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Determinants of Tourism Success for DMOs & Destinations: An Empirical Examination of Stakeholders’ Perspectives

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Abstract

What is tourism success? Specifically, what does tourism success mean for a destination as opposed to a destination management organization (DMO)? The main objectives of this study were to examine the concept of tourism success as it relates to both destinations and to DMOs, and to determine if a relationship or distinction exists between the two. Eighty-four (84) knowledgeable tourism managers and stakeholders from twenty-five (25) Canadian destinations were interviewed. Responses were used to identify variables and build a model that supports the existence of a relationship between the success of tourism destinations and DMOs with respect to community relations, marketing, and economic indicators. Unique to DMO success were supplier relations, effective management, strategic planning, organizational focus and drive, proper funding, and quality personnel. Unique to destination success were location and accessibility, attractive product and service offerings, quality visitor experiences, and community support.

To conclude, achieving success in tourism is challenging and ill understood. We hope that this study will prove to be a small step towards enhancing our understanding of the variables associated with both DMO and destination success.

Keywords: success; factor; performance; DMO; destination; stakeholder; visitor experience; competition;
1. Introduction

Competition among tourism destinations continues to intensify. With substitution among destinations being pervasive, competitive advantage requires the ability to effectively manage all components of the tourism system to ensure success is achieved. To assist in achieving this objective, many destinations have created a destination management organization (DMO) to provide leadership for the management of tourism in the destination. While the roles of the DMO have been explored (Getz et al., 1998), much remains to be done if we are to understand how the DMO can be more effectively structured and operated so as to make the destination to which it is responsible more competitive and ultimately more successful.

1.1 The Importance of the Destination as a Unit of Study

While the tourist remains the single most important focal point that we seek to understand and satisfy within the complex phenomenon we call tourism, it is critical to recognize that the tourism destination is the primary unit of study and management action. Notwithstanding varying viewpoints, we define a tourism destination as “a geographical region, political jurisdiction, or major attraction, which seeks to provide visitors with a range of satisfying to memorable visitation experiences.” For the visitors to be classified as tourists, they must, at a minimum, be visiting destinations that are “outside of their normal place of residence.” While the geographical boundaries that define a destination commonly coincide with the boundaries of a political jurisdiction—such as a country, state, province, municipality, or “city state”—it is conceptually and managerially more effective to view a destination as that geographical region which contains a sufficiently critical mass or cluster of attractions so as to be capable of providing tourists with visitation experiences that attract them to the destination for tourism
purposes—an oft-cited example being the Alps in Western Europe. We also identify as destinations those large metropolitan cities which offer such a broad range of exciting visitation experiences within their boundaries that they are competitive in their appeal to many destinations that are much larger in geographic terms. Readers should also note that certain major attractions (such as DisneyWorld in the USA, the Palace of Versailles in France, the Inca ruins of Machu Picchu in Peru, the Hermitage Winter Palace in St. Petersburg, Russia—and a number of other attractions of renown, may by themselves provide such substantial, unique, or significant visitation experiences that they can be considered to be a “destination” in their own right.

1.2 Roles of the Destination and the DMO

A tourism destination has two primary roles and a number of important supporting roles. First and foremost, it must seek to enhance the social and economic well-being of the residents who live within its boundaries. Secondly, to be classified as a tourism destination, it must provide this enhancement of resident well-being by offering a range of activities and experiences of the kind that we identify as “tourism” experiences (for example, see Ritchie & Crouch, 2003, pp 191-197). The provision of this range of activities and experiences, when enjoyed by the visitor at a price which he/she is willing to pay, and which enables the destination to operate in a sustainable manner (economic, environmental, social, and cultural) to the benefit of residents—might generally be regarded as success in tourism.

As for the more specific roles of the DMO, one of the pioneers in the field of destination marketing (Gartrell, 1994) has identified the following areas of activity:
• The **coordination** of the many constituent elements of the tourism sector (including local, political, civic, business, and visitor industry representatives), so as to achieve a single voice for tourism;

• The fulfillment of both a **leadership and advocacy** role for tourism within the local community that it services. The DMO should be a visible entity that draws attention to tourism so that residents of the destination understand the significance of the visitor industry;

• Helping to ensure the **development** of an attractive set of tourism facilities, events and programs—and an image that will help position and promote the destination as one that is competitive in the experiences it offers;

• Assisting visitors through the provision of **visitor services** such as pre-visit information, and additional information upon arrival;

• Finally, the DMO also has another important role, serving as a key **liaison** to assist external organizations, such as meeting planners, tour wholesalers, and travel agents who are working to bring visitors to the destination.

In summary, the roles of the DMO, in the broadest of terms, are: to work towards enhancing the well-being of destination residents; to do everything necessary to help ensure that visitors are offered visitation experiences that are at a minimum, highly satisfactory, and where possible, highly memorable; and while doing so, to ensure the provision of effective destination management and stewardship.
1.3 What Constitutes Success in Tourism

The construct of tourism success is elusive. Does the success of a DMO automatically determine the success of a destination? Similarly, does a successful tourism destination necessarily imply a successful DMO? To answer these questions, one must first define what success means for a DMO and for a destination. Pearce (1992) argues that studies identifying how different stakeholder groups evaluate the success of a DMO are required in order to capture the many intangible dimensions of the construct. Ritchie & Crouch (2000, 2003) argue that the evaluation of destination success must be addressed through an assessment of both input (e.g. effective marking) and output variables (e.g. increase in visitation). In order to achieve the objectives of this study, which involved examining the concept of tourism success as it relates to both destinations and DMOs, a structured survey with open-ended questions was used to probe respondents for their perspective on tourism success for both the DMO and the destination. While it may be assumed that success for each of these entities is one and the same, this research questions this assumption and seeks to clarify the similarities and differences.

While efforts to achieve success relative to tourism demand have garnered considerable attention, few studies have investigated tourism success from a supply side perspective. Although it is true that the visitor ultimately defines the success of tourism, there are a multitude of variables that must first be in place prior to the visitor arriving if the visitor experience is to be judged satisfactory—and hopefully memorable. Many visitors do not understand the role of the DMO due to the fact the organization frequently provides more management and service activities to its internal stakeholders than it provides to visitors. In order to assess what success means for a destination and for a DMO, this study sought to obtain the views of tourism destination managers and stakeholders who understand both the nature of tourism destinations
and the role of DMOs. Multiple respondents holding a variety of positions in tourism were asked to provide their views on the foregoing.

In summary, the primary purpose of this study was to compare the perceptions of “tourism success” for both destinations and their DMOs, as viewed by their stakeholders. The decision to measure the two dependent variables (tourism success and DMO success) was based on the primary objective of seeking to determine the variables that stakeholders use to measure both the success of a DMO and the success of a tourism destination—and to subsequently compare and contrast how these measures are similar or different. In brief, the study represents an initial step towards the development of a more holistic evaluation of tourism success, for investigating the relationship between the success of the DMO and the destination, and for creating a foundation for the construction of both new and revised measurement tools for tourism managers and other stakeholders.

1.4 Previous Studies on the DMO and the Destination

In an attempt to provide a solid foundation for this study, we first reviewed studies pertaining to both the DMO and the destination—and in doing so, sought to develop a classification scheme that would assist us in better understanding each of the two entities. Since most studies in the existing literature—with a few exceptions, tend to focus on a single variable at a time (such as marketing/promotion), our classification scheme is built around these variables. Those few studies that do take a more holistic perspective, we classified as having a policy and strategy perspective. The classification scheme, along with a summary of previous studies on DMOs and Destinations is given in Table 1.
While the summary we have included is by no means exhaustive, it does provide what we believe to be a usefully representative subset of studies which have appeared in journals having an interest in the tourism destination as the unit of study. As will be seen, the studies we have included and summarized were classified as follows:

- Firstly, did they primarily pertain to the Destination Management Organization (DMO) or to the Destination (D). In this regard, we found that, based on our sample of studies (see Table 1), a preponderance of just over half of the research studies we included have examined topics that focused on the destination.

- Secondly, according to the primary functional focus of the paper, it was categorized as dealing with issues related to one of the following managerial functions:
  - M&P (Marketing & Promotion)
  - M&S (Membership & Stakeholders)
  - P&S (Policy & Strategy/holistic perspective)
  - I&R (Information & Research)
  - F (Financial Management)

The purpose of the forgoing documentation was to provide some insight into which managerial functions had received attention to date—and to hopefully also provide some indication of direction regarding future research priorities.

In addition to the foregoing categories, Table 1 also includes several studies related to Tourist Destination Choice & Behaviour (TDC&B). While we originally considered including
more studies dealing with the tourists’ choice of destination and their subsequent behaviour during visitation, we decided to leave a more extensive examination of this dimension for a future study.

1.4.1 The Dominance of Destination Marketing & Promotion

As seen from Table 1, Marketing and Promotion tended to dominate as the focus of study for the publications that we examined and summarized. While our literature summary was unable to include all studies related to either the Destination or the DMO, we found it to be sufficiently comprehensive for our purposes—and hope that it may provide the interested reader with a valuable starting point for their own research.

As for the nature of the studies in destination marketing and promotion, they appeared to fall into a number of research streams. The first of these is research into the effectiveness of various forms of advertising and promotion. Typical of these is a study by McWilliams & Crompton (1997). They examined how travellers differentially responded to advertising campaigns of their state DMO (the Tourism Division of the Texas Department of Commerce). These campaigns were specifically aimed at low risk/low importance trips. In a related vein, Schoenbachler et al. (1995) examined the use of the split-run technique to measure the effectiveness of state advertising in a mid-western state in the USA. Perdue & Pitegoff (1990) examined different types of persuasion tools used in destination marketing to assess relative effectiveness, and in an effort to modernize the field, Gretzel et al. (2000) identified effective strategies for tourism advertising on the Internet. Pollock (1995) also took a futuristic perspective in her examination of how electronics can be utilized by DMOs for marketing initiatives. In other areas, Dolnicar & Leisch (2008) assessed the value of selective targeting of tourists as a means
of achieving destination sustainability, while Hudson & Ritchie (2006) proposed a model for exploiting film tourism to enhance destination awareness and to attract visitors. From a less optimistic perspective, Ooi (2002), in a study of tourism promotion strategies in Singapore, found the effect of the political environment can be very real—and therefore must be taken into account when planning destination tourism promotion programs. Conversely, Prideaux and Cooper (2002), using a case study, identified several variables they argue will increase destination marketing effectiveness. More recently, Simpson & Siquaw (2008) focused in on the varying effectiveness of word-of-mouth (WOM) promotion across different types of market segments. By far the market segment most susceptible to WOM promotion was “winter tourists.”

Another stream of research in destination marketing and promotion relates to the measurement and management of destination image—and its precursor role for destination branding. In this regard, a proposed framework for destination image measurement by Ecthner & Ritchie (1993) has received widespread attention and adoption. Nadeau et al. (2008) provide an updated approach to the study of destination image—an approach which provides greater substance to destination image research by context analyzing and expanding our understanding of image through the use of knowledge gained in product-country research. Finally, Blain et al. (2005) extended our understanding of image to include its relation to an assessment of destination brand practices. A third major stream of M&P research examines the issues involved in collaborative destination marketing. Typical of these studies are those by Wang & Xiang (2007), Reid et al. (2008), Wang (2008), D’Angella & Go (2009), and Bhat & Milne (2008). Finally, both Palmer & Bejou (1995), and Selin & Myers (1998) also examined the increasingly important trend for DMOs to establish collaborative marketing alliances. This has been largely driven by reduced funding and staffing, plus a desire to enhance strategic effectiveness.
1.4.2. The Importance of Destination Stakeholders

Since ultimately, a DMO is evaluated by the stakeholders it affects, it is not surprising that studies on this topic were also found to be important in respect to destination related studies. Among the earlier studies in this category (identified as M&S in Table 1), is one by Palmer & Bejou (1995) who examined the need for stakeholder collaboration; another by Donnelly & Vaske (1997)—who examined the factors that influence membership in a voluntary state tourism promotion authority; and one by Selin & Myers (1998) who studied membership satisfaction within a regional tourism marketing alliance. They found that effective communication was critical to achieving satisfaction and buy-in—thus, they emphasize the need for strong leadership to gain stakeholder involvement. A study by Sautter & Leisen (1999) examined stakeholder theory and its application as a normative planning model. In this case, the researchers sought to bring together resident and tourist stakeholders by identifying market segmentation variables that could be used to align the interests of residents and tourists. Sheehan & Ritchie (2005) also applied stakeholder theory and analysis in an empirical study of tourism DMOs, to determine both their identify and relative salience. Other studies involving stakeholders include an assessment of the impact of casino gaming on residents by Kang et al. (2008), and an examination of the impacts of tourism on the residents of Shi Cha Hain hutong in Beijing (Gu & Ryan, 2008). Simpson (2008) introduced the concept of Community Benefit Tourism Initiatives (CBTI)—and sought to identify the range of stakeholder characteristics that contribute to a successful CBTI. Finally, in one of the more recent studies, Currie et al. (2009), applied stakeholder theory to a feasibility analysis for a potential land and water trail, one involving legal rights and privileges of various special interest groups. In doing so, the researchers arrived at a modified classification and definition of stakeholders that they argue is beneficial in a number of
ways. Finally, Scott et al. (2008) took a somewhat different approach by examining a network of key stakeholders from four (4) Australian destinations. Their analysis provided insight into both the structure and cohesiveness of destinations.

With so many different stakeholders involved in the tourism phenomenon, it becomes very challenging to find common ground among the various agendas. While some stakeholders (such as hotels and city government) are clearly very critical to the success of a DMO because of their financial and partnership resources, there is a multitude of other relevant stakeholders (Sheehan et al., 2007), whose views must also be considered. As such, determining what constitutes success for an organization that must address multiple stakeholder concerns is daunting. Nevertheless, Pearce (1992) argues that studies identifying how different stakeholder groups evaluate the success of a DMO are required, and goes on to state that a comparative study may be an effective approach for understanding this phenomenon. He also states that a successful DMO meets its objectives, has adequate resources, as well as stakeholder buy-in, and is understood in terms of its purpose.

1.4.3 The Critical Role of Policy and Strategy

While destination marketing and promotion (M&P) and destination members/stakeholders (M&S) have traditionally received the lion’s share of researcher attention, we also noted that growing interest is also being directed towards the policy and strategy dimension of destination management. In this regard, Faulkner has provided a rigorous and comprehensive framework for systematically integrating a range of techniques required to furnish destinations with a more solid foundation for strategic decision making—particularly as this relates to an NTA’s international marketing activities (Faulkner, 1997, 1998).
Using a case study approach, Augustyn & Knowles (2000) sought to identify the critical success factors for public/private sector partnerships. Lenhart (1998) similarly sought to examine how DMOs are seeking to redefine themselves as they face a broad range of changes that senior executives are facing. In a later study (Lenart, 1999), he sought to identify those CVBs that “stand apart” in the industry. In articles using strategically targeted case studies, O’Neill (1998) identified the success factors that were judged particularly important by three major cities in the United States of America. In this same area of “factors determining destination success,” is a five-year study of DMOs at both the national and international levels by Ritchie & Crouch (2003). This study identified the different factors contributing to destination competitiveness and success viewed from a long-term sustainability perspective, and then consolidated these findings into a model of destination competitiveness. Following this, Gomezelj & Mihalic (2008) applied an alternative model of competitiveness (De Keyser-Vanhove) to the case of Slovenia—and in so doing demonstrated that Slovenia is more competitive with respect to its resource endowments than in the deployment of those resources. Finally, other studies involving policy and strategy, but of a more focused nature, include those by Rodríguez et al. (2008), and Rodríguez-Díaz & Espino-Rodríguez (2008) who examined the different strategic aspects of the life cycle concept as applied in a Canary Islands setting.

Another major policy contribution is the comprehensive standard performance reporting procedure developed by the Destination Marketing Association International (DMAI, 2005), for convention and visitor bureaus (CVBs). More recently, Singh (2008) examined the manner in which tourism development policy has overwhelmed and changed the essential nature of an isolated, highly unique part of the world, while Hystad & Keller (2008) undertook a strategic
investigation of the experience of a tourism industry affected by a major forest fire disaster in 2003. Finally, Stevenson et al. (2008) explored the development of tourism destination policy for the city of Leeds in the UK, while Ritchie (1993) has developed an approach for crafting a consensus based community vision for the long-term development of a tourism destination.

1.4.4 Information Research for Destination Management

One of the most significant research contributions in this area was a study by Fesenmaier et al. (1992), who sought to assess the information needs of CVBs in the state of Indiana. They identified four (4) implications for product development to meet information needs. Together, the foregoing focused on the need for destinations to develop an effective tourism marketing information system (TMIS).

In a related study, Masberg (1999) examined the current marketing research activities of CVBs so as to identify and prioritize the research managed by CVBs. Finally, Ritchie & Ritchie (2002) have also provided guidelines for the establishment of a comprehensive state/provincial destination marketing information system (DMIS).

Yet another rather unique work in this area is from Pollock (1995), whose insights on creating intelligent destinations for wired consumers pose a number of challenges that DMOs must address if they are to effectively use the new management tools that technology has made available to us.
1.4.5 Tourism Decision-Making Choice & Behaviour

The next research category in Table 1 involves a number of studies on Tourism Decision-Making, Choice & Behaviour (TDC&B). These studies seek to provide an understanding of the decision and choice patterns of tourists as well as their behaviour at the destination, with a view to both better serving the needs of visitors and to assisting destination managers in managing their destination. One of the earliest, and most comprehensive, of these studies is Crompton’s (1977) “development of a systems model of the tourist’s destination selection decision process—with particular reference to the role of image and perceived constraints.” Another study in this category is that by Lepp & Gibson (2008) in which tourists’ perception of risk were investigated in relation to sensation seeking and gender. In another vein, Stepchenkova & Morrison (2008) measured Russia’s destination image among U.S. pleasure travellers. Finally, San Martin & del Bosque (2008) studied the differences in destination image across national and international tourists. While we would have liked to have summarized many more studies in this research stream, we concluded that although these demand-related studies are highly important for successful destination management, we wished, in this study, to focus on issues related to the supply side of destination management.

1.4.6 DMO Financial Management

In our final category, Sheehan & Ritchie (1997) are two of the few researchers who have examined the nature of financing and financial management within North American DMOs. We believe additional studies in this critical dimension of DMO performance and well-being are required to complement and extend the findings of this study.
2. Defining Destination Success

Otto & Ritchie (1996) argue that measures of success should be focused on the most important factors of competitiveness as determined by the visitor. This argument is compelling from a marketing perspective. Pearce (1997), however, conducted a comparative study from a supplier perspective, based on attributes chosen by suppliers to examine several destinations in Southeast Asia. The suppliers were limited in scale and scope to one destination. Kozak (2002) used tourist satisfaction as a basis for destination benchmarking and applied it in Mallorca and Turkey.

As noted earlier, most studies conducted from an internal perspective have focused on a single aspect of destination performance and success, such as marketing (Buhalis, 2000), pricing (Mangion et al., 2005; Keane, 1997; Dwyer et al., 2000), product offerings (Murphy et al., 2000; Faulkner et al., 1999, Judd, 1995), membership (Donnelly & Vaske, 1997), and quality (Go & Govers, 2000). One of the most compelling theoretical arguments to date for using multiple variables to determine the holistic success of a destination has come from Ritchie & Crouch (2000). They argue that the evaluation of destination success must be addressed through input and output variables, comparative and competitive advantages, and measured from the viewpoints of all stakeholders involved in the tourism system. Enright & Newton (2004) quantitatively applied the above noted model in China and in a later study (2005) to compare the destinations of Hong Kong, Singapore and Bangkok. Absent from the literature, are studies specifically evaluating the effect the DMO has on the overall success of the destination. However, Hassan’s (2000) recognition of industry structure (organization of the local tourism industry) as one of the four determinants of market competitiveness does, we believe, implicitly
make this connection. Dwyer & Kim (2003), in a parallel study, also stress the importance of the destination management function to overall destination competitiveness. Follow up research by Dwyer et al., (2004) reduces to fewer factors a broad model of destination competitiveness. Mazanec et al., (2007) seek to determine if the comprehensive Ritchie & Crouch (2003) model of destination competitiveness can be transformed from a purely definitional system into an explanatory one. While the above studies have clearly advanced our understanding of destination success, a comprehensive analysis of the influence that a DMO has in a determining destination’s tourism success appears to be both lacking and warranted.

3. Methodology

A constructivist uses qualitative research to investigate how people view a phenomenon; that is, truth is a relative term that is based on a person’s view of the world (Schwandt, 1994). This study was designed to capture “truth” in terms of how sample groups perceive tourism success for the DMO and for the destination. This qualitative approach allowed the researchers to probe the topic of interest on an in-depth basis. The questions permitted respondents to convey thoughts about the concepts and constructs, with few limitations. The study utilized the Miles & Huberman (1994) framework for the execution of a qualitative study to ensure rigor, reliability, and validity.

As noted earlier, the primary objective of this study was to study the similarities and differences in the variables used by different stakeholders to evaluate tourism success for DMOs and destinations, using a comparative approach. Baum (1999) argues that comparative studies
can be used to assist in tourism benchmarking, learning from others, creating long term studies to detect trends, and allowing for comparison of destinations to enhance the overall competitiveness of tourism. Warwick & Osherson (1973) argue that “equivalence” is paramount in developing a comparative study. The researcher must choose respondents who are equally knowledgeable about the phenomenon being studied.

Twenty five destinations in Canada were chosen for this particular study. Criteria for selecting the destinations were based on geographic representation throughout the country, consistency of stakeholder positions for the sample group, and the presence of a distinct DMO organization. This was a crucial point of the study as it allowed the comparison of perceived variables of success for both the DMO and destination.

A fundamental requirement to generate data necessary for studying the determinants of DMO and Destination tourism success was that stakeholders have awareness of the role of the DMO at the destination. Not all businesses that are part of the tourism system join with the DMO. In fact, many small organizations do not have the resources to participate. Other sectors such as the foodservice industry tend to not see benefits to joining as most of their business is generated locally. In the researchers’ experience of over a decade in the tourism and hospitality industry, it was found that the majority of members tend to be larger tourist businesses that attract visitors from outside the local destination. These critical points were reviewed prior to determining the sample for this study. The study focused on gathering responses from stakeholders who would be aware of a DMO and potentially participate in its activities.
The decision was made to use a stratified purposeful method of sampling. This methodology identifies categories of stakeholders who can be found with consistency and allows the exploration of the given constructs to be studied both within and across other stakeholder groups so as to identify potential similarities or dissimilarities of the constructs. The deliberate choice must be based on the belief that all stakeholders chosen have a certain level of awareness that would be considered higher than the average person for the given phenomenon studied.

The criteria for choosing the sample groups were that each operates a tourism business directly, provide funding for or sharing resources with the DMO, and is actively involved in the operational aspects of the DMO.

The first four stakeholder groups had more than one potential respondent. But, using the parameters that had been developed based on the research questions, deliberate choices were made. The attraction and event managers were selected based on the premise of having visitors outside of the local destination attend their event or visit their attraction and the potential of participating with the DMO to attract visitors to the destination.

The politicians were chosen by viewing the website that each municipal government had posted on the Internet and ascertaining which one dealt with the local DMO in terms of being on its board or holding responsibility for participating in tourism strategies. Finally, the hotel managers were chosen based on the requirement of working with the DMO.
The last four stakeholder groups (DMO Operational Executives, DMO Chairs, Convention Centre Managers, and Chamber of Commerce Presidents) all had one specific organization and position at each destination, thus no choice was or could be made.

With this concern clearly in mind, the eight respondent stakeholder groups chosen for this study all possessed a similar in-depth knowledge of tourism, and all interact with the DMO at the destination. More specifically, knowledge in this context pertains to an understanding of the functions a DMO performs and the effects of tourism on the destination. The respondents in each of the following eight stakeholder groups share the same professional or political affiliation and can be found at all destinations:

1. Attraction manager
2. Event manager
3. Politician
4. Hotel general manager
5. Convention centre manager
6. Chamber of commerce president
7. DMO operational executive
8. DMO chair

One member of the research team conducted all interviews in an effort to reduce potential errors and to ensure consistency in data collection. The questionnaire was administered by telephone, with interviews averaging about 35 minutes in duration. However, the duration of interviews ranged considerably—from as brief as 15 minutes to just over an hour for some DMO managers. The total survey took several months to administer, largely because of the difficulty in
obtaining interviews with busy senior executives. Initial calls to respondents related that they were not comfortable with the recording of interviews so verbatim notes were taken instead.

The sampling framework for the study included one hundred and eighty nine (189) stakeholders. Seven destinations had one particular stakeholder group that was not represented or one respondent who held positions in two of the stakeholder groups identified. In the latter case, the respondent was interviewed based on his/her primary stakeholder group affiliation. A total of eighty four (84) interviews were completed, which represents a forty four (44) percent response rate. Table 2 provides the geographic profile of the respondents, while Table 3 presents the stakeholder category profile by region for the respondents in the sample.

NVivo software was used to assist in the analysis due to the large number of data transcripts that were gathered from respondents. The data were coded after reviewing respondents’ transcripts several times. The code names reflected both the content and context of the respondents’ answers so as to allow for more efficient coding and to provide meaning to both the researcher and the experts who were asked to provide verification. Operational definitions provided detailed descriptions of how the code was meant to be applied to responses. This procedure allowed the researcher to conduct a comparative analysis to determine if the success of the DMO and the destination were perceived to be related, by multiple stakeholders. Reliability
of coding is essential if a study is to have internal validity (Miles & Huberman 1994). They argue that inter-judge agreement of coding should be around 70-80%. In this case, three experts/judges carried out the verification of the data coding. The total agreement between the three coders was slightly above 90%.

4. Determinants of Destination Success

Respondents were asked the question “how would you define a successful tourism destination”? Numerous specific responses were grouped into five distinct key themes—which were identified as economic success, product and service offerings, effective marketing, quality of visitor experiences, and internal stakeholder interaction. Definitions for the thematic categories are provided in Table 4. Table 5 illustrates the responses from the various stakeholder groups for each thematic category.

4.1 Economic Success

Variables falling into the category of economic success were identified by 48% of the respondents and by all stakeholder groups as a critical variable to defining success. This theme would be classified as a performance measurement. The most common variable mentioned by respondents (nearly 80 percent) was visitor numbers. Many respondents highlighted overall
visitor growth as a key measurement. Others noted the utilization of key hotel ratios such as average daily rate (ADR), occupancy percentage, and RevPar (revenue per available room). Economic success is an output measurement of destination success.

4.2 Marketing Effectiveness

Stakeholders in every group mentioned the importance of effective marketing when defining tourism success for a destination. Marketing initiatives may be viewed as a process that is important for achieving success for a destination, as they require the outlay of resources by the stakeholders involved in tourism to develop marketing programs that will attract visitation.

Within this common theme, two key components were noted – a “strong image” and a “high level of awareness”. Image was referred to by many as potential visitor awareness that the destination is “unique” or “differentiated” from competitors. This uniqueness, it was argued, would then garner interest in the destination. As one respondent noted, the destination needs a “hook to bring people”. Measuring image is difficult, but some suggestions made by the respondents were “positive knowledge held in the market place about the destination”, “clearly defined … by a random group of visitors outside of the destination”, “impressions of target markets”, and “destination of choice for a particular reason (e.g. best skiing)”. All of these could be measured through marketing research to determine if the positioning of the destination chosen is “in sync” with the image of the destination in target markets. Brand awareness clearly emerged as a crucial component of tourism success. With ever increasing competition in tourism and an expanded choice of destinations available, stakeholders understand the critical fight for space in the consumer’s mind. A few respondents offered potential measurements of marketing factors such as: “measurement of top of mind for visitors and potential visitors in terms of awareness of
the destination”; “measure top of mind by region of potential markets to determine viability of market success”; “amount of media coverage”; and “brand awareness in different countries where markets reside”. The variables of image and awareness directly affect the potential for visitation. Destination stakeholders will have to develop the research tools necessary to determine each, if both the image and awareness strategies are to be ultimately successful.

4.3 Product and Service Offerings

Variables falling under the product and service offerings theme may be considered an INPUT toward attracting visitors. The resources for products and services developed for tourism come from both the private and public sector with some offerings such as convention centres and other infrastructure being developed either directly by public monies or through joint ventures between public and private funding. Natural and cultural product attractions (often publicly owned) would be deemed comparative advantages if they are unique to the destination.

In terms of specific products and services, the items identified varied over a wide range of categories. Utilizing the Ritchie & Crouch model of Destination Competitiveness (2003) it was found that some components had more significance to the respondents than did others. Specifically, the scope and quality of the products offered and the superstructure were deemed important. Several respondents argued that destinations needed to offer the broadest range of products possible based on the preferences of the targeted markets. Mentions of other categories such as natural attractions, activities, events, culture, and infrastructure were quite evenly distributed. For cultural products, some respondents focused on the heritage and historical areas, while others focused more on the development of cultural events. Several respondents spoke about having effective programming that would appeal to visitors. Programming in this case was
in the context of offering events that would attract visitors to the destination. The activities
category is based on the idea that many visitors do not seek only attractions, but also have a
desire to “experience” the destination. In this regard, outdoor activities were mentioned as an
important destination characteristic.

4.4 Quality of the Visitor Experience

Post visitation responses were coded to this section. Consumer experience is a
“performance” indicator of a destination’s tourism success as consumption of the product and
service has already taken place.

Repeat visitation was mentioned by some stakeholders as an indicator of success. This
type of variable would require the development of a survey to track repeat clientele to a
destination (e.g. survey completed in hotels, exit or entrance surveys at airport). Positive word-of-mouth was noted as an important factor, along with overall experience and value. Value in
this context was of a monetary sense. Several stakeholders noted value in terms of “value for
dollar spent”, “value for the dollar, don’t overcharge”, “good value”, and “quality at good
prices”.

4.5 Internal Stakeholder Interaction

Twenty-six (26) percent of respondents identified internal stakeholder factors as a
measure of destination success. The majority of respondents spoke to the issue of resident
support of tourism in the destination and, more specifically, the community making the tourist
feel welcome. Three separate quoted statements highlight the importance of tourists’ comfort
level: “destination makes visitor feel welcome”; “people of destination are welcoming of
tourists”; and “community embraces visitors”. The tourism system does not encompass only suppliers of products and services, but also the interaction of visitors and local residents at the destination. Even if the overall product and service mix is strong, tourism success could be negated if the destination is difficult to access or if the residents of the host population are unsupportive of the tourism initiative and treat visitors with disdain. In this regard, location/accessibility were noted with particular emphasis on the importance of external access to the destination by visitors.

4.6 Summary

In summary, the respondents utilized a broad range of variables to provide a definition of destination success. These variables can be classified as input, process, and performance variables (see Figure 1). The comments of stakeholders involved in tourism are evidence of the complexity of the system and confirms the need to view the phenomenon from several different perspectives (performance) in order to properly evaluate destination success. It would be easy to state that economic measures define the success of any business, but that is rather simplistic when the product and service offerings (or inputs) of the destination, along with the execution of any given plan (process) have a large impact on the final outcome. The respondents argued that having strong input variables such as product and service, along with effective marketing and internal stakeholder relations (the process) will ultimately lead to the success of a tourism destination as measured by economic indicators and quality of visitor experience (performance variable).
5. Determinants of DMO Success

To achieve the second major goal of the study, respondents were asked the question “how would you define a successful DMO?” Specific responses were grouped into the four distinct key themes of internal stakeholder relations, operational activities, resources, and performance measurements. Table 6 provides the definitions of these thematic categories and Table 7 highlights the response rates from the various stakeholder groups.

5.1 Internal Stakeholder Relations

Over sixty (60) percent of total respondents felt the DMO’s ability to interact effectively with stakeholders in the destination was important to its success. The definition for this theme excluded partnership marketing, as this is a specific function that was placed under ‘operational activities’. Direct quotes such as “working with stakeholders, getting input”, “listen to suppliers”, “collaborates with stakeholders”, “central rally point for tourism stakeholders”, “community buy-in”, and “lobbyist for government policy issues” all signify the importance of the effective relationship management that a DMO must have with its multitude of internal destination stakeholders.

DMO CEOs, DMO chairs, attraction managers, and event managers had the highest response rates for ‘internal stakeholder relations’. Both attraction and event managers expressed
frustration when answering this question. In this regard, several respondents spoke of feeling under-represented when it came to DMO priorities. Statements such as “take all partners’ needs into consideration”, “don’t only focus on hotels”, “represent broad community of tourism interests, not just hotels”, and “work with all suppliers such as events and attractions and not just hotels” reflect the stakeholder groups feelings of being marginalized. Key words and phrases found in many of the stakeholders responses were “collaboration”, “communication”, “membership needs”, and “work with”. The internal stakeholders see the DMO as a focal point for tourism suppliers in terms of keeping suppliers abreast of important information through effective communication, ensuring stakeholder needs are met, and developing an atmosphere of collaboration.

5.2 Operational Activities

The most frequently cited variables for the success of a DMO fell under the theme of operational activities. Specifically these activities included marketing, management, and, to a very limited degree, service and product development.

Marketing is considered the most important operational activity contributing to a DMO’s success. Nearly seventy-three (73) percent stated that marketing activities help to determine a DMO’s success. Primarily, stakeholders deemed that partnership marketing, research, and sales were the three most important components of the marketing mix. The “management” thematic code was utilized for all responses that addressed issues such as developing strategies, planning, being focused, innovativeness, and being goal and objective driven.
The provision of services in the destination was cited to a very limited extent. Only one mention was made of the DMO providing convention services, with all other respondents focused on quality service at the visitor information centres (which many DMOs are charged with operating). The majority of stakeholders view the role of the DMO as one of drawing visitors to the destination while leaving the provision of products and services to suppliers.

Product development was mentioned by only three stakeholders as a function or responsibility of the DMO. Most stakeholders in this study tended to perceive the role of the DMO as a service organization rather than a development organization.

5.3 Resources

Two dominant sub-themes existed within the key theme of resources – “funding” and “personnel”. One other lesser cited sub-theme was that of “destination knowledge”, that is, the level of knowledge the staff of the DMO have about the destination. The personnel sub-theme covered several dimensions representing the largest number of resource variables mentioned. Several stakeholders mentioned that the DMO leader required several key attributes such as political astuteness, visionary skills, and a dynamic personality. A few stakeholders also mentioned the requirement of a “good board of directors” in order to have a successful DMO. It was apparent that many respondents viewed the effectiveness of the top executives as directly affecting the success of a DMO.

Four of the six respondents who spoke about destination knowledge as a success factor were managers of events and attractions. This relates directly to their statements about the DMO not focusing solely on hotels. Direct quotes such as, “one [the DMO] that is aware of all
attributes of the destination”, “know context of destination”, “know what your entire destination has to offer in terms of the tourism product” all highlight potential ill-feelings felt by some stakeholders who may see themselves as less of a priority for the DMO when it develops strategies for attracting visitors.

5.4 Performance Measures

Measurements of “visitors to the destination” were the variables most frequently mentioned by respondents under the performance measurement theme. Several stakeholders mentioned specific tracking of the DMO marketing programs to determine a return on investment from funds expended to capture visitors. One interesting quote came from a convention centre Manager who stated “when things are bad, need to show it can increase tourism”. This statement highlights the need for the DMO to show direct results from its activities. Another stakeholder stated that when things are good, the DMO takes credit, but when things are bad, they argue it is due to factors out of their control. Both points speak to the same goal of trying to determine the effectiveness of the DMO, and how much of a difference such an organization makes in determining the tourism success of the destination.

5.5 Summary

The overall patterns found in analyzing the data were similar to those found regarding destination success. A set of variables (input, process, and performance) were all cited as determinants that define the success of a DMO.

The literature review illustrates the varying thoughts that different authors have had about the purpose or rationale for the existence of the DMO. Gartrell (1994) has argued that the DMO
is a marketing organization that drives business to the destination, while authors such as Ritchie and Crouch (1999, 2000, 2003) view the DMO as a management organization (including marketing) that is best suited to provide leadership and coordination for the destination, and to manage the complexity of the tourism system. Based on the results of this study, the stakeholders view the purpose of having a DMO in their destination as encompassing both of these definitions. Marketing is a key function that the DMO performs, and while this study has revealed it to be an important measure of success; it certainly is not the only one. While certain managers of DMOs may be stretching the definition of management power and responsibility of the DMO a bit too far, we must ask the question: “If the DMO does not provide leadership and direction for tourism development in the destination, who will?”

A compelling finding in this study for practitioners is the number of responses highlighting the importance of relationship management within the destination by the DMO. If DMO executives cannot effectively manage relationships within the destination, specific resource inputs (such as funding) from both the private and public sector may become impaired, thus threatening the very existence of the organization. Without the buy-in and resources from these stakeholders, functions such as marketing or other service aspects are negated and the DMO becomes unsuccessful. From a success standpoint, if interaction with the local residents is not effectively managed, they may become unfriendly towards visitors. From a political standpoint, receiving public monies may be threatened and again the DMO’s ability to function becomes impaired. Effective relationship management then becomes an imperative for all stakeholders that directly affect tourism at the destination.
6. Discussion

6.1. Identifying Differences between DMO Success and Destination Success

Respondents view DMO success and destination success as being different in some meaningful ways. Unique to the determination of destination success are: 1) product and service offerings; 2) location/accessibility; 3) quality of the visitor experience; and 4) community support – with community support being almost unanimously noted. Unique to the determination of DMO success are: 1) supplier relations (community support is also recognized as being secondarily important with respect to internal stakeholder relations); 2) effective management; 3) strategic planning; and 4) being focused and objective driven. Finally, the inputs for success of a DMO highlighted two components: 1) funding; and 2) personnel—neither of which were mentioned as determinants of success for a destination. Given that DMOs are organizations, it is not surprising that many of the unique determinants of DMO success relate to organizational effectiveness.

6.2. Commonalities between DMO Success and Destination Success

The data indicate that three key variables are determinants of tourism success for both the destination and the DMO: 1) community support; 2) marketing; and 3) destination performance. The community support and marketing variables are both viewed as processes within the destination. Destination success is viewed as a performance variable. The input variables for both destination and DMO success are seen as distinct. However, one could argue that without all the inputs for both, success for the destination and DMO will be adversely impacted. Figure 1 is a model illustrating the relationship of tourism success for the destination and DMO.
Based on the responses gathered in this study, stakeholders do see a relationship between the success of a Destination and DMO. They highlight the importance of the DMO as an organization that has the ability, if effectively operated, to efficiently service the process variables. There is no other organization that currently has the ability to develop both holistic strategies to deal with the multitude of stakeholders involved in the tourism system, and to develop marketing programs that will draw visitors to the destination. Both of these processes ultimately affect the performance of the DMO and to a degree, the destination. If the DMO provides effective service within the destination to the community, suppliers and other stakeholders, its ability to garner resources and develop strong marketing strategies will be increased. These activities should result in increasing visitation.

It could be argued that the destination, with strong input variables and private organizations large enough to develop their own marketing programs can succeed on its own. However, the model (Figure 1) illustrates the potential enhancement to tourism success that an effective DMO may have. The reverse possibility could occur whereby a DMO with sufficient input variables (resources), that manages the process variables well, and has an effective return on investment for the funds spent, finds itself in an unsuccessful destination due to poor inputs (bad location, limited external access, poor product or services).

Respondents’ answers to the two questions suggest that the DMO and destination constructs of success are not mutually exclusive. Rather, an argument can be made that managing the process variables for both will increase the opportunity of tourism success in both realms.
7. Conclusions

The purpose of this study was to assess how multiple stakeholders define tourism success of a DMO and a Destination and to determine if a relationship exists between the two. The data reveal that the DMO success and destination success share some similarities but also some important differences that practitioners and researchers should consider.

Community relations, marketing, and economic indicators were deemed to be related to both the success of the DMO and the Destination. The managerial implication of this finding is that a broad range of stakeholders make assessments about the success of the destination and the DMO on the basis of visible indicators. Very visible are the community relations initiatives of the DMO which includes communication of activities of the DMO and of tourism within the destination. The frequency of these communications and degree to which they carry positive images of the destination will reflect perceptions of success by stakeholders. Also the degree to which the local press report positively on the DMO and on tourism in general will also affect these perceptions. The implication is that the DMO must be effective in communications and in leveraging positive communications from other stakeholders in the press and in the local tourism industry.

Marketing activities are another very visible sign of the efforts of the DMO and are readily translated by all stakeholders (both internal and external to the destination) into perceptions about the destination and therefore success. Consider the examples of Las Vegas’ well known advertising campaign “what happens in Vegas stays in Vegas,” and the positioning of Paris, France as “Capital de la creation” (or Capital of Creation/Creativity). Practitioners must
be very careful about the images and perceptions of the destination that are created through implementation of their marketing campaigns. Whatever is created will clearly be perceived as an initiative of the DMO. The degree to which it is perceived positively (i.e. making the destination successful in the eyes of stakeholders) the better the perception of the DMO’s success.

Finally, the highly visible and often quoted economic indicators (How many tourists visited the destination? How much did they spend? How many people are locally employed in tourism? What were the local tax revenues generated by tourists?, etc.) are seen as evidence of success for both the DMO and the destination. There is no disputing that these are the hard quantifiable measures of success for the destination. Similarly a successful DMO should be able to influence these “results” positively. However, there are a myriad of factors beyond the control of the DMO (political events, currency fluctuations, weather, etc.) that can dramatically affect the economic indicators of success for a destination. Managers of DMOs need to be aware of these limitations and typically deal with them qualitatively when espousing the success of the DMO.

Notwithstanding the above similarities between DMO and destination success, there are a number of factors seen by stakeholders as unique to the success of each. Unique to DMO success was supplier relations, effective management, strategic planning, focused and objective driven, and the need for proper funding and personnel. Each of these factors is related to organizational effectiveness and could easily be transferred to factors of success for most types of organizations – not just DMOs. These factors suggest the importance of garnering resources (financial resources and human resources) and the effective and efficient deployment of these resources.
DMO managers must be cognizant that the DMO is an organization and much of its success will be determined by how well it is run and managed as an organization. A well run and managed DMO will attract and retain good employees that are professional, accountable and respected by other tourism stakeholders in the destination. This stakeholder confidence in the DMO will further improve the DMO’s ability to attract secure sources of funding, partnerships and collaboration that lead to greater resources to fulfill its mandate.

Unique to destination success was product and service offerings, visitor experience, location and accessibility, and community support. Stakeholders view destination success a combination of tangible physical destination attributes (such as product, location and accessibility) and less tangible attributes (such as service, experience and community attitude). Collectively, these factors of destination success may be viewed as a reflection of what the destination has to offer tourists and may include both natural endowment factors (location and product related to the raw natural resources) and factors that are created or enhanced (service, accessibility, and community support). All of which collectively result in a visitor experience. While some of the natural endowment factors are beyond the control or even influence of the DMO, several of the other destination factors can at least be influenced by the DMO. Managers of DMOs could therefore have some potential effect on destination success in this regard.

Strongly evident from the respondent interviews was the dynamic and complex nature of the tourism system. In reviewing the responses provided, one gains an appreciation of the critical importance of relationships not only with tourism suppliers, but also with residents and local government officials. The DMO is seen as a central organization in this system and must have
the leadership necessary to effectively manage these relationships. DMOs in which leaders and managers have a stakeholder relationship orientation are much more likely to succeed.

Managerial concern regarding the performance of DMOs is apparent (Destination Marketing Association International, 2005; United Nations World Tourism Organization, 2004). The above conceptualization is a starting point for the development of indicators that would allow for the measurement of tourism success for both the DMO and the destination. By first defining the constructs, an understanding is gained as to what is deemed important in evaluating success. A next logical step would be to develop and test measurement tools that encapsulate these phenomena. What is required are indicators (Vandermey 1984; Henry & Dickey 1993) followed by a benchmarking system (Kozak, 2002; Maclaren 1996; Pearce 1993, 1997) that would evaluate the DMO based on certain criteria, and a commitment of resources to ensure the measurement takes place on a continuous basis. This can only be accomplished if the stakeholders at the destination value such a process. The theoretical model developed in this study implies that stakeholders can either provide the coordination to increase success or cause fragmentation to reduce success, the choice is theirs to make and that choice will likely be highly influenced by the leadership style of the DMO and the degree to which it is stakeholder-oriented.

Clearly, the development of measures that identify the effectiveness of the stakeholder relations or alliances and marketing functions are crucial (Wang & Xiang, 2007). These variables ultimately will be transferred into the messages sent to potential visitors and how effective the destination is at providing cohesive and consistent product and service offerings. As Otto & Ritchie (1996) argue, the visitor sees their travel experience as a whole not as separate products.
and services. The successful DMO and Destination will have stakeholders who understand this concept and are committed to consistently presenting a holistic experience to visitors.

7.1 Limitations of the Study

This study revealed the conceptual relationship between a DMO and a Destination by highlighting the variables used to define constructs of success for both respectively. However, several limitations must be noted based on the execution of the study. The sample size itself was limited to Canadian DMOs and may not be as applicable to DMOs in other countries. This limitation of the study’s external validity constrains the generalizability of the findings. The sample was restricted to key stakeholder groups and therefore may not reflect the views of other stakeholder groups that are part of the tourism system. The responses received from the person representing each political or professional stakeholder group cannot always be generalized to those of other persons within the group. The other groups (DMO CEO, DMO Chair, Convention Centre Manager, and President Chamber of Commerce) only had one position within each destination. With the interviews being conducted over the phone, and no prior presentation of the questions being given to the respondents, potential oversight of thoughts may have taken place.

7.2 Suggestions for Future Research

A logical extension of the present study would further the development of indicators and a benchmarking tool that could be utilized to measure areas of success as well as areas for improvement with respect to the DMO and Destination. A similar study examining other nations’ destinations and DMOs would help to confirm the robustness and generalizability of the model.
References


