

# DMO roles

*Competitiveness without sustainability is illusory.*

Ritchie & Crouch (2003, p. 9)

## Aims

The aims of this chapter are to enhance understanding of:

- the commonality in DMO roles
- the shift in thinking towards DMOs as destination management organisations.



**Perspective**

Ultimately, the vision and mission of a DMO must be related to enhancing the long-term competitiveness of the destination. Increasingly, it is recognised that without sustainability, competitiveness is illusory, and as a result we are witnessing greater tension between entrepreneurs and conservationists. A competitive destination is one that features a balance between profitable tourism businesses, an effective market position, an attractive environment, positive visitor experiences, and supportive local residents. This chapter focuses on the roles of DMOs in each of these areas. Recognition of the multidimensional nature of competitiveness has led to a desire to see DMOs evolve from destination *marketing* organisations to destination *management* organisations. The latter is indicative of a societal marketing orientation, and yet the tourism industry has been slow to evolve from a promotion orientation to a marketing orientation. So, while the term destination management organisation is being used more frequently, by academics in particular, this represents a paradigm shift in thinking about the role of DMOs; and that might not yet be reality at the coalface for many destination marketers.

**The commonality in DMO roles**

The roles of a DMO are dictated by the mission, goals, and objectives which, in general, are similar around the world. This is highlighted in the roles of RTBs in the UK (Pattinson, 1990, p. 210) and the roles of CVBs in North America (Morrison et al., 1998, p. 5), which are summarised in Table 7.1. Key themes include: coordination, strategy, stakeholders, economics, marketing, product development, lobbying, information provision, protection, research, and the host community.

**Table 7.1** Roles of RTBs and CVBs

Roles of RTBs in the UK	Roles of CVBs in North America
<ul style="list-style-type: none"> <li>• To produce a coordinated regional tourism strategy in liaison with local authorities and consistent with the broad aims of the English Tourist Board</li> <li>• To offer advice to both commercial tourism businesses and local authorities on tourism planning</li> <li>• To encourage the development of tourist amenities and facilities which meet the needs of a changing market</li> </ul>	<ul style="list-style-type: none"> <li>• An economic driver of new income, employment, and taxes to create a more diversified local economy</li> <li>• A community marketer, communicating the most appropriate destination image, attractions, and facilities to selected markets</li> <li>• An industry coordinator, providing a clear focus and encouraging less industry fragmentation so as to share in the benefits</li> </ul>

**Table 7.1** (Continued)

Roles of RTBs in the UK	Roles of CVBs in North America
<ul style="list-style-type: none"> <li>• To administer the national financial aid scheme for assisting tourism development</li> <li>• To represent the interests of the region at the national level and the interests of the tourism industry within the region</li> <li>• To market the region by providing reception and information services, producing and supplying suitable literature, and undertaking promotional activities</li> </ul>	<ul style="list-style-type: none"> <li>• A quasi-public representative adding legitimacy for the industry and protection to visitors</li> <li>• A builder of community pride by enhancing quality of life and acting as the flag carrier for locals and visitors</li> </ul>

### In practice

The responsibilities of Tourism Auckland (Tourism Auckland, 2002) in New Zealand:

**Developing marketing plans:** developing comprehensive plans and strategies for marketing the Auckland Region as a tourist destination, and developing the means of implementing, monitoring, and reviewing those plans and strategies.

**Marketing region:** marketing in New Zealand and overseas the advantages of the Auckland Region for visitors and tourists, including promoting and coordinating the development of parks, holiday resorts, scenic reserves, and recreational, business and tourist facilities and activities.

**Convention location:** establishing, maintaining, and marketing the Auckland Region as a premier convention location.

**Visitor information services:** operating visitor information and entertainment services to ensure visitors and tourists to the Auckland Region are welcomed and given information and assistance.

**Reservation services:** providing a reservation service for accommodation, travel, and tour services within the Auckland Region.

**Information on resources:** researching, publishing, and disseminating information on the resources of the Auckland Region in order to encourage and promote the development, coordination, and marketing of commercial, industrial, communication, transportation, recreational, and education interests, services and facilities conducive to tourism.

**Coordinating marketing:** coordinating joint-venture marketing campaigns with the private sector and publicly-funded regional tourism organisations in order to raise the profile of the Auckland Region and to contribute to sustained tourism growth in the Auckland Region.

**Statistical information:** researching and recording statistical information on tourism and monitoring visitor numbers in order to provide

forecasts of visitor numbers and visitor research information for the Auckland Region.

**Promoting events and conventions:** promoting, supporting, and bidding for events and conventions that bring economic benefit to, or increase the profile of, the Auckland Region in a cost-effective manner.

**General:** all such things as are incidental or conducive to the attainment of the charitable objects and purposes.

**No limitation:** The objects and purposes of the Trust shall not, except where the context specifically or expressly requires it, be in any way limited or restricted by reference or inference from the terms of any other clause or sub-clause or from the name of the Trust and none of the objects or purposes of the Trust shall be deemed subsidiary or ancillary to any other object or purpose of the Trust.

**Objects and purposes independent:** The Trustees shall be empowered to carry out any one or more of the objects or purposes of the Trust independently of any other object or purpose of the Trust.

## Destination management

Should DMO refer to a destination *marketing* organisation or a destination *management* organisation? A lecturer of a tourism (environmental) planning course might argue for the latter, while I currently adhere to the former, for two reasons. First, critics who have suggested a destination marketing orientation implies a narrow marketing viewpoint should consider the evolution of marketing from a product orientation to selling orientation to marketing orientation to societal marketing orientation. The responsibilities of any destination management organisation fits within the societal marketing orientation, which is far from a narrow perspective.

Every DMO must take a proactive interest in stewardship of the destination's resources, which include social, cultural, and environmental dimensions. In doing so a distinction must be made between resources that are renewable, such as hunting and fishing stocks, and those that are not, such as a famous work of art (Ritchie & Crouch, 2003). Achievement of destination competitiveness requires an orientation that is broader than sales and marketing. What is required is a societal marketing orientation, or a destination management approach. However, the societal marketing orientation, the philosophy of which is to make all decisions with the consumer as well as the wider interests of society at heart, sounds admirable in theory, but is difficult to practise. This relates to my second point, which is to suggest that much of the debate about the appropriate name is academic. That is, arguments have been suggested to me that the WTO prefers the term, and that some legislation has been designed to force DMOs into considering sustainability issues.

In the UK the concept of destination management is very much in its infancy (Rogers, 2005), and in Mexico a major challenge for CVBs is that of moving from a promotion orientation to a marketing orientation (Cerda, 2005), let alone a management orientation. In North America there has long been a gap between marketing of destinations and ensuring sustainability

(Getz, Anderson & Sheehan, 1998), where the CVB focus has been sales and marketing. My own experience in Australia, New Zealand, and the Pacific, plus informal discussions with colleagues around the world, suggests this is common.

For all the rhetoric, the vast majority of destination marketers remain concerned with results relating to visitor numbers, length of stay and spend. More research is required to convince otherwise. My hope is that eventually DMOs will be regarded as destination management organisations because it is warranted . . . until that time it is not an accurate term *per se*. For example, while Canada's national, provincial, and regional DMOs have evolved well past the traditional promotion orientation, the nation's tourism industry lacks destination management (Vallee, 2005, p. 229): 'An integrated approach to destination management involving the country's multiple stakeholders has yet to be developed.' At the time of writing, DMAI, the world's oldest association of CVBs and DMOs, was still using the term destination marketing organizations on its website.

Nevertheless, the DMO modus operandi paradigm is quietly undergoing a revolution. Thomas Kuhn's original thesis on paradigms was as science operating within a largely unquestioned framework, governed by fundamental theoretical models (Gregory, 1987). When a theory is accepted it becomes a paradigm until it is challenged by way of revolution. This concept applies as much to tourism practices as it does to science. The role and activities of DMOs have evolved slowly over time, and there have been few revolutionary shifts.

Ideally, the primary role of a DMO is to act as the coordinating body for the many public and private sector organisations with an interest in tourism (Heath, 2003). Case Study 7.1 highlights the need for an umbrella organisation with a holistic overview of the potential conflicts that can emerge between tourism interests, conservationists, and developers. In this regard it is useful to consider Harrill's (2005, p. xx) observation of the similarities between ecology and destination management. Harrill was following Odum (1953), who examined the entire ecosystem rather than the ecology of different parts of nature. Harrill sees a destination management ecosystem including interrelationships within the complex network of stakeholders: 'Much like a natural ecosystem, a change in one area of destination management often significantly affects other parts of the system.'

## Case study 7.1 The Greater Yellowstone National Park

**Professor Jerry Johnson, Head of Department of Political Science, Montana State University, Bozeman, USA**

The Greater Yellowstone Region is home to the world's first national park (Yellowstone), a complete array of large predator/prey relationships, and a place of unmatched recreation and beauty. The communities of the region are clean, safe, and prosperous. Increasing numbers of people are discovering that the region is a wonderful place to live and work.

More than 23,000 square miles demarcate the Greater Yellowstone Region; it is largely defined as the historical range of the Yellowstone grizzly bear. The area is home to two national

parks (Yellowstone and Grand Teton) and seven national forests; 80% of the 18-million-acre (7.2 million hectares) land base is publicly owned and the remainder is private land.

The economy is increasingly dominated by nature tourism and recreation (hiking, hunting and fishing, skiing, protected area tourism) and the construction industry; much of it as second home development in pristine river valleys and high alpine regions. The inherent conflict is obvious – as more homes are built in the rural countryside, the natural beauty of the region is potentially compromised until the open spaces and spectacular views are lost to development.

Historically, the western states of Idaho, Montana, and Wyoming have been less well-off than many other states and, typically, have less diversified economies. Tourism provides many jobs but most are part-time and low wage. Construction on the other hand is year around employment and near the top of the labour pay scale. Property taxes paid by owners of expensive homes is a majority basis of public revenues in rural counties.

Politically, the culture of the region is against comprehensive land use planning. Individual property rights prevail with respect to how land is developed. If a rancher chooses, he can subdivide his prime agricultural land into 20-acre (8 hectares) parcels for recreational ranches and block public access to thousands of acres of public land in the process.

Landowner data from the region shows that almost half the private ranch land is owned by amenity owners – those that purchase a large ranch for recreation rather than cattle or crop production. Many are privacy seeking and not in favour of hunting. Taken together, they control nearly 3 million acres (1.2 million hectares). The same study indicated that as amenity ownership has increased, public access to both public and private land for recreation has decreased.

The intent of this case is to encourage thinking of a local economy or market(s) in terms more comprehensive than employment, earnings, and revenues. Rather, a contemporary market in high-amenity locations like the Yellowstone region is comprised of a qualitative value frequently not considered by economists or market strategists. As public officials seek to position their communities in the highly competitive ‘amenity market’ they will necessarily need to learn to balance both quantitative (i.e. economic) considerations with the qualitative nature of community and local culture.

### **Discussion questions**

1. Identify three possible groups impacted by the above scenario. Describe the problem or issue from their point of view.
2. Identify the direct/indirect and tangible/intangible costs and benefits to the user groups you identified in question 1.
3. Given that the market for the Yellowstone lifestyle is segmented among seemingly competing groups, design a research question that would allow publicly-elected officials to weigh the opportunity costs of both recreation/tourism and construction/amenity development.

### **Further reading**

Johnson, J. (2006). Tourism development and impacts in the Greater Yellowstone Region, USA. Turk-Kazakh International Tourism Conference, November. Alanya Turkey.

In many communities the conservationists and social scientists are not as powerful a lobby as the government sponsor, entrepreneurs, and intermediaries. This is then a matter of balancing stakeholders' expectations, and of being realistic about the extent of destination management that will be possible for DMOs. Even well-financed STOs and NTOs will grapple with this function, given the scale of their environment. The Las Vegas CVB is faced with balancing phenomenal growth in accommodation construction with increased traffic on 'the strip' and a lack of affordable housing for construction workers and the increased number of hospitality staff. DMOs may have a sustainability related committee, may provide submissions to government agencies, and may develop discussion papers. Unless a crisis demands action, the focus will remain marketing.

Dwyer, Livaic and Mellor (2003) included 20 destination management attributes in their destination competitiveness model. Goeldner, Ritchie & McIntosh (2000) promoted 12 elements. Heath's (2003) destination competitiveness model for South African tourism featured six sustainable development policy conditions. Ritchie and Crouch (2000) included eight elements of destination management in their destination competitiveness model. These attributes, which are listed in Table 7.2, support the idea of destination competitiveness demanding a DMO's roles featuring a balance between profitable tourism businesses, an effective market position, an attractive environment, positive visitor experiences, and supportive local residents. The remainder of the chapter discusses these roles.

## Stimulating profitable tourism businesses

Since destinations are multi-attributed, a common challenge faced by DMOs is the number of suppliers who make up the destination product. For example, in England the North West Tourist Board conceded that the product range was too diverse to market effectively as a single entity (Alford, 1998). My own research in New Zealand (Pike, 1998) found seven RTOs that identified over 400 local tourism businesses within their territory, while eight RTOs indicated a range of 200 to 400. Even though this is a significant number for the RTOs concerned, the numbers pale in comparison to Tourism Vancouver's 1000 members (see Vallee, 2005) and the Philadelphia CVB's 1300 member businesses (see Walters, 2005).

Although many DMOs do not have paid members as such, it is still in the interests of the destination to enhance upskilling of local businesses. During Tourism New Zealand's 2006 nationwide seminar series involving 1400 participants in 27 centres, one noticeable benefit was the opportunity for new businesses to network with others in the business, according to the NTO's industry communications manager Tracy Johnston: 'These businesses are so dependent on themselves to earn a living, it is hard for them to put aside vital time for training and getting to know others in the business' (Coventry, 2006). The NTO concluded that few tourism businesses in New Zealand are upskilling in the way they should be. During 2006 and 2007 Tourism Queensland in Australia conducted a series

**Table 7.2** Destination management attributes

<b>Dwyer, Livaic &amp; Mellor (2003)</b>	<b>Heath (2003)</b>	<b>Ritchie &amp; Crouch (2000b)</b>	<b>Goeldner, Ritchie &amp; McIntosh (2000)</b>
Training programmes	Conducive tourism policy and legislative framework	Resource stewardship	Cultural heritage management
DMO reputation for attracting visitors	Responsible management of resources	Marketing	Visitor management
Public sector recognition of 'sustainable' tourism	Stimulating a positive investment climate	Finance and venture capital	Community management
'Vision' reflecting shareholder values	Implementing strategies to ensure transformation of the industry	Organisation	Water quality management
Commitment to education and training (Public)	Sustainable environmental principles	Human resource development	Park management
Quality of research input	Effective institutional and funding framework	Information/ research	Air quality management
Packaging of destination experiences		Quality of service	Planning
Responsiveness of firms to visitor needs		Visitor management	Marketing
Commitment to education and training (private)			Human resources management
Training responsive to visitor needs			Information management
Private sector recognition of 'sustainable' tourism			Operations management
Clear policies in social tourism			Organisation management
Development responsive to visitor needs			
Development responsive to community needs			
Cooperation between firms			
Extent of foreign investment			
Resident support for development			
Development integration			
Government leadership and commitment			
'Vision' reflecting resident values			



of wine tourism workshops to help local wineries attract the visitor market. Wine tourism is one of Queensland's fastest growing tourism sectors.

## Establishing an effective market position

Establishing and defending an effective market position is one of the major aspects of marketing, since all marketing activity should be focused on strengthening the brand's presence in the minds of target groups. Destination positioning is the focus of Chapter 12.

## Maintaining an attractive environment

Tourism depends on the protection of environmental and community resources. Is sustainable tourism an oxymoron? There has been increasing criticism about the negative impacts of tourism on societies and environments (Elliott, 1997). Problems include the pressure of mass tourism on communities, natural and built environments, and infrastructure; lack of control over tourist developments; and lack of control over sex tourism. Government intervention is required to identify solutions that are in the public interest. Examples of government leadership in environmental protection have included:

- the establishment of the world's first national park in the USA in 1872 (Elliott, 1997)
- the 1887 establishment of the Rocky Mountains Park by the Canadian federal government (Go, 1987)
- the establishment of Tongariro National Park in New Zealand in 1903, which was the first in the world to be on land gifted by indigenous people for that purpose
- Hawaii's Land Use Law of 1961 in the face of rapid tourism developments (National Tourism Resources Review Commission, 1973, in Doering, 1979).
- the Bruges government's Reien Project, to better manage the quality of the destination's canals (see Vanhove, 2002)
- New Zealand's Resource Management Act (1991), which provides a legislative framework for land use planning, water and soil management, pollution, waste control, coastal management, and land subdivision.

Clearly, the future of tourism relies on sustainable development, even though the short-term focus of many stakeholders will be the results of marketing activity, not long-term sustainability management. The growing responsibility of citizenship means businesses must demonstrate, and not simply espouse, a commitment to the future. Getz (1994, p. 3) argued that in the tourism industry 'planning must be long-term and visionary in nature, not reduced to the greedy pursuit of short-term economic and political benefits . . . return on investment must be redefined.' Examples of environmental guidelines for tourism include: WTTC Environmental Guidelines, Code of Environmental Principles for Tourism in New Zealand, and the

PATA Code for Environmentally Responsible Tourism. Coventry (1997, p. 1) cited the New Zealand NTO market research manager:

*German visitors to New Zealand are like environmental evangelists. They feel we need to protect the environment and it is almost as though we have a sacred environment that ought to be cherished. They feel that if we do anything that blights the environment in their eyes we are almost being blasphemous.*

Case Study 7.2 introduces the attempt by a community to develop an environmentally sustainable tourism industry through Green Globe benchmarking. Green Globe is the global environmental certification programme for the tourism industry. Douglas Shire in Australia was selected as a pilot in develop the Green Globe Certification process for communities. By 2007, ten other communities had received Green Globe certification.

### **Case study 7.2 Green Globe Benchmarked Community**

*Note:* This case is based on a report prepared by Mrs Kimberly Christopher, Green Globe Asia Pacific, from material provided by Ms Kirsty Sherlock, Douglas Shire Council, 2001.

With 78% of its land World Heritage listed, the Douglas Shire in Queensland Australia is an attractive gateway to the Wet Tropics areas of Cape Tribulation and the Daintree Rainforest. The Shire is also the only place in Australia where two World Heritage Areas converge, as the Great Barrier Reef World Heritage Area lies off the coast. Townships include the Port Douglas resort area, the sugar cane town of Mossman, and the Daintree Village.

During 2000, the Douglas Shire Council signed an agreement with the Australian Cooperative Research Centre for Sustainable Tourism (CRC), the Centre for Integrated Environmental Protection, Griffith University, and the Queensland Environmental Protection Agency (EPA), to facilitate an ecologically sustainable environment. In doing so the alliance sought to stimulate environmental best practice among local tourism businesses. The council's commitment to helping the community develop in an environmentally and socially sustainable manner is reflected in the achievements against the Green Globe Benchmarking Indicator for Communities. Green Globe offers communities and businesses opportunities to benchmark their environmental performance, and then to gain certification. Green Globe's standard benchmarking indicators are: (1) Total energy consumption, (2) Total water consumption, (3) Total waste production, (4) Community commitment. Checklists are provided to monitor: (5) Water saving, (6) Waste recycling, (7) Paper products, (8) Pesticide products, (9) Community commitment, (10) Chemical products. Douglas Shire became the first Green Globe Benchmarked Community in the Asia Pacific region. Key initiatives and results for the shire included:

#### **Energy**

Consumption of electricity per capita is well below the national average, and exceeds the Green Globe best practice level through a range of initiatives, including: incentives for residents to introduce solar hot-water systems, incentives for energy-efficient buildings, and development of renewable energy, such as a by-product of the cane crushing process.

### **Water consumption**

The Shire is rated above best practice level due to initiatives such as ultra-filtration systems. All new rural residential properties must install 20,000-litre rainwater tanks to ensure self-sufficiency in drinking water.

### **Waste**

Through initiatives such as recycling the council aims to reduce landfill by up to 65%. Additionally, the council recycles effluent from the Port Douglas sewerage plant to irrigate local golf courses.

### **Air quality and noise control**

The council is involved in the Cities for Climate Protection programme, which measures energy consumption and greenhouse gas emissions. The Shire aims to lower greenhouse gas emissions through their sustainable farming practices, including cutting cane green rather than burning off. Also, as a part of the Greenhouse Gas Abatement Project, 3000 hectares of planting within the Shire is required for carbon sequestration.

### **Social commitment**

In acknowledging the economic effects of tourism the council supports local goods and services to ensure that the economic benefits remain within the local region. At the time of accreditation, 12% of local tourism operators had environmental performance accreditation. Generally, 10% participation is regarded as an excellent outcome.

### **Discussion question**

Other than positive environment impacts, what potential advantages will the programme offer the destination from a destination marketing perspective?

### **Further information**

Green Globe [http://www.greenglobe.org/page.aspx?page\\_id=46](http://www.greenglobe.org/page.aspx?page_id=46)

Douglas Shire Council <http://www.dsc.qld.gov.au/>

## *De-marketing* • • •

Although the concept of de-marketing is not a new one, it has not been used effectively as a tourism management tool (Benfield, 2001). Benfield claimed almost nothing had been published about de-marketing in tourism until 1989. Benfield and Beeton (in Beeton, 2001) listed the following 11 strategies being practised:

- increasing prices
- increasing advertising that warns of capacity limitations
- reducing promotion expenditure
- reducing sales reps' selling time
- curtailing advertising spend

- eliminating trade discounts
- reducing the number of distribution outlets
- separate management of large group
- adding to the time and expense of the purchaser
- reducing product quality or content
- provision of a virtual tour.

Beeton (2001) argued that by incorporating de-marketing strategies into the marketing mix, greater management efficiency and sustainability can be achieved. The following examples of destination de-marketing were offered by Buhalis (2000, p. 100):

- Cambridge, England, aims to attract only visitors who stay overnight, and therefore discourage day trippers by controlling parking processes.
- Mauritius does not allow charter flights, therefore discouraging low-expenditure tourism.
- Venice introduced premium pricing and negative advertising to reduce mass tourism.

## Positive visitor experiences

The rationale for sustainable development planning is that the tourist experience is the central element in the tourism market (Hall, 1998). The experiences of tourists influence future travel, and so it is imperative their needs are considered a focal point of destination management. Key roles in this regard are monitoring service and quality standards, and stimulating new product development.

### *Service and quality standards* • • •

The very nature of tourism as a service industry demands a fixation with quality standards: 'The tourist is buying an illusion. He will be embittered by anything or anybody who shatters it' (Wahab et al., 1976, p. 74). Plog (2000) predicted managed destinations, such as resorts and cruise ships, would become increasingly popular in the future due to their ability to manage capacity and maintain consistency of quality. Likewise, d'Hautesserre's (2000) analysis of Foxwoods Casino Resort suggested that the success factors would be much more problematic for destinations than managed resorts. These included, for example, staff empowerment and the reinvestment of earnings into product development.

In the early 1990s, a consultancy commissioned to investigate the state of Northern Ireland's tourism industry reported a 'considerable disparity' between visitor expectations and the actual experience (O'Neill & McKenna, 1994, p. 33). The Tourism (Northern Ireland) Order 1992 incorporated the recommendations of the review, which included the introduction of an accommodation classification registry, to which providers could only be included upon an inspection assessment. Similarly, in 1999 a report tabled in the British parliament criticised the state of the

**Table 7.3** Destination quality management programmes

Country	Programme	URL
Austria	Destination Management Monitor Austria (DMMA)	<a href="http://www.dmma.at">www.dmma.at</a>
Denmark	Destination 21	<a href="http://www.destination21.dk">www.destination21.dk</a>
New Zealand	Qualmark	<a href="http://www.qualmark.co.nz">www.qualmark.co.nz</a>
Switzerland	Vallais Excellence	<a href="http://www.valais-excellence.ch">www.valais-excellence.ch</a>

Scottish tourism product, including poor quality accommodation, unwelcoming hosts, uncompetitive and unattractive prices, poor standards at visitor attractions, and poor accessibility (Kerr & Wood, 2000, p. 287). In New Zealand, Tan et al.'s (1995) survey of tourism businesses from six sectors found 78% had no formal quality system, with 65% having no intention of introducing one.

Table 7.3 lists a number of destination quality management programmes implemented by destinations around the world. Many such programmes are joint ventures between the DMO and other organisations. In New Zealand, for example, Qualmark, which is the official quality agency for the tourism industry, is a joint venture between the NTO and the Automobile Association (see [www.qualmark.co.nz](http://www.qualmark.co.nz)).

### *New product development* • • •

Globalisation is increasing the homogeneity and commodification of tourism products. For example, the internationalisation of theme parks, such as through expansion by Disney, and the outsourcing of international consultants is leading to an homogenous approach towards these developments (Swarbrooke, 2001). Likewise, the westernisation of Asia, the standardised format of international hotel chains, the ubiquitous golden arches, and the sale of similar types of souvenirs has decreased the surprise factor for experienced travellers. This is resulting in increasing difficulty in DMOs' ability to differentiate.

Theme parks understand the need to develop a stream of new and innovative products to increase repeat visitation. Likewise, DMOs recognise the need to be able to refresh product offerings. A product has been defined as 'anything that can be offered to a market for attention, acquisition, use or consumption that might satisfy a want or a need' (Kotler, et al., 2003). A product offering comprises core, actual, and augmented elements. The core product is the bundle of benefits sought by the consumer. In the case of destinations these are the ability to cater to travel motivations such as the need for escape and relaxation or adventure and excitement, among others. The actual product is that supplied for purchase, such as a travel package. In this regard a destination is viewed by the consumer as

both a product in itself, since in general consumers talk about purchasing travel to a destination such as Paris or Germany, as well as an amalgam of individual tourism services. The augmented product represents the added-value component. For tourism service providers and intermediaries a satisfaction guarantee to overcome perceived risk is a useful example. Other examples include brag value and iconic photo opportunities.

While some DMOs, particularly at the NTO level, have historically been directly involved in developing and managing tourism products, the majority no longer have any direct responsibility, due in the main to the high labour intensity of the activity and the changes in government philosophy towards direct involvement in private business. Getz, Anderson and Sheehan (1998) found most Canadian CVBs lacked formal goals for product development, with only one-quarter reporting having a policy. They found that significant barriers to direct involvement included a lack of resources and a marketing mandate, and of course concerns from existing members. In some cases the DMO abdicates responsibility to an economic development agency, such as in the case of Rotorua, New Zealand, where the product development has been the domain of the local council's business development unit (see <http://rotorua-business.com/index.shtml>).

### *Stimulating new developments*

Essentially there are three main product development roles played by DMOs. One opportunity is the proactive stimulation of new products. Independent research undertaken during the development of Australia's new tourism strategy in 2006 estimated that A\$86 billion of investment, particularly in accommodation and attractions, would be required in the following 10 years to meet forecast increases in demand.

The DMO must determine the extent to which the range of destination products adequately takes advantage of the destination's source(s) of comparative advantage. In Canada the CTC has worked with industry to develop 34 product-based clubs in an effort to increase both the range and quality of tourism products (Vallee, 2005). In New Zealand for many years it has been argued that of all the attributes that country has to offer visitors there is only one that is truly unique on the world stage, and that is the indigenous Maori people and their culture. Everything else, such as fiords and glaciers, geothermal activity, bungee jumping and the like can be found elsewhere. Given that so many travellers are interested in experiencing aspects of other cultures this has been advantageous for New Zealand. However, until very recently there has been a lack of commercial Maori product for visitors to experience, and a lack of access to 'authentic' Maori life on the Marae (tribal meeting place). In terms of a successful proactive initiative, the economic development unit, mentioned in the previous paragraph, commissioned and funded a \$30,000 feasibility study that resulted in a much-needed new hotel development called for by the RTO.

A marketing orientation dictates that products are designed to meet the needs of the target. However, a destination's major tourism products are usually rigid in terms of what they can be used for, and may be difficult to adapt to changing demand. For example, Morgan (1991) reported that the late 1980s price wars by UK tour operators, which led to demand

for increased accommodation capacity in Majorca, stimulated the development of 70,000 new hotel beds. A later shift in demand from the dominant UK and German markets for self-catering accommodation then led to a surplus of an estimated 50,000 to 70,000 hotel beds on the island.

### *Stimulating packages*

A second DMO role is stimulating the bundling or packaging of products to meet identified market needs. This type of approach can be undertaken through wholesale and retail package sales. For example, during the 1980s, Bradford, categorised as a difficult tourism area, placed a significant emphasis on promoting a series of special interest short-break packages. These were based on the following themes, which generated an estimated 85,000 bed nights a year (Buckley & Witt, 1985):

- The area's mill shops
- 'In the footsteps of the Brontë sisters'
- Television and film themes
- Industrial heritage
- Camera craft with the National Museum of Photography, Film and Television.

Examples from the USA's mid-west include (Carley, 2005, p. 116):

- Europe without a passport. A regional offering of ethnic attractions
- The adventure that Lewis and Clark missed. A tour of the historical attractions in a section of Dakota not visited by the explorers.
- Seeing stars. Opportunities to view stars at both a local planetarium and a restored movie theatre showing vintage films.

### *Stimulating events*

A third area of product involvement by DMOs is special events, which can generate substantial visitor arrivals. For example, during 2003 the Dublin Chamber of Commerce reported an otherwise flat tourism season was 'kept alive' by a series of major events, including the Special Olympics ([www.onbusiness.ie](http://www.onbusiness.ie), 11/8/04). In the modern era the first examples were probably the Great Exhibitions of the 19th century that were held in London in 1851, Vienna in 1863, and Paris in 1878 (see Elliott, 1997). Today the highest profile events in the world are sports related, and it has been estimated that sports and related recreation make up at least 25% of tourism activity (Research Unit, 1994, in Pitts & Ayers, 2000). A significant component of sports tourism is special events, such as InterHash. This biennial gathering of Hash House Harriers from around the world has since the early 1990s regularly attracted over 4000 participants. The 8th Masters Swimming World Championships held in Munich in 2000 attracted 7406 competitors.

Despite the high profile of national and international sports events, as many, if not more, people attend events related to culture. Cultural events are not the sole domain of the major cities. For example, in the USA the Age of Rubens exhibition attracted 234,000 visitors to Toledo, mostly from

interstate (Holcolmb, 1999). Gartrell (1994) reported that the Street Art Fairs in Ann Arbor, Michigan, attracted over 500,000 attendees.

Another event category could be labelled odd, wacky, or off-beat. For example, in August each year the tomato fight in the Spanish town of Bunol attracts around 30,000 participants (<http://edition.cnn.com/2000/FOOD/news/08/24/spain.tomato.war.ap>, 29/03/04).

Examples of off beat events in the UK include (Ross, 2003):

- The World Bog Snorkelling Championships at Llanwrtyd
- Shrovetide football, with goalposts 4.8 kilometres apart, at Ashbourne
- Up-Helly-Aa Viking festival, which originated in the 19th century, in Lerwick
- The Shrove Tuesday Pancake race at Olney
- The World Coal Carrying Championships at Onsett
- Cheese rolling races, which date back 400 years, at Brockworth
- The World Toe Wrestling Championships at Wetton
- The World Stinging Nettle Challenge at Marchwood
- Gurning competition (pulling grotesque faces) at the Egremont Crab Fair
- Stonehaven Fire Balling Festival.

Examples in other parts of the world include:

- Groundhog Day on 2nd February in Punxsutawney, Pennsylvania, which attracts over 30,000 visitors to see groundhog 'Punxsutawney Phil' emerge from Hibernation.
- Wild cow milking at the Rerewhakaiitu Rodeo, New Zealand
- 'Battle of the Queens' cow fighting, Valais, Switzerland
- The World Cow Chip Throwing Championship in Beaver, Oklahoma.
- The Whitestone Cheese Rolling competition in Wendon Valley, New Zealand.
- The Wife-Carrying World Championships in Sonkajarvi, Finland.
- The Palio of Siena horseraces around the central square in the medieval town of Siena, Italy.
- The Henley-on-Todd regatta in Alice Springs, Australia, where curious looking boats are raced by foot along the dry riverbed. The regatta is only cancelled when rain creates water in the Todd River!

A further event opportunity is place anniversaries such as Quebec City's 400th anniversary in 2008 and Germany's Dresden, which celebrated its 800th anniversary in 2006 by presenting over 400 special events. Anniversaries of people are also employed, such as in Spain during 2006/07 to mark the 125th anniversary of Picasso's birth.

## Supportive local residents

DMOs are recognising that tourism planning should be inclusive for the host community. Wherever possible, efforts should be made to advise the community of important tourism developments, to seek feedback, and to address any problem issues raised. Davidson and Rogers (2006),



for example, cited a number of urban regeneration programmes based on the construction of new convention centres, such as in rundown sections of Glasgow and San Diego. Edgell (1999) noted the following creative tourism developments that seek to improve the local environment:

- Baltimore's Inner Harbour Place
- Boston's Faneuil Hall and Market Place
- Charleston and Savannah's historic preservation areas
- Old San Juan.

## Key points

### 1. The commonality in DMO roles

The roles of a DMO are dictated by the mission, goals, and objectives, which in general are similar around the world. Key themes include: coordination, strategy, stakeholders, economics, marketing, product development, lobbying, information provision, protection, research, and the host community.

### 2. The shift in thinking towards DMOs as destination management organisations

The concept of destination management is akin to the societal marketing orientation. In this regard, achievement of destination competitiveness requires an orientation that is broader than sales and marketing. The increasing difficulty in achieving destination competitiveness necessitates DMOs taking a proactive interest in stewardship of the destination's social, cultural, and environmental resources. This is however difficult to practise, and so the concept is in infancy in most parts of the world. Destination management roles feature a balance between profitable tourism businesses, an effective market position, an attractive environment, positive visitor experiences, and supportive local residents.

## Review question

Debate the extent to which your nearest DMO is a destination marketing organisation or a destination management organisation.