

From contents to processes: Versus a dynamic destination management model (DDMM)

Ruggero Sainaghi*

Istituto di Economia e Marketing via Carlo Bò, IULM University, 1, I-20143 Milan, Italy

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Abstract

In the tourism market, it is destinations that compete, not individual firms [Ritchie, J. R. B., & Crouch, G. I. (2000). The competitive destination: A sustainable perspective. *Tourism Management*, 21(SI), 1–7]. Growing competition, both national and international, is making this more and more apparent. In fact, every destination (defined here as tourist district) has to position its products in such a way that gives them character and personality. The traditional fragmented structure of the European market has spurred the development of metamangement organizations called destination management organizations (DMOs). Today, DMOs are called on to play a critical role: to help local firms build sustainable competitive advantage and to create competitive advantage for the entire district through positioning choices.

This paper proposes a dynamic model of destination management (DDMM) which identifies typical metamangement processes a DMO can use to shape district strategy. The usefulness of this work can be seen not only in the need to formulate a “good strategy”, which is often described in terms of positioning or criticality (strategy content), but also a method or a path that enables firms to build that positioning or acquire that criticality (strategy process). In fact, Kaplan and Norton [(2001). *The strategy focused organization. How balanced scorecard companies thrive in the new business environment*. HBS Press] note that the ability to implement a strategy is more important than the quality of the strategy itself.

The model proposed here, consistent with the empirical evidence gathered in multiple longitudinal case studies, underscores the criticality of two different types of metamangement processes: (i) a series of operative activities, here defined as primary processes, which can shape the resources of the district and serve to create, supply, and communicate local product systems, and (ii) a series of support processes, which can provide the “glue” between various players (public and private, profit and non-profit, entrepreneurs and community) that operate within the district.

If these processes are effectively managed, they have a significant impact on the competitive advantage of the firms operating in the tourist district.

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1. Introduction

Strategic management of tourist destinations is taking on ever-greater importance in the real world. Tourist firms perceive how critical this level is in implementing effective competitive strategies (Go & Govers, 2000). By the same token, the economic policies of many countries treat tourist

destinations as “business units”, i.e. privileged competitive contexts through which a country system positions itself on the tourism market (Bieger, 1997, 1998; Kaplan & Norton, 2001; Ritchie & Crouch, 2000).

This new scenario has prompted deep reflection in the academic world, giving rise to a number of studies which make up the so-called destination management (DM) stream. Through the years, a wide range of issues have been addressed which encompass problems involved in planning and development of facilities (Ahn, Lee, & Shaker, 2002; Davidson & Maitland, 1997; Gunn, 1972,

*Tel.: +39 2 89141 2748; fax: +39 2 89141 2770;
mobile: +39 328 483 98 44.

E-mail address: ruggero.sainaghi@iulm.it.

1979, 1980; Inskip, 1991, 1994; Pearce, 1989), managing carrying capacity (Williams & Gill, 1998), handling destination life cycle (Butler, 1980), and managing destination marketing mix (Buhalis, 2000; Gartrell, 1988; Perdue & Pitegoff, 1990). More recently attention has been focused on the challenges of strategic management (Bieger & Weibel, 1988; Flagestad & Hope, 2001; Middleton, 1994; Weaver, 2000). Moreover, if at first the concept of destination tended to coincide with large geographical areas, focus shifted to a local level (Middleton, 1994) and various types of destinations were identified (Buhalis, 2000; Gilbert, 1990).

These studies have a tendency to utilize an approach which focuses primarily on contents (which critical success factors, what strategic positioning can generate the highest performance). As a result, the problem of method (i.e. what to do to build this positioning) often remains implicit. In a tourist district where hundreds of independent players compete, often with radically different development visions, who should take on DM? How can these players come together to work toward certain goals? How can actions undertaken at a district level be brought into line with those done by individual local firms?

Empirical research at the basis of this paper highlights the need to arrive at a general DM model so that to reach a tourism objective, such as reducing seasonality or developing a new product or a new segment, various tools can be used at the same time. This requires the involvement of various players, both public and private.

In addition, the actions of the DM are long term, and the process of implementing a given action is often modified. This may be due to new information acquired through that action, or may be advisable to maintain internal consensus.

At this point, the need arises for the development of a dynamic framework, formulated through systematic observations of specific tourist destinations (referred to here as “tourist districts”) which are already operative. The proposed model adopts the standpoint of the local destination management organizations (DMOs). In fact, in all the case studies, these organizations served the main functions of DM.

The model provides a useful framework in which to collate specific studies already developed in the literature. These works focus on: (i) specific functions of DM (such as marketing), (ii) managing phases in the life cycle of a district (e.g. relaunch or start-up), or (iii) particular problems (like carrying capacity).

2. Background

2.1. *The tourist district and the tourist destination*

The literature has, over time, defined the concept of “destination” as both a system of attractions and the geographic area that encompasses them, identified on the basis of the range of needs of intermediate or final clients (Bieger, 1997; Buhalis, 2000; Leiper, 1979, 1990, 1995;

Smith, 1988). This has given rise to ambiguity surrounding the term destination, which in some cases could be a resort or in much broader terms might refer to a district, a region, a country, or even a continent. The vague boundaries of the geographic context make the issue of destination governance a thorny one indeed.

This is why a holistic viewpoint proves useful, one that can encompass both the perspective of supply as well as demand (Burkart & Medlik, 1974). This vantage point highlights the existence of a sufficiently stable relationship between a precise geographical area, where a system of attractions is set up, and a set of client segments. Here, this “economic space” is defined “tourist district”, and in it, one can recognize constituent elements of a district according to the canonical or Marshallian approach: (i) a well-defined geographical area, (ii) a population of SMEs backed up by larger-sized firms, and (iii) a shared culture.

Nonetheless, the tourist district presents some peculiar characteristics (with respect to an industrial district) which can, for the most part, be traced to the horizontal production model and the importance of the role played by metamangement.

With reference to the horizontal production structure, the final client is interested in a broad product, the so-called “global product”, the ingredients of which (single products) are provided by individual local firms. The typical vertical production structure is not present, but rather there is a specialization-by-product (or horizontal) model (Keller, 1988; Sainaghi, 2004). Different products may be grouped together by the final client (point-points), by specialized intermediaries (packages), or by organizations that operate inside the district, such as associations, consortia, or tourist boards (networks).

As regards metamangement functions, the fragmented structure of local firms (community model) combined with clients’ perception of the district as a single “product” have traditionally favored the development of DMOs.

2.2. *Strategy content and strategy process*

The structure of the tourist district makes it extremely complex (from a DM standpoint) to implement strategic management, intended as a fusion of processes focused on formulating and implementing strategy (Mintzberg, 1978; Mintzberg & Waters, 1985). This complexity is primarily linked to fragmented structure of offerings, inconsistency which often exists between various competitive strategies put into play by local firms, the lack of hierarchical power of the DMO, and the complexity of the interests of local institutions (Buhalis & Fletcher, 1995; Middleton, 1998).

The key question, therefore, is not *what* to do, so much as *how* to do it. Often, in fact, many operators and DMOs have a clear idea of the challenges facing the district and what possible solutions there may be. However, the method—the “how”—remains uncertain: how to involve operators; how to collect financial resources; how to

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