



WORLD TOURISM ORGANIZATION

Committed to Tourism, Travel and the Millennium Development Goals



KEYS TO MAINTAIN A SUSTAINABLE COMPETITIVE ADVANTAGE IN DESTINATIONS

**4TH INTERNATIONAL CONFERENCE ON RESPONSIBLE TOURISM DESTINATIONS:
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BACKGROUND AND FRAMEWORK for Responsible Destination Management

- Economic globalization is highly beneficial to the tourism industry,
- Changing patterns of production and consumption,
- Increased professionalism,
- Critical external factors with significant impact on destinations, demand and supply (e.g. environmental issues, economic crisis etc.)
- Greater competition, emergence of new destinations, rapid and affordable modes of transport, new marketing strategies and tools,
- Innovation in product development and effective use of IT,
- A new approach to destination quality performance,
- Decentralized tourism governance; a move from administration to managerialism with further engagement of the local community and stakeholders,
- Clear operational structures and processes for good governance,
- A new conceptual framework for competitiveness.

Sustainable tourism can be a key driver for economic and social development as long as it is delivered by effective structures and through effective strategies, bringing together the resources of all the relevant partners: public, private and voluntary.

- There is a climate of change in terms of wider political, economic and environmental situation and in the tourism marketplace,
 - This creates a challenging situation for destinations and the tourism business in them,
 - If you are pursuing the same strategy with the same structure you had five years ago, it is likely that, at best, you will be missing opportunities; at worst, undermining the future of your tourism industry.
 - Tourism being an extremely competitive industry requires a coordinated management approach, based on a collective vision and strong partnership.
 - **SO ANTICIPATE CHANGE , BE STRATEGIC AND BUILD SYNERGIES**
-

TOURISM DESTINATION

- The fundamental unit, on which all the many complex dimensions of tourism are based,
- The focal point in the development and delivery of tourism products and the implementation of tourism policy,
- The basic unit of analysis in tourism,
- Offers a broad range of products, experiences and services under the destination brand,
- Cluster: co-location of activities (products and services) that are linked horizontally, vertically or diagonally along the value-chain and served by public and private sector,
- Physical, but also intangible (image, identity, personality).

BASIC ELEMENTS:

To attract the visitors
To satisfy their needs on arrival

Core resources and attractions, (natural, built
and/or cultural)
Public and private amenities,
Accessibility
Human resources
Image and character
Price

COMPETITIVENESS

- Competitiveness is the key word for any destination manager.
- It is a relative and multi-dimensional concept.
- The notion of competitiveness should be consistent with the international economics and international business literature.
- Includes objectively measured variables: no. of visitors, market share, tourist expenditure, employment, value added by the tourism industry, etc,
- Includes subjective variables: culture and heritage, quality, etc.
- Competitiveness is linked to the ability of a destination to deliver goods and services that perform better than other destinations on the aspects of tourism experience.
- It is also the ability to maintain its market position and share relative to competitors.

DESTINATION MANAGEMENT and COMPETITIVENESS

Sustainable Tourism Context

COMPARATIVE ADVANTAGES

Natural and/or man made resources available in the destination:

- .Physical resources
- .Historical and cultural resources
- .Capital resources, economies of scale,
- .Technology and knowledge resources,
- .Size of the local economy
- .Infrastructure and superstructure
- .Human resources etc.

COMPETITIVE ADVANTAGES

Ability of the destination to use or mobilize these resources over the long term.

A competitive destination is the one that combines the comparative supply, able to meet the visitor's expectations, with a positive /responsible contribution to its tourism development and the well-being of their residents.

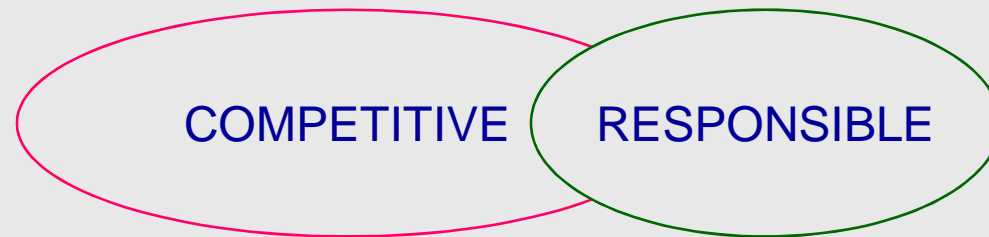


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**A DESTINATION WITH DIVERSIFIED AND ABUNDANT RESOURCES MAY NOT BE COMPETITIVE AS ANOTHER DESTINATION, WHICH HAS RELATIVELY LIMITED RESOURCES BUT HAS THE ABILITY TO EFFECTIVELY USE AND ENHANCE THESE RESOURCES, STRENGTHEN THEIR QUALITY AND EFFECTIVENESS AND BEST ADAPT TO SITUATIONAL CONDITIONS
!!!!**

COMPETITIVENESS IS A TOOL, NOT AN OBJECTIVE !!!

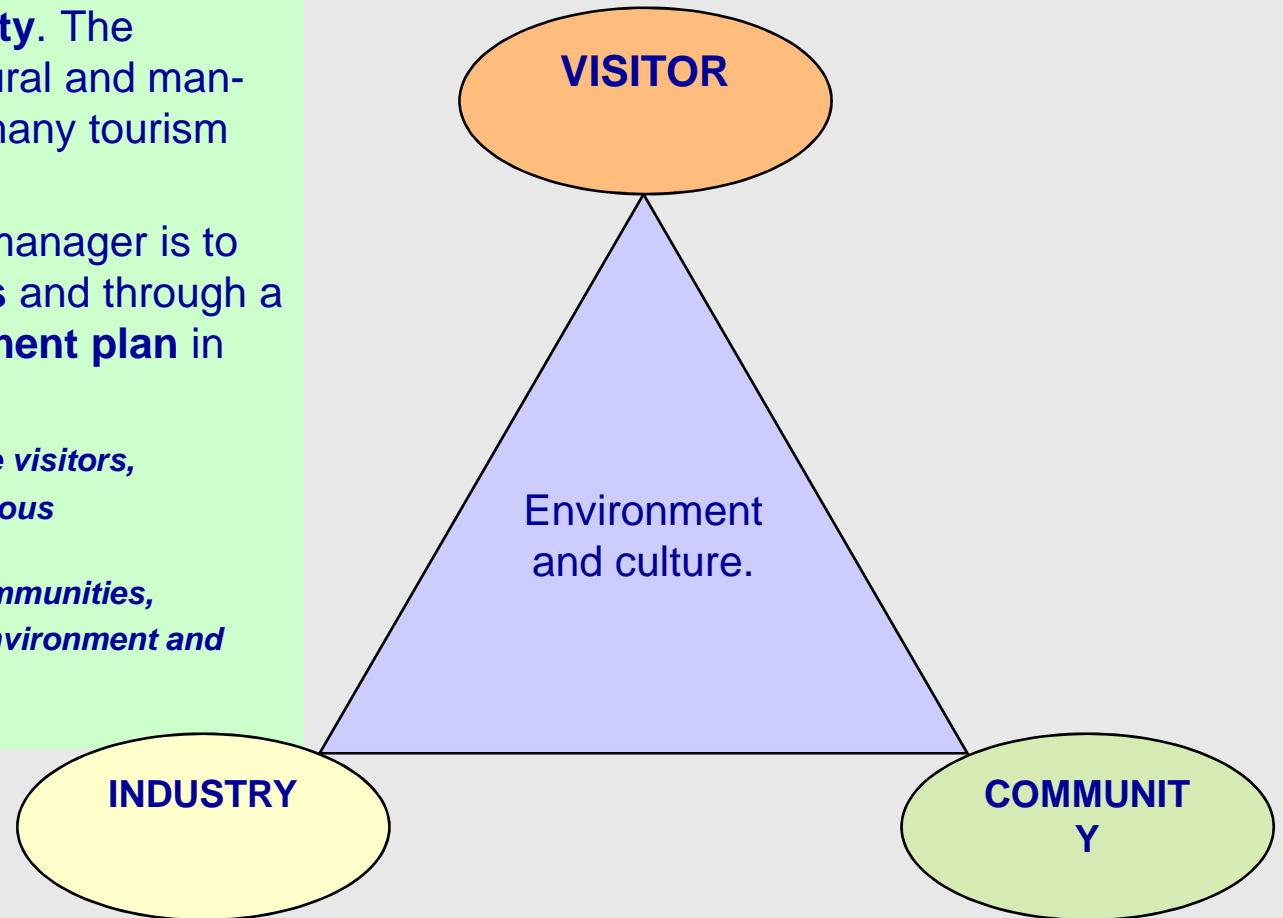
COMPETITIVENESS IS NO GUARANTEE FOR SUCCESS !!

THE SUCCESS OF A DESTINATION IS ASSESSED THROUGH THE *DEGREE OF BALANCE OR OPTIMIZATION* OF ECONOMIC, SOCIAL, CULTURAL, ENVIRONMENTAL AND POLITICAL DETERMINANTS!

VICE MODEL

Ref: Tourism Management Institute, UK (2003)

- Identifies “destination management” as the interaction between the **visitors**, the **industry** and the **community**. The **environment** ,includes natural and man-made resources on which many tourism products are based.
- The role of the destination manager is to work **through partnerships** and through a **joint destination management plan** in order to:
 - *welcome, involve and satisfy the visitors,*
 - *achieve a profitable and prosperous industry,*
 - *engage and benefit the host communities,*
 - *protect and enhance the local environment and culture,*



VICE EQUATION:

Example: A quick check of the future viability (sustainability) of any decision by asking:

- How will this issue/decision will affect the **visitor**?
- What are the implications for the **industry**?
- What is the impact on the **community**?
- What will be the impact on the destination's **environment and /or culture**?

The right balance is achieved when a **positive answer** is given to all the questions.

Achieving sustainability is a **never-ending process**. It should be approached as a **built-in component** of all the related activities but **not a bolt-on option**. It is about creating a destination relationship network with everybody: vistor, industry, community and environmental stakeholders.

RESPONSIBLE TOURISM PRACTICES: (1)

BASIC GUIDELINES:

Economic :

- Assess economic impacts before developing tourism,
- Maximize economic impacts before developing tourism,
- Maximise economic benefits by increasing linkages and reducing leakages,
- Ensure communities are involved in and benefit from tourism,
- Assist with local marketing and product development,
- Promote equitable bussiness.

Social:

- Involve local communities in planning and decision making,
- Assess the social impacts of tourism activities,
- Respect social and cultural diversity,
- Be sensitive to the host culture.

Environmental:

- Reduce environmental impacts when developing tourism,
- Use natural resources in a sustainable manner,
- Maintain bio-diversity.

(1) A Practical Guideline to Tourism Destination Management (UNWTO)

A FRAMEWORK FOR DEVELOPING A DESTINATION MANAGEMENT STRATEGY (STRATEGIC PLANNING MODEL)

- **1) Situation Assessment:**
(Where are we now?) regarding the tourism competitiveness of the destination, including:
- A **macro environmental appraisal**, including political, economic, social and technological opportunities and threats;
- A **market analysis** and assessment, including the destination's market share and performance, market trends and customer profiles;
- An audit and assessment of **tourism resources and services** including tourism attractions, services , routes and nodes,
- An assesment of **supportive infrastructure** and services in the tourism value chain,
- An analysis and assesment of the **industry structure** and rivalry including benchmarking and comparison with current and future competitors, **synergies with other destinations**, relationship with the travel trade channel and the nature and extent of local institutional collaboration-**governance**.

2) A strategic framework: (where would we like to be?)

A **tourism vision**, growth objectives and targets, core goals in pursuit of the vision,
Key strategies to achieve these goals,

A distinctive positioning and branding strategy **to differentiate the destination** from competitor destinations,

A **target market strategy** to identify and profile the most appropriate and lucrative market segments, their profiles and preferences,

A suitable **product portfolio** to match the target markets,

An assesment of **critical success factors** and destination capabilities required in support of the positioning strategy and target markets.

3) An integrated , multi-year implementation plan: (how do we get there? With specific programmes and projects, budget indicators and monitoring mechanisms to implement the strategic framework including:

A **tourism development programme** and **implementation plan** relating to e.g. spatial nodes and routes, critical infrastructure, tourism information systems, new product development and packaging, investment promotion, human resource development and awareness, SME development, support infrastructure and services, safety and security etc.

A tourism **marketing programme** and **implementation plan** that supports the brand and focuses on attracting target markets, i.e. product packaging, distribution channels and promotional activities.



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FURTHERMORE: To develop a responsible tourism plan:

- *Select a portfolio of appropriate responsible tourism practices,*
- *Choose realistic objectives and targets,*
- *Use clear benchmarks to measure and report on your progress,*
- *Work with trade associations, local people and government to achieve your objectives,*
- *Use responsible tourism as part of your marketing strategy,*
- *Show your progress to staff and customers....*

4) Institutional and performance management arrangements (Governance)

A suitable **organizational system** for the future management and execution of tourism in the destination that :

- is based on the findings, the strategy and the implementation plan;
- complements other initiatives and structures (e. g. national, regional/provincial tourism institutional policies and frameworks,
- is based on public- private partnerships,
- includes monitoring and evaluation mechanisms to measure and evaluate strategic performance,

MAJOR PARAMETERS OF DESTINATION MANAGEMENT: COMPETITIVENESS AND SUSTAINABILITY

COMPETITIVENESS

(**Resource Deployment**)

Ability to compete effectively and profitably in the marketplace

(economic capacity and bussiness skills)

-
- organization management
 - strategic planning
 - product development and inovation
 - promotion and marketing (positioning, branding etc)
 - financial management,
 - information management
 - operations management
 - human resources management

SUSTAINABILITY

(**Resource Stewardship**)

Ability to maintain the quality of its physical, social, cultural, economic and environmental resources

(capacity for environmental management
through the tourism supply chain)

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- air quality
 - water quality
 - waste
 - wildlife
 - flora/fauna
 - habitat
 - visitor management
 - biodiversity management
 - resident/local community management,
 -



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KEYS FOR SUCCESS

- 1) **Vision and leadership for a sustainable and competitive tourism,**
- 2) **Knowledge and understanding of the needs of our target markets and the “new tourist”,**
- 3) **Ensuring destination quality performance,**
- 4) **Positioning and differentiating our destination and image management,**
- 5) **Improvement of collecting reliable data and competent analysis of the data,**
- 6) **Improvement of the competitiveness of the destination, providing “through the chain”, positive visitor experience,**
- 7) **Product innovation and management,**
- 8) **Capitalizing on the opportunities provided by new technologies,**
- 9) **Greater professionalism in service levels and overall HR management,**
- 10) **Synergy between all the stakeholders in creating the destination vision,**
- 11) **Public-private sector partnership in the key areas of management and marketing,**
- 12) **Continuously adapting to the dynamically changing macro, competitive and market environments.**

THANK YOU
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