market of consumer-travellers is not homogenous in terms of needs (Wahab et al., 1976). Travellers from different geographic areas, socio-demographic groups, and lifestyle clusters will respond to different offers at different times, for a complex array of reasons, including the purpose of travel, individual motivation(s), time available, the time of year, and availability of other discretionary spending opportunities. Consumers will engage in different types of travel at different times of the year and their lifetime. Thousands of DMOs now compete for the attention of busy consumers through communication channels cluttered with noise from rival and substitute offerings. The greatest challenge facing DMOs is to effectively differentiate their offering at decision time.

Travel might be considered a psychological necessity for some individuals. However, for others travel and tourism involves discretionary spending, where a new car, stereo or wedding will compete for scarce funds. Not even the largest NTOs have the resources to match the promotional spend of corporate heavyweights from other product categories, such as Coke, Sony, and BMW. Increasingly, marketers must communicate
meaningful but focused messages at the right time and place to gain ‘cut through’ to the right people. How can a DMO produce succinct messages that (1) encapsulate the essence of place, (2) differentiate the destination from the myriad of competitors offering the same features, (3) at the time households are making holiday decisions, and (4) be meaningful to heterogeneous and dynamic markets? Destination marketing is not for the faint-hearted, and this core challenge, faced by every destination globally, has implications for every aspect of DMO operations, including: funding, strategy, organisation, politics, finance and budgeting, human resources, crisis management, branding, communication, market research, promotions and performance measures.

Career opportunities

In the post-industrial era, the success of a corporation lies more in its intellectual and systems capabilities than in its physical assets (Quinn et al., 1996, p. 71). As with any organisation, staff are an important asset for any DMO. This is important at all levels, from the frontline staff at visitor information centres to the CEO. DMOs usually enjoy a high profile within the destination community, and this carries political implications for customer services skills. DMOs are now recognised as providing serious career opportunities. For example, a survey of IACVB members (IACVB, 2001, in Fenich, 2005) found that the average staff size of CVBs was 14 full-time employees. However there is a dearth of literature relating to human resource management in DMOs.

In Australia, McKercher and Ritchie’s (1997) study of local government tourism officers raised questions about levels of professionalism in the field. They found, for example, a lack of formal tourism qualifications, little prior tourism industry experience, and turnover of up to 50% of staff each year. Given the nature of the challenges discussed and the high turnover, McKercher and Ritchie questioned whether local government tourism management is seen as a valid career in its own right or merely a stepping stone to other opportunities. Some of the difficulties faced by local government tourism officials included:

- working in small organisations with no internal promotion opportunities
- isolation from counterparts
- under-staffing
- under-funding
- unrealistic expectations from elected council representatives.

Ultimately the impact of a high turnover is disruption to what are predominantly small teams. McKercher and Ritchie (1997) identified three primary reasons for the high turnover of staff. First, many local authority tourism staff aspire to higher positions within the tourism industry and use the LTA as a stepping stone to other organisations such as STOs. Such moves offer higher salaries as well as greater status within the tourism hierarchy. Second, LTA roles are generally very high profile within the community, and managers are likely to become public property. As a result
the role is forced to become involved in a broader range of activities than tourism promotion, which can be seen as being invasive. Third, LTA roles require constant innovation as well as ongoing lobbying of local politicians. Therefore it can be easier to move and transfer existing ideas to a new community.

Research snapshot 3.1  Management characteristics

Morrison et al.’s (1998) 1992/93 survey of 254 member CVBs of the IACVB found executives of the highest funded organisations were more likely to be males over 55 years with a university degree and an average of 16 years experience:

- **Gender** The executives of 59% of CVBs were male and 41% were female. Female executives tended to work with smaller budgets than male executives.
- **Education** Two-thirds of executives had university degrees, with three holding doctorates. 80% of male executives had degrees but only 49% of females.
- **College major** Less than 2% indicated a tourism major. Of the 66 majors listed the most common were business administration (18%), marketing (10%), and education (8%).
- **Tourism work experience** Two-thirds of executives indicated prior tourism industry experience, while 45% had previously worked in a CVB.
- **Income** Two-thirds of executives had salaries of US$50,000 or more. Incomes tended to rise in relation to age and education. Males averaged US$70,000–$74,999, while females averaged US$45,000–$49,999. 14% of males earned over US$110,000 compared to 1% of females.
- **Job titles** A total of 19 different titles were reported, with the most common being Executive Director (50%) and President (15%). 41% of males were listed as President/CEO, in comparison to only 12% of females.
- **Period of tenure** The average period of tenure for the current executives was 5.6 years, from a range of 1 to 25 years.


Given the noticeable gender differences identified in Research Snapshot 3.1, Morrison et al. (1998) proposed a worthwhile project of identifying the characteristics of successful female executives. Likewise, McKercher and Ritchie (1997) found a gender imbalance among LTAs in the Australian states of Victoria and New South Wales. Women tended to be relegated to lower status positions of managing VIC units, while the management of larger local authority tourism departments were more likely to be male. There was also a significant gender salary gap, even though males were generally no better qualified than women.

**Skills and qualifications**

Sims’ (1990) survey of 79 CVBs identified a mean of seven professional staff, of which five were male and two female. The paper listed
respondents’ views on desirable attributes for service level, sales, and administration positions. Frequently mentioned personal qualities were: creativity, flexibility, friendliness, honesty, motivation, outgoing personality, and honesty. The majority of respondents felt a university degree was a prerequisite for employment. In a survey of STO and CVB management, O’Halloran (1992) found 76% and 80% respectively held university degrees. Both groups considered people as the most important DMO resource. The most important DMO management skills were leadership and employee relations, followed by marketing and other technical skills. O’Halloran summarised the following essential characteristics of a successful DMO manager:

- At least six years experience with a DMO, with additional prior business experience.
- A minimum of a bachelor’s degree, preferably in tourism or business.
- Excellent communication skills.
- The ability to work well with people at all levels.
- Knowledge of the tourism system and its potential impacts on the community.
- Leadership and strategic planning.
- Political savvy, in terms of the political system and the relationship between the public and private sectors.

It is one of the great business myths that visionary organisations are great places to work (Collins & Poras, 1997). Rather, they are great places to work for those who fit the culture of the organisation. Prospective DMO staff should do their homework to find out everything they can about the culture of the organisation. In return candidates should expect a rigorous screening process. In many communities the DMO is a high-profile organisation, and so there is usually strong competition for advertised positions. Students seeking a career in destination marketing might be interested to note O’Halloran’s (1992, p. 90) curriculum recommendations for DMO management training:

Subject areas for study should be communication (persuasion and negotiation, advertising, business writing, oral communication, and inter-personal communication), business (tourism systems, management skills, policy, services management, economics, planning and development, marketing, finance and accounting), social sciences (geography, anthropology, psychology, sociology, and political science). Other critical skills include research methods and management, information systems, transportation and international studies.

In terms of professional development training for DMO staff, the IACVB offers a Certified Destination Management Executive Program (CDME):

Recognized by the CVB industry as its highest educational achievement, CDME is an advanced educational program for veteran and
career-minded CVB executives looking for senior-level professional development courses. The focus of the program is on vision, leadership, productivity and the implementation of business strategies (www.iacvb.org/iacvb/view_page.asp?mkey=&mid=100, 23/4/04).

Key points

1. Proliferation of DMOs
DMOs have been in existence for over a century. The first RTO and STO were established in the 19th century and the first NTO at the beginning of the 20th century. Many, however, have only been established relatively recently as communities have recognised the need for a coordinated approach to place promotion. Recognition of the positive impacts of tourism, and the need for a coordinated destination promotion effort, has led to a proliferation of DMOs worldwide.

2. The rationale for the establishment of DMOs
The rationale for the development of DMOs, at all levels, has been as a means for enhancing destination competitiveness. Given the multidimensional nature of destination competitiveness, it is doubtful in today’s competitive travel marketplace that a destination could sustain, even attain, competitiveness without effective organisation.

3. The challenge of marketing multi-attributed destinations in dynamic and heterogeneous markets
One of the consistent themes in the text is the challenge of marketing multi-attributed destinations in dynamic and heterogenous markets. From the supply-side marketing perspective, a DMO represents a large, diverse, and even eclectic range of destination attributes. On the demand-side of destination marketing, the global market of consumer-travellers is not homogenous in terms of needs. Travellers from different geographic areas, socio-demographic groups, and lifestyle clusters will respond to different offers at different times, for a complex array of reasons. Cutting through the competitive noise with a meaningful proposition at consumer decision time is arguably the DMO’s greatest challenge.

Review questions

• Summarise the key dimensions of destination competitiveness.
• If there wasn’t a DMO at your destination, what would the likely impacts on the local tourism industry be?