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DESTINATION MANAGEMENT GOOD PRACTICE GUIDE

*ILO - ASEAN Small Business Competitiveness*

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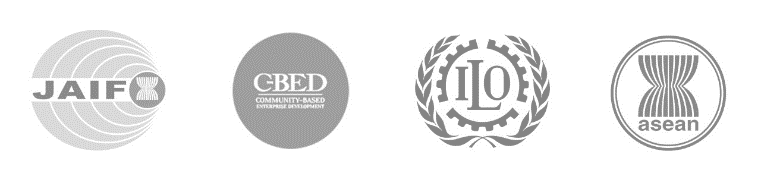


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Introductions

# Introduction

## About C-BED

Community-Based Enterprise Development (C-BED) is a low cost, innovative training programme designed by the International Labour Organization (ILO) to support skills development and empowerment in local communities for improvements in livelihoods, productivity and working conditions.

As an approach to training, C-BED is unique in that the programme is built around peer-to-peer, activity based learning methods with no role for teachers, experts, or external consultants specialised in the skill area. Instead, C-BED participants work together through a series of activities and discussions guided only by simple step-by-step instructions in the training manual. New knowledge, skills and competencies are developed through the interactions between participants and sharing of existing local knowledge and experience. In this way the programme is a low cost, sustainable option for any organization or community.

The C-BED programme is structured around two core training packages designed to develop competencies for business start-up and operation through a focus on marketing, financial management, and action planning. These are the C-BED for Aspiring Entrepreneurs and C-BED for Small Business Operators. Additionally, a growing suite of tools to strengthen business competencies and enhance skills for specific sectors is in continual development. These packages can be implemented as either stand-alone trainings or integrated in modular format into existing programmes.

## Destination Management

Tourist destinations include a wide variety of types. The term “destination” can refer to countries, regions within a country, provinces, districts, cities, parks, neighborhoods, monuments, museums etc. This good practice guide addresses core issues that relate to destinations of all types, but it places greater focus on management issues relating to “emerging destinations” and rural tourism.

## The Destination Management Package

**The Training:**

The destination management packages should be used to help aspiring and current destination managers improve the management of their destination management It focuses on key destination management principles to build on from what participants already know from managing their destination and helps them to learn more. It can also build on from the learning in other C-BED tools namely SBO or AE. Participants bring experience to share and leave with a priority action plan (at least 3 actions to introduce improvements to their business). At the end of the training participants will have:

* Enhanced and advanced existing knowledge on destination management
* Strengthened critical competences to analyse aspects of destination management
* Affirmed the potential of enterprise development
* Identified steps and actions to improve their destination
* Decided on actions for the future
* Where applicable, started planning effective collaborations and associations

**The Good Practice Guide:**

This Good Practice Guide (GPG) is designed to help all destination managers improve their destinations. Those who take part in the training day will be introduced to and become familiar with the GPG on the day. However, those who have not attended the training can also use the GPG. The GPG contains a number of practical tools, tips and exercises to help destination managers.

## How to Use The Good Practice Guide



Good practice tools

Exercise

Ti­ps

Extra information for you to take note of

Case studies

Definitions

Destination Management

# 

# Part 1: Destination Management Overview

OBJECTIVES:

* Give you an overview of elements of destination management
* Looks at the value chain and gives and outlines the roles of different destination management players

TRAINING GUIDE:

* The importance of this section was highlighted in session 1

## 1.1. What is Destination Management?



**Definitions:** Destination management

Destination management refers to the creation and execution of comprehensive plans that are designed to manage the tourism value chain (see later section for definition of value chain) of a destination. Destination management requires current, short-term, and long-term planning and management to ensure sustainable results. It is distinct from, but complementary to, planning and management for non-touristic activities at the destination. Typically, a Destination management team (or committee) creates the plans and meets regularly (e.g., every three or six months) to assess and update them.

## 1.2. Emerging Destinations and Rural Tourism

Emerging destinations refers to newly developing destinations, which often involves development in rural locations. This Guide focuses on the needs of these two overlapping categories of destinations. Both are sources of growth potential for economic development through tourism.

ASEAN countries face unique opportunities for the economic development of new or under-developed destinations. The rapid growth of the middle class in many countries (particularly China and India) provides enormous potential for residents of these countries to travel internationally, and ASEAN nations benefit from proximity to those rapidly expanding source markets. That growth fuels the expansion of transport, which drives prices down and allows even more regional citizens to travel.

**Why is planning important?**

So much demand exists now and will exist in the future that visitors will have to be dispersed into more areas. Those destinations that plan and execute better than others will gain a competitive advantage.

Emerging destinations with a holistic view of development will benefit the most. What kinds of things require planning? Here is a list of some of the most important elements to be included in a comprehensive plan:

* Clusters of activities and attractions
* Transport (with coordinated routes and itineraries)
* Infrastructure development (roads, electricity, Internet access, clinics, etc.)
* Quality food service
* A range of accommodations

Development should spread out gradually from existing hubs that already attract significant numbers of visitors.

At the local level, tourism development is often not fair or equal. Its success depends first, on market requirements, and second, on the motivation and skills found in that destination. For example, one village may be more appealing to visitors than other villages, but it may fail to attract tourists because it does not meet market requirements. If it is too far removed from other tourist destinations, tourists may not want to go out of their way to reach it.

Wh**at are some of the benefits of effective destination management?**

* Market research indicates how best to use resources for development
* The natural, social, and cultural integrity of the destination is protected
* Environmental protection is monitored and enforced
* The social fabric of the community is protected from extreme or rapid changes
* Local culture is valued and preserved
* Economic benefits are spread more effectively throughout the region
* Visitor satisfaction is higher
* Repeat business and referrals are increased
* A positive image of the destination is preserved

**What are some of the challenges of destination management?**

* Funding: Destination management requires a budget. The larger the budget, the easier it is to create a truly effective plan. If the budget is limited, it will be more difficult to decide how to allocate the limited funds.
* Setting and prioritizing goals: A destination management plan requires that you determine what your short- and long-term goals are, and to prioritize them. This is not a simple task; it takes time and careful consideration.
* Managing stakeholders: There are many stakeholders associated with destination management, and they generally want to promote their own interests. These stakeholders must be managed, so that a sense of responsibility, cooperation, and fairness is maintained.

## 1.3. Core Elements of Sustainable Tourism

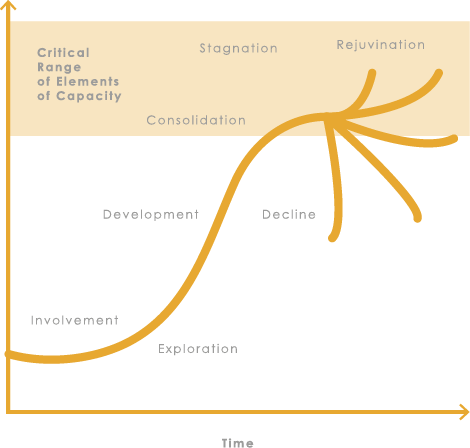
Sustainable tourism has three core elements:

* Financial
* Social
* Environmental

If a destination is to remain sustainable for the long term, all three elements must be carefully managed. Unfortunately, too many managers of tourist destinations assume that allowing unlimited growth is the way to sustain the destination. This has been proven to be a false assumption. In fact, the opposite is true. Unlimited growth eventually leads to the decline of a tourist destination, if not in actual volume of visitors, then in profitability and quality (for both the visitors and the local community).

**The lifecycle of destinations**

To make a destination sustainable for the long term, managers must consider the principles of the “lifecycle of destinations.” The following diagram illustrates this lifecycle:



* Involvement: This is the earliest stage in a destination’s appeal to tourists. In this stage, travelers with a certain type of interest learn about the destination through means other than tourism promotion (often through “word of mouth” – or, increasingly, through Internet channels). For the general public, this destination has not yet been discovered.
* Exploration: As knowledge of the destination spreads, visitors engage in exploration to learn more about what the destination has to offer.
* Development: As the destination gains in popularity, it gains media attention, which attracts public and private sector interest and investment. Mass promotion occurs, and the profiles of the kinds of travelers attracted to the destination broaden. To serve the growing volume of tourists, and to expand the type of attractions, investment continues - often unlimited and with lack of planning.



**Note**

What we refer to in this GPG as emerging destinations belong in one of the above three categories.

* Consolidation:The destination reaches its full capacity in terms of the range of visitor types who travel to the destination and the breadth and depth of promotion.
* Decline, stagnation, or rejuvenation: Following consolidation, the final stage varies considerably according to the destination’s particular set of conditions, but eventually, the destination reaches a crossroads.
* It may go into decline if the factors that originally made it popular are diminished – for example, a setting known for its natural beauty could be marred by over-building and commercialism.
* It may stagnate in a less than optimal condition if a mass market is willing to continue to visit the site, despite the altered experience.
* It may be rejuvenated if the factors that originally made it appealing are reintroduced and protected.

Ask yourself: At what stage is the destination you are responsible for?

What does this mean? The closer it is to the consolidation stage, the more urgent your need is to assess current policies and practices. For emerging destinations at the involvement or exploration stage, long-term planning and policy-making can ensure a better future.

## 1.4. Value Chain Development

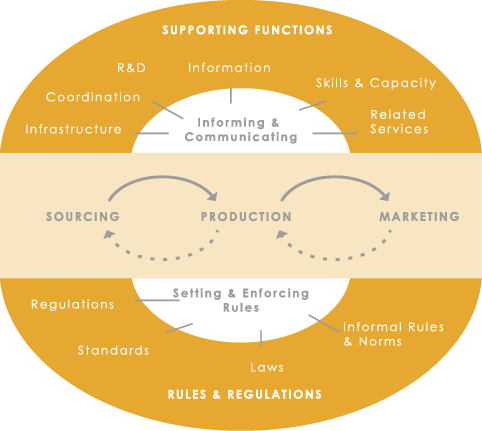
Using a value chain framework is beneficial in determining how to manage tourism destinations.

**What is a value chain?**

A value chain describes the full range of resources and activities required to take a product (or a service) from its conception, through its design, its sourcing of raw materials, its use of man-made goods and equipment, its processing and production, its marketing and, ultimately, its distribution to the consumer.

The following diagram shows the three primary elements usually present in the value chain of a specific product or service.

1. Source: What materials were used to make the product and where did they come from?
2. Production: Who made it? How and where was it made?
3. Marketing: How, where, and by whom is the product advertised and sold?



The diagram illustrates that value chains include many supporting elements and many stakeholders. Tourism destinations actually include multiple value chains for subsectors. For example, hotels, restaurants, transportation providers, and tour operators each have their own distinct value chain.

The following diagram lists many of the supporting elements typically found in value chains in the tourism sector.

-

## 1.5. Destination Management Players

Destination Management is always led by a public sector agency that has been designated to manage tourism. That agency welcomes and manages collaboration with other public sector agencies and with representatives from the private sector. Excellent communication and cooperation amongst all the players is essential, and is the responsibility of the lead agency.

A destination management team, with a name such as Tourism Steering Committee, is composed of members from those three groups: the tourism agency, other relevant public authorities, and representatives from the private sector.

**The public sector**

Names of public sector agencies/departments vary by country and region. Generic names for those agencies that are involved in destination management are provided here. The public agency that is most focused on tourism often includes the words tourism, parks, and/or recreation.

* Tourism, parks, recreation
* Industry
* Transport
* Investment
* Economic development
* Labour
* Rural development
* Vocational schools and universities that offer tourism programmes

The management committee of a destination includes some combination of the public sector authorities listed above. That committee operates most effectively, however, if it has regular engagement with representatives from the private sector.

The private sector

Here is a list of typical private sector representatives.

* Accommodations (hotels, guest houses, homestays)
* Food & beverage establishments
* Transport and excursion operators
* Sellers and packagers of travel products: travel agencies, tour operators, etc.
* Attractions (micro-destinations that are managed, such as waterfalls and monuments)
* Local producers (of products including handicrafts that can be marketed to visitors)
* Relevant trade associations (representing hotels, restaurants, travel agents, tour operators, handicraft producers, etc).

## 1.6. Tourism Subsectors

The four main subsectors in the tourism industry include (1) accommodations, (2) transport, (3) attractions, and (4) activities. Each of these subsectors plays a crucial role in the economic development of a destination. They also play a crucial role in determining visitor satisfaction, and representatives from these subsectors should be included on the destination management team.

It is important, for example, for the destination management team to take a proactive approach to ensuring that the ‘visitor demand’ in each of these subsectors is matched by the ‘supply.’ In particular, planners should be aware of the destination’s total “occupancy rate” for all accommodations. This is calculated by dividing the number of visitors by the number of beds for a specified time period (month, quarter, or year).

For all four subsectors, tracking the number of businesses is a good management practice. By following trends over time, management teams can decide which, if any, policies or taxation structures may be necessary to better balance supply and demand for a specific subsector.



1. Use the 4 tables below to determine how much data you currently have about each of the four main subsectors.
2. Add others that do not appear on the lists in the spaces provided.

|  |  |  |
| --- | --- | --- |
| Table 1.6.1: Tourism Subsector - Accommodation | | |
| Accommodations | | |
| Type of Accommodation | Number of Businesses | Number of Beds |
| Hotel |  |  |
| Guest House |  |  |
| Backpacker/Hostel |  |  |
| Homestay/Farmstay |  |  |
| Caravan/Camping Sites |  |  |
| Student accommodations |  |  |
| Home-sharing units |  |  |
| Time-share apartments |  |  |
| Other |  |  |
| Other |  |  |
| Other |  |  |
| Total |  |  |



**Note**

If your destination does not have an effective mechanism in place to count hotels and beds, conduct a group discussion on how to create or improve such a mechanism.

|  |  |
| --- | --- |
| Table 1.6.2: Tourism Subsectors - Transport | |
| Transport | |
| Type of Transport | Number of Businesses |
| Taxis/Tuk-tuks |  |
| Campervan and motor home rentals |  |
| Bus charter companies |  |
| Limousine and chauffeur services/tours |  |
| Rental cars and vans |  |
| Trains |  |
| Launch and sailing charter and cruises |  |
| Ferry and water taxi services |  |
| Coach tour operators |  |
| Air transport |  |
| Other |  |
| Other |  |
| Other |  |
| Total |  |

|  |  |
| --- | --- |
| Table 1.6.3: Tourism Subsectors - Attractions | |
| Attractions | |
| Type of Attractions | Number of Businesses |
| Amusement/theme parks/entertainment complexes |  |
| Art galleries |  |
| Historic buildings/sites |  |
| Industries (brewery, winery) |  |
| Cultural experiences |  |
| Museums |  |
| Natural sites (caves, rivers, lakes mountains) |  |
| Nature parks (zoos/wildlife/aquaria) |  |
| Transport attractions (train, boat trips, plane trips) |  |
| Other |  |
| Other |  |
| Other |  |
| Total |  |

|  |  |
| --- | --- |
| Table 1.6.4: Tourism Subsectors - Activities | |
| Activities | |
| Type of Activity | Number of Businesses |
| Hiking/trekking |  |
| Rock or mountain climbing |  |
| Boating – other |  |
| Bungee jumping |  |
| Canoeing, kayaking |  |
| Cycling / mountain biking |  |
| Diving (scuba and/or snorkel) |  |
| Eco tours |  |
| Fishing |  |
| Gliding |  |
| Golf courses |  |
| Horse riding |  |
| Hot air ballooning |  |
| Hunting and shooting |  |
| Parachuting and skydiving |  |
| Paragliding, hang gliding, parasailing |  |
| Rafting and river surfing |  |
| Tramping, trekking, hiking, walking |  |
| Cultural villages - dancing |  |
| Religious sites |  |
| Heritage sites |  |
| Historical and cultural - battlefields, missionary outposts, etc. |  |
| Other |  |
| Other |  |
| Total |  |



**Note**

If you do not have the data needed for the four tables, ask yourself:

1. Would we benefit from having this information?
2. If so, how can we start to gather this data?
3. How can we use this information to improve our destination?



Components of Destination Management

# Part 2: Components of Destination Management

OBJECTIVES:

* More in-depth look at what goes into destination management
* Contains a number of activities, checklists and good practices

TRAINING GUIDE:

* A number of these sections are referred to in the training from session 2 onwards

## 2.1. Management Structure

A typical destination management structure is one that

1. Is led by the public sector, with involvement from the Private Sector, as discussed earlier in the section “Destination Management Players”
2. Includes a Planning Process

**Planning Process**

The starting point for the management committee is to assess the current situation. This should be done using multiple established models, allowing for an in-depth and thorough understanding of the current situation.



1. This is a value chain assessment for key components of an existing tourism destination. Complete the table below
2. It can help you assess your current situation by indicating the qualitative and quantitative levels of key elements of the destination value chain:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Table 2.1.1: Value Chain Assessment | | | | | |
|  | Price – Value | Human Resources | How Market Is Reached | Relation to Competitive Set | Opportunities & Constraints for Improvement |
| Sample information | Excellent  Very Good  Good  Poor | Excellent  Very Good  Good  Poor | Retail  Wholesale  Direct to Traveler | Well-Differentiated  Similar to Others  Poorly Differentiated  Not Competitive | Comments about process, budget, governance |
| Our destination as a whole |  |  |  |  |  |
| Hotels –  luxury |  |  |  |  |  |
| Hotels –  mid-range |  |  |  |  |  |
| Hotels –  budget |  |  |  |  |  |
| Food & Beverage |  |  |  |  |  |
| Sightseeing Attractions |  |  |  |  |  |
| Shopping |  |  |  |  |  |
| Entertainment |  |  |  |  |  |
| Transportation |  |  |  |  |  |
| Tourist Information (on services and facilities) |  |  |  |  |  |
| Interpretation (tour guides, information centres and signs) |  |  |  |  |  |

**PEST and SWOT analysis**

In conjunction with the value chain assessment, the PEST and SWOT models are very useful assessment tools. Each of these can be done at any time by the members of the management team and do not require expensive outside support. Taken together, these three assessment tools provide a comprehensive view of the destination and its management structure’s current situation.

PEST and SWOT are both easy-to-use tools that work best in group brainstorming discussions. It is often helpful to have a facilitator to guide the discussion and to record the comments.



**Note**

These analyses are both subjective – the result will depend on the people who take part – and two groups can have two different outcomes. While the PEST analysis considers external factors, the SWOT analysis considers a balanced review of internal and external factors.

PEST analysis

The PEST analysis measures the Political, Economic, Socio-Cultural, and Technological factors associated with your organisation.



1. Togetherwith your management team, conduct a brainstorming session
2. Complete a PEST analysis of the external factors that affect your destination, as a whole and not just each team member’s own private or special interests.
3. Copy the PEST table (included below) on a flipchart.
4. Encourage every participant to contribute ideas for all four categories.
5. Review and discuss everyone’s ideas.

|  |  |
| --- | --- |
| Table 2.1.2: Example PEST Analysis | |
| Political (including Legal) Factors | Economic Factors |
| Environmental regulations and protection Tax policies  International trade regulations & restrictions  Contract enforcement law  Employment laws  Political stability  Government policies and programs | Economic growth  Interest rates & monetary policies Government spending  Taxation  Exchange rates  Inflation rates  Visitor confidence |
| Socio-cultural Factors | Technological Factors |
| Income distribution  Demographics, Population growth rates, Age distribution  Labour/social mobility  Lifestyle changes  Work/career and leisure attitudes Entrepreneurial spirit  Education  Fashion, hypes  Health consciousness  Feelings on safety | Government research spending  New inventions and development  Life cycle and speed of technological obsolescence  Energy use and costs  Changes in Information Technology Changes in Internet  Changes in Mobile Technology |

|  |  |
| --- | --- |
| **Table 2.1.3: PEST Analysis** | |
| Political (Including Legal) Factors | Economic Factors |
|  |  |
| Socio-cultural Factors | Technological Factors |
|  |  |

**SWOT analysis**

A SWOT analysis works in the same way, but with different factors. Here you consider your organisation’s Strengths, Weaknesses, Opportunities and Threats.

Strengths and weaknesses focus internally on the organisation, while opportunities and threats focus on influences that come from outside the organisation. Strengths and weaknesses are generally within an organisation’s ability to control. Whereas threats and opportunities are thrust upon an organisation from the outside, they may be more difficult to control.



1. With your management team, conduct a brainstorming session (led by one team member serving as a facilitator)
2. Complete a SWOT analysis of the internal and external factors that affect the destination, as a whole and not just each team member’s own private or special interests.
3. Copy the SWOT table (included below) on a flipchart.
4. Encourage every participant to contribute ideas for all four categories.
5. Review and discuss everyone’s ideas.

|  |  |
| --- | --- |
| Table 2.1.4: Example SWOT Analysis | |
| Strengths | Weaknesses |
| Good management staff  Good relationship with business in industry  Nationally strong brand | Missing skills within organisation Reputation for poor delivery Internationally poor brand  Budget  No new planned destination development  No regional statistics gathering |
| Opportunities | Threats |
| New technology for visitor communications  New methods of stakeholder management  Stable economic and political environment  Partnerships with other destinations  National push for tourism  International desire for ‘green’ tourism products and services  Recent refurbishment of existing destinations  Large-scale events to be taking place  New investment into industry | Global credit crunch  Competitor regions  Crime  Energy supply inefficiency  Not enough skill transfer within industry  Statistics gathering at national level |

|  |  |
| --- | --- |
| Table 2.1.5: SWOT Analysis | |
| Strengths | Weaknesses |
|  |  |
| Opportunities | Threats |
|  |  |

## 2.2. Community Engagement

Good, sustainable destination management requires positive community involvement and sincere community support of tourism to the destination. As Destination Managers, it is important to understand how your community is involved with tourism, and to honestly assess both the benefits and drawbacks of tourism for your community.

Communities can certainly benefit from tourism, but there are costs involved. Tourism is a service-based sector that requires friendly and hospitable greetings from the community to the visitors. For the community to support tourism and to sincerely welcome visitors it must be engaged and it must recognize all the benefits.

**C**

**Checklist**

This is a simple checklist to help you assess your community’s attitude toward tourism and its level of engagement with tourism.

|  |  |  |  |
| --- | --- | --- | --- |
| Table 2.1.6: Community Attitude Checklist | | | |
| Our community: | Yes | No | Unsure |
| Is aware of the economic benefits of tourism |  |  |  |
| Believes tourism has a positive impact on its social structure |  |  |  |
| Believes tourism has a positive impact on the environment |  |  |  |
| Feels included in decision-making for tourism development |  |  |  |

This is very important information for effective destination management. If you have answered “No” or “Unsure” to any of the four criteria, you will probably want to undertake surveys to obtain the fundamental information required to prepare a strategic plan and address specific community-related issues.

**Potential benefits of tourism for communities:**

* Encourages community involvement
* Provide investment opportunity
* Involves public facilities
* Boosts local businesses
* Preserves cultural heritage
* Grows and expands local economy
* Promotes a focus on the local environment
* Creates new jobs
* Enhances community pride

**Potential negative impacts of tourism for communities:**

* Crowding and congestion
* Degradation of environment
* Increased rates and taxes
* Increased traffic
* Higher costs
* Ad hoc development

**Community views and opinions**

Seeking out and understanding community views and opinions on tourism (or any other area/issue) can be time consuming and expensive. Keep in mind that community views can be obtained through a number of channels. Here are some possible sources:

|  |  |
| --- | --- |
| Table 2.1.7: Community Views | |
| Source | Kind of information to seek from each source |
| Elected representatives | Views and opinions of constituents  Issues related to public spending  Public infrastructure issues  Public education that supports tourism |
| Community groups | Primarily local issues (e.g., parking, congestion, developments, provision of services, pollution) |
| Private interest groups | Specific issues related to areas of interest – access to recreational areas, retention of heritage buildings, environment, etc. |
| Industry leaders | Profitability of business  Issues related to planning and development  Accessible and trained labour force |
| Other individuals | Issues related to individual circumstances – parking, congestion, fairness, etc. |



1. With your team, identify the people and groups you can contact to learn more about your community’s attitudes toward tourism.
2. Try to fill in as much information as you can in the second column.

|  |  |
| --- | --- |
| Table 2.1.8: Contacts | |
| Source | Who (person’s name or title)  What (name of group or association) |
| Elected representatives |  |
| Community groups |  |
| Private interest groups |  |
| Industry leaders |  |
| Other Individuals |  |

How do you gather information regarding your community’s views about tourism? The table below lists a range of techniques that may be appropriate for the different types of issues to be addressed.

|  |  |
| --- | --- |
| Table 2.1.9: Techniques for Data Gathering | |
| Techniques | Appropriate Issues |
| Focus groups | 6-12 people to discuss specific issues to seek a solution (e.g. options for improving traffic congestion) |
| Workshops | Similar to focus groups, but generally include more people, working in small groups (e.g. strategic plan development) |
| Public participation meetings | Often used to introduce and/or report back on issues to a larger group of people, limited participation by attendees (e.g. report back on information obtained from telephone or postal survey)  Can include visual materials showing plans, especially for new buildings such as a Visitor Centre |

## 2.3. Tourism product development

For destination product development and management, it is helpful to think in terms of two main categories of “product” for visitation:

* Heritage assets (both natural and cultural, which need to be well protected)
* Developed assets

A 3rd important product category (though often not specifically for visitation) is locally produced products such as handicrafts that can be marketed and sold to visitors.

**Heritage assets**

Natural heritage (natural forests, wetlands, mountains, islands, beaches, etc.) and cultural assets (monuments, archaeological sites, etc.) are those that nature and history have provided. These require preservation and protection, which involve much planning, legal protections, enforcement, and community pride. To achieve community pride may require some amount of community education/raising of awareness.



**Note**

For destinations where market demand is strongly driven by a particular natural or cultural heritage asset, key decision-makers should gain expertise in managing those specific types of destinations through additional learning beyond the scope of this Guide.

**Developed assets**

A developed asset includes those products and services that support and surround heritage assets, plus built visitor facilities and attractions.

Visitor Centres, for example, are assets developed and managed by the public sector or a publicly funded partner organisation. These play an important role in visitor promotion and the visitor experience.

In addition, developed assets include completely independent assets that are typically modern creations – such as museums, shopping districts, dining and entertainment districts, theme parks, etc.

Product development

This must be market-driven. Sources of information needed for planning market-driven product development and management include:

* Formal and informal surveys of private sector sellers of local travel products
* Questions in visitor surveys
* Visitor satisfaction reports from written surveys and from interviews with local tour guides, hotel receptionists, and others who have close contact with visitors

This information provides important clues on product development, in terms of:

* Product design
* Enhancements needed to current products to increase customer satisfaction or market appeal, or both
* Insights into new products that the market will support
* Product promotion
* How they currently message their product in their promotional campaigns
* How to alter that messaging for the future

Product differentiation

Differentiation refers to the concept of making a product or service distinctively different from others. Differentiation is important for attracting visitors. Growth is difficult without presenting traits to prospective visitors that clearly distinguish you from your competition.

Customers should perceive the product or service to have greater utility, better price value - though in reality it may not. It is not necessary for the product or service to actually be different, but it must be perceived to be different.

Differentiation allows for more flexible pricing. If all suppliers provide the same product, they cannot compete on price. When they alter the nature of the service or product being delivered, and offer something unique, they have greater ability to increase prices.

Basis of differentiation; a product is considered to be differentiated if:

* It cannot be easily duplicated
* It appeals to a particular need and/or want
* It creates an image or impression that goes beyond the specific difference itself
* Products or services can be differentiated through tangible and intangible products/services.

Differentiation as a marketing tool:

* Helps create awareness
* Motivates consumers to try the product
* Can be product, message, brand, or experience specific
* Provides opportunities to strengthen competitive strategy and marketing

How do you differentiate your product or service? The key is to study the data collected regarding the needs and desires of visitors. Keep in mind that their desires are typically more instructive than their needs, because their basic needs are less easily differentiated.

**Locally produced products for the visitor marketplace**

Selling local products to tourist visitors provides many benefits including local jobs for producers and others in the direct sales chain, indirect economic benefits for communities, tax revenues, and more authentic products for visitors, which is especially important for cultural heritage destinations.

Mass-produced products enjoy several market advantages over emerging products and their producers. Often including pricing, established distribution channels, packaging, branding, and product consistency. Therefore, producers of authentic handicrafts and newly emerging local products frequently require support mechanisms from governmental and non-governmental organisations to help them compete effectively. One such mechanism is to identify an independent organisation to provide an additional marketing message and brand component to these products. This additional marketing message would verify that the product has certain unique or special characteristics, the least of which is that it is locally made.

In addition to being locally made, other characteristics that can be worthy of verification are handmade, organically cultivated raw plant material, or following internationally recognized fair trade standards.

The verification organisation would provide a seal, symbol or mark that is physically attached to products, which can then be promoted in a variety of retail environments. This requires, of course, that the independent organisation verify products in an open, honest, and fair manner.



**CASE STUDY:** Siem Reap, Cambodia

A successful case study for this - the Angkor Handicraft Association - exists in Siem Reap, Cambodia.

Key features of the Angkor Handicraft Association programme:

* The programme is managed by a non-profit network of producers
* Producers and their products are verified locally made and handcrafted.
* One of the criteria for the seal of authenticity is that “at least 50% of the sum of the cost for purchasing material and semi-finished products plus production cost, or 50% of total labour time, is through handmade processing in Siem Reap Province.”
* Such producers may purchase seals to apply to products. Prices for the seals start at US$0.07 (7 cents) per seal for lower-priced and lower-volume products, but with lower unit prices for high-volume products
* Clear definitions for eligibility for product types apply
* It was formed by a collective effort of several organisations: several local handicraft enterprises in the province, assistance from government agencies, GIZ German development agency, Senteurs d’Angkor (a private company with progressive social policies), and Artisans d’Angkor producers’ cooperative



**CASE STUDY:** Cat Ba Island, Vietnam

Destinations interested in creating such a mark may also consider the experience of Cat Ba Island in Vietnam. Here, a mark for locally produced handicrafts is not offered, but their example is interesting because the provincial Department of Culture, Sports, and Tourism offers marks in five types of products and services that are not related (fish sauce, honey, tourist boat services, entertainment resorts, and accommodations/restaurants). This creates greater cost efficiency in the administration of these marks by sharing resources across different types of products and services whether they are tourism-related or not.

## 2.4. Infrastructure

**Overall infrastructure goals**

Strategically, the management team should have overall strategic goals for tourism infrastructure that all agencies agree to support. These goals must aid the development of tourism, transport and infrastructure requirements to benefit both the local community and visitors.

Examples of tourism infrastructure strategic goals:

* Must provide safe, secure and cost-effective modes of transport from arrival nodes to attractions, business centres and tourism infrastructure (such as accommodation). Inter-modalism must be employed to this effect.
* Must be able to accommodate the increase in visitors resulting from natural tourism and economic growth as well as from specific events (festivals, sporting competitions, etc.).
* Must be within environmental constraints.
* Must aid local community transport needs.
* Must create increased communication within the tourism industry among service providers, travel agents, government bodies and private sector entities to upgrade and maintain infrastructure needs.
* Must aid economic growth within the region.
* Must increase competitiveness of the region on local and international tourism fronts.
* Must prioritise investment for those areas where current and potential tourism expenditures are high and infrastructure requirements are not being met.

**Sample strategic infrastructure goals planning chart**

|  |  |
| --- | --- |
| Table 2.3.1: Infrastructure | |
| Infrastructure Element | Common Destination Goals |
| Road infrastructure | Create a road network that provides sufficient access for visitors to current attractions and facilities, especially accommodations. |
| Public transport facilities | Make sure rail and bus transport stations contain information clearly stated in English (plus languages of important specific source markets, for example, Chinese) for visitors; including pricing, how to purchase tickets, how to use tickets, and special instructions for popular tourist destinations. |
| Marine Infrastructure | Transform existing marina facilities into high-quality tourist attractions. Upgrade water-based tourist attractions.  Display clear instructions at seaports for connecting to land-based public transport and taxis. |
| Accommodation | Ensure adequate information sources to visitors regarding accommodation services. Ensure sufficient signage. Ensure standardisation of services and pricing. |
| Conferencing  (For destinations that are developed to the point of attracting conferences) | Ensure adequate conferencing services. Attract at least 1 major conferencing event every 6 months. Attract at least one other conferencing event every month. Provide sufficient public transport services to and from conferencing facilities. |
| Tourist services | Ensure adequate signage to direct tourists. Create multiple large or small Visitor Centres. Provide tourist maps free of charge or inexpensively. Ensure adequate Internet-based tourist services. |
| Electricity | Provide continuous, adequate and cost-effective electricity supply to all residents, communities and businesses within the area. |
| Water and basic sanitary and sewerage services | Provide continuous, adequate and cost-effective water-related basic services supply to all residents, communities and businesses within the area. |
| Waste removal | Provide continuous, adequate and cost-effective waste removal basic services supply to all residents, communities and businesses within the area. |
| Signposts | Increase and improve signage from major tourism destinations to and from business nodes and arrival nodes.  See below. |



**Ti­ps:** Signpost

Often, a high-impact but low-cost infrastructure investment is to develop good signposts for visitors. These provide practical information, but also enrich the visitor experience, leading to higher visitor satisfaction. Consider two types:

1. Interpretative signposts at roadside turnoffs, providing information on local history, geology, flora and fauna, etc.



1. Directional signposts pointing out services and points of interest for visitors see the picture for example.





1. With your management team, create a list of proposed signposts to design and produce at your destination.



1. With your management team, identify other infrastructure requirements to enhance the tourism visitor experience by following these steps:
2. Copy the table below onto a flipchart
3. Create the list
4. Prioritize the items on the list
5. Formally submit the list to relevant agencies, seeking their input on how, whether, and when they can assign resources for completing the most urgent goals.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Table 2.3.2: Infrastructure Improvement | | | | |
| Infrastructure Element | Goals | Action Plan | Who Is Responsible | Timeline |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |

**Prioritization of infrastructure investment**

These actions should then be prioritized according to strategic urgency and the ratio of cost to benefit.



**Note**

Both local government and the private sector provide Infrastructure for tourism. This Guide focuses on public sector rather than private sector infrastructure because the public sector can plan for its own priorities and expenditures but usually lacks direct impact on decisions made by the private sector.

## 2.5. Visitor Satisfaction

This must be managed, measured, and understood by all destination managers and stakeholders. High levels of visitor satisfaction are necessary components for destination marketing but also for the quality of life of community members.

In the destination marketing section of the Guide (the section following this one), the importance of repeat and referral visitors is discussed. High levels of visitor satisfaction are necessary ingredients of marketing efforts. Also related to destination marketing is the need for gathering data about the visitor.

Two important sets of data are needed regarding the visitor: (1) satisfaction data, and (2) market research data. The two sets overlap to some degree, but it is important to distinguish between them. Visitor satisfaction data refers to information that should be “actionable” for making improvements to services and products at your destination. “Market research data” refers to information used in the marketing, sales, and branding of your destination.

People do not want to visit unattractive places. This attitude is carried through as visitors experience all the services and products available to them. Therefore, there is considerable pressure on destinations to ensure that the impressions visitors have of places are positive. This is very much the responsibility of the public sector, in particular, of local municipalities.

Visitor satisfaction surveys can be used for:

* Identifying strengths and weaknesses (proof of under-performance when measured against competing destinations can have a powerful influence on decision makers)
* Securing additional resources for visitor management projects
* Raising the profile of the visitor management function and helping to secure political support for tourism
* Influencing product suppliers to improve; it can be a driver for initiatives aimed at improving the standards of external suppliers
* Generating positive public relations from benchmarking findings, playing a key role in building civic pride
* Helping to identify best practices amongst a range of destinations which can be shared
* Demonstrating achievement through year-on \-year improvement against benchmarks and helping to measure the impact of capital expenditure on projects, such as environmental improvements

## 2.6. Destination Marketing

A fundamental aspect of marketing is to identify the type of people you want to attract with your marketing message. For example, who are the most desirable tourism visitors amongst the three options below?

1. Visitors who spend 1-3 hours and spend very little money?
2. Visitors who spend an overnight and spend money on hotels, meals, and activities?
3. Visitors who spend more than one night and spend the most money on a variety of services and products?

The obvious answer is, of course, # 3.

But, even, more desirable than the 3rd group are those visitors who not only spend more money and time, but who also:

* Plan to return (Repeat Visitors)
* Tell their friends and family to visit (Referral Visitors)

Why? Because marketing costs for repeats and referrals are far lower than for attracting new visitors. Creating repeats and referrals should be the primary goal in marketing your destination.

How do we increase repeats and referrals?

We need to: (1) know who they are, and (2) know what motivates them to repeat and refer. We need in-depth answers to these questions.

In short, our marketing efforts should be designed to attract more visitors, to compel them to spend more time and more money, to motivate them to return in the future (repeat their visits) and to encourage them to recommend our destination to their friends and family (referrals).

**Review of Key Marketing Principles**

Marketing is not just advertising and promotion – it includes all the elements of the methods you use to influence visitors (customers/clients) and potential visitors to visit and enjoy your destination in order to maximize their frequency and length of visits.

Typically, marketing education talks about the “4 P’s”:

**Price**

Includes both public and private sector pricing. Private sector pricing is difficult to control and it is undesirable to try to control it. Public sector price includes admissions to public parks and sites, and it includes taxes that are imposed on visitor products and services.

Setting prices for admissions to publicly owned and managed sites and attractions, such as archaeological sites and museums, involves strategic thinking. Frequently, two-tiered pricing is used, with one set of prices for local residents and/or domestic visitors and another for non-local and/or international visitors.

Some studies have shown that low-priced or free admission to famous sites has a positive effect on marketing the destination. On the other hand, admissions can be vital revenue-generating mechanisms without negatively impacting visitors’ view of the destination. This complexity speaks to the need to conduct market research and give serious thought to how admission prices are determined.

Market conditions affect important prices for hotels, aviation, dining, and tour operations and transport, for which the government has little control. But public authorities control tax structures and must use tax policy judiciously in order to support the competitiveness of the destination. Frequently, local political pressures create a “tax the visitor” policy, which if overly-applied, can adversely affect destination competitiveness.

**Place**

Place refers to distribution channels – how the customer is reached. Distribution channels can include online-Internet activities, travel agent relationships and commissions, marketing partners, ticketing agencies and services, etc.

**Promotion**

This refers to advertising and all other elements of proactive sales and marketing activities. It includes the all-important concept of destination branding.

**Product**

Includes goods and services, which for destinations can include:

* Attractions such as archaeological sites, natural features (e.g., waterfalls, mountains), historic buildings, etc.
* Hotel and restaurant products and services
* Tourist activities and their providers’ services

Destinations must continually re-assess how they define their geographic scope. In general, narrow definitions of the destination decrease the effectiveness of marketing activities. Tourism requires linkages of destinations; it requires routes and circuits. Neighboring destinations frequently enjoy greater success when partnering with each other than when competing, but this depends on many local circumstances.

In addition to the traditional “4 P’s” – tourism and destination marketing should add “People” because of the importance of:

* Service
* Attitudes (including community support of tourism)
* Service industries include more elements that require close attention than do many industries that produce and sell more tangible goods. Destination management is very much a service industry.

**As such, destination marketing must maintain focus on:**

* Repeat visitation
* “Word of mouth” referrals
* Customer Service: the tremendous value in generating strong “repeat” and “referral” business means that the entire destination – including public and private interests – shares the burden of maintaining high standards of customer service for visitors
* Human resource development
* Yield management
* Partnerships and relationships
* Intangible elements of brand management



This is a brand positioning exercise to help you evaluate how your destination compares to your top competitors.

1. List the 5 destinations that you think are your destination’s top competitors.
2. Create a flip chart diagram similar to the one below.
3. Place your destination and its top competitors in appropriate positions on the chart, based on your perceptions of prices and popularity.
4. Record the results.
5. Repeat the exercise periodically (annually or bi-annually) and compare the results over time.

Hong Kong

Price

Luang Prabang

Bali

Angkor Wat

Ha Long Bay

Borobudur

Quantity of Visitors

Discussion points:

* Is our destination’s placement on the chart similar to what it was five years ago?
* Where do we wish to be five years from now? Where do we expect to be?
* What are our top competitors doing successfully today? Can we learn from them? How can we react to their successes without simply copying them?
* Imagine that you are a foreign tourist. Considering the options you see on the chart, which destination would you choose when deciding how to spend your family’s time and money?
* How do we make this kind of “competitive analysis” a regular part of our planning process in the future?
* How will we train our stakeholders and service providers to be aware of our destination’s competitive pressures in order to motivate the community to maintain high levels of service quality?

**The power of market segmentation analysis and practice**

Market Segmentation (or “target marketing”) is the practice of:

1. Identifying segments or portions of the global market that are appropriate for the particular product or service you wish to promote
2. Using the information gathered to understand those segments to help you develop effective strategies for marketing to them based on their specific attributes.

What motivates you to select a particular product or service can be very different from what motivates your friends or family, and especially different from what motivates people from different geographic, ethnic, educational, and economic backgrounds and orientations.

The various motivations we have for choosing the products that we do are influenced most effectively when those selling something to us do so in a way that we can understand, appreciate, and respect.

Just as we know that our own behavior is influenced by those factors, we need to ensure that we communicate to others in a way that is effective for their needs and desires.

Destination managers must consider the importance of market segmentation when developing and executing a marketing strategy

There are various ways a tourism destination can segment the global consumer market. The two most essential are:

1. Demographic, economic and geographic profiles
2. An assessment of the consumer’s purpose for travel, needs and motivations

**Demographic, economic and geographic segmentation**

Gaining a strong understanding of tourists’ geographic location, annual income, age, nationality, gender, education, and culture is arguably one of the most valuable tools in developing an effective marketing strategy. This data can be easily measured and classified, and often highlight market parameters from which more specific sub-segments can be identified.

Usually, the first way we “segment” the markets we are serving as tourist destinations is to determine where our clients come from. Are they international or domestic travelers? From which country are the majority of tourists arriving? Such data are often accessible through government tourism entities as well as the World Travel and Tourism Council. While geographic location is an important segmentation variable and easily defined, it must be examined in unison with other demographic data. A statistic more valuable than the number of travelers to your destination is how much they spend.

For most ASEAN countries, source markets to be targeted include (but are not limited to) other ASEAN countries plus Japan, South Korea, Australia, Taiwan, Hong Kong, China, many European countries, USA, and Canada.

Age, income and gender are also useful demographic parameters. Are visitors to your destination predominately senior citizens, or families with small children? Do women tend to visit your destination more than men? Answering these simple questions can often provide a deeper understanding of not only your target market, but also of the kind of marketing methods that may best attract this segment.

**Assessment of travelers’ purpose, needs and motivations**

If we are to successfully identify potential travelers’ needs and wants, it is imperative we understand why they behave the way they do. If we are able to understand consumers’ goals and motivations, we will be in a position to strongly influence the purchasing process.

**Marketing strategy development.**

In a UNWTO survey of National Tourism Organizations (NTOs), responses to the following questions indicate that a very strong majority of professional destination marketers believe in the value of marketing segmentation[[1]](#endnote-1):

|  |  |  |
| --- | --- | --- |
| Table 2.6.1: Marketing Strategy | | |
| Question | Yes | No |
| Would you describe your current marketing strategy as “segmentation” based? | 26 | 2 |
| Do you compile profiles of your target segments? | 22 | 4 |
| Do you know the current volume and value of your target segments? | 20 | 6 |
| Are you able to identify the market potential of your target segments? | 19 | 7 |
| Do you set targets (volume and/or value) for your chosen segments? | 14 | 12 |
| Do you feel that your organisation is currently doing sufficient efforts in terms of “segmented” marketing to ensure that your resources are focused on customers with the greatest potential for visiting your destination? | 11 | 17 |
| Do you feel your organisation would benefit from knowing more about segmentation techniques? | 28 | 0 |

This survey makes it clear that the National Tourism Offices (NTOs) that completed the survey[[2]](#endnote-2) agreed that market segmentation is worth doing. Note the final question, where 100% of respondents expressed a desire to do more segmentation work, and the first question where 26 out of 28 indicated that they are currently practicing some amount of segmentation analysis.

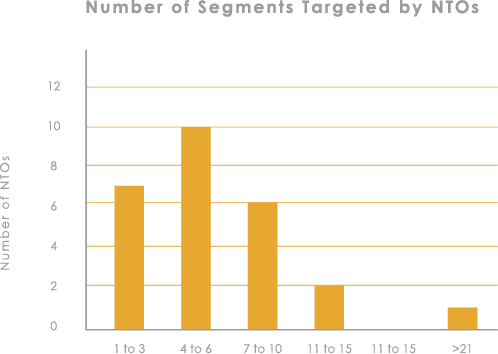
When developing a marketing strategy, knowledge of current and potential segments provides very useful information, including:

* Evaluating the effectiveness of current investment strategies
* Understanding whether greater quantities of clients or the “right mix” of clients is best for your destination
* Budgeting for future investment and promotion
* Analyzing product development issues, and determining whether the promotional messages fit the product and match the desires and expectations of the visitors

**The key to effective target marketing is to[[3]](#endnote-3):**

1. Identify groups of people (segments) who are (or will shortly be) in the market for an international trip
2. Decide whether these are the people who, if they visited, would help fulfill the destination’s tourism objectives
3. Establish whether the destination has the appropriate products and services to meet their needs
4. Assess whether people in these segments are realistically likely to consider the destination
5. Identify their motivations/triggers, buying habits, etc.
6. Persuade them to visit using appropriate and targeted marketing messages and channels
7. Evaluate and review the impact of the marketing on the segments that have been targeted

There are not an ideal number of segments to be targeted. To help you decide what is best for your destination, consider the experiences of NTOs that replied to a survey on this issue[[4]](#endnote-4):





**CASE STUDY:** Quant Nam Province, Vietnam

The following case study from a visitor survey conducted in 2012 in Quang Nam Province, Vietnam, provides an achievable set of results based on very straightforward questions and analysis.

Average spending by age group:

<25 $383.75

26-39 $405.54

40-59 $577.17

>60 $988.26

average $509.50

The amount of money spent by older visitors compared to younger visitors is very dramatic. Appealing to 40+ age groups should, therefore, be a goal of the branding and messaging activities.

Average spending per total visit by source market regions:

Viet Nam $229.83

Europe $496.23

Asia-Pacific $926.67

North America $425.73

Average $509.50

Asia-Pacific source markets, particularly Australia, are the most valuable for Quang Nam. They spend much more money than any other regional market. Their proximity to Quang Nam allows them to spend more time in that destination than in other developed markets including Europe and North America. A survey question asking length of stay assists in understanding the average amount spent by each group.

In the Quang Nam Province case study, the two sets of information – age and source market – prove to be very valuable information, but are based on simple survey questions. They provide useful clues for better future planning and marketing. As skills and capacity improve over time, more complex surveys might be developed.



1. This is a group activity focusing on the top 5 source markets for your destination.
2. List the top 5 source markets for your destination and rank them in separate lists according to:

* Length of stay
* Average amount of money spent per person

1. If the information is not known, make estimates based on current perceptions
2. Create a version of this chart on a flip chart for the group

|  |  |  |
| --- | --- | --- |
| Table 2.6.2: Source Market Analysis | | |
| Source market | Average number of nights per visitor | Average amount spent per visitor (US$) |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |

**Visitor data gathering**

Here are common methods of collecting data:

* Telephone and questionnaire surveys (for national visitors, but not for international visitors)
* Visitor satisfaction surveys
* Hotel occupancy studies
* Focus groups
* In-depth interviews

**Other Methods:**

* Desk research
* Unobtrusive observation
* Data mining
* Economic impact studies
* Tour operator information (written or focus groups)
* Customer feedback/complaints
* Brand and advertising tracking surveys
* Sharing with neighboring organisations

**How to collect data**

Some of the methods listed above can be used in Visitor Centres and other facilities in the destination itself. Survey staff can approach visitors in the streets in areas where they congregate.

Many can be performed online. Internet-based surveys are now inexpensive and relatively easy to use. This, of course, requires developing a method of collecting email addresses from visitors and acquiring their permission to send them surveys at a later date.

Samples of data must be random and cover a broad spectrum of types of visitors. Whichever methods are used to gather data, the manner in which the data is collected must be varied by time of day, season of the year, and location so that you are not continually surveying visitors with similar interests and behaviors. It may be easier to collect data from groups of travelers, but you need to balance those results with a significant number of surveys completed by independent travelers.

Survey staff must be trained well on how to ask the questions and to record the responses. Their performance must be measured based on the quality of their recordkeeping and not merely on the quantity of surveys completed.

**E**

**Essential Questions to Include in Market Research Surveys**

1. **What is your nationality?** ...........................................................................
2. **What is your gender?** □Male □Female
3. **Your age:** □< 25 　□26 – 39 　□40 – 59 □> 60
4. **Where you are staying tonight?**

Name of hotel, guest house, homestay, etc.: **……..………………………….**

No hotel; staying with friends or family

1. **How many nights are you staying here?......................**

**6. Choose which best describes your type of travel on this trip:**

□Independent travel – I/we planned and booked independently

□Pre-formed package – most hotels and travel were arranged by an agency or tour operator

**7. How much are you spending during your stay here?** *Please answer in US$ and provide estimates if you do not know the exact amounts*

* Hotel/guest house (per night)**............................**
* Food and beverage (per day) ……………………..
* Shopping (total during your visit here) ………………
* Activities and entertainment (total during your visit) …………………….
* Other: **............................................**

**10. Please rate the value of your expenditures compared to other destinations.**

* Exceptional value
* Good value
* Poor value or too expensive
* No opinion

***Your satisfaction is our greatest pleasure…***

**11. Which 3 things did you like most about your visit here?**

1**........................................................................................................................**

2**........................................................................................................................**

3**........................................................................................................................**

**12. Which 3 things did you like least or dislike?**

1**........................................................................................................................**

2**........................................................................................................................**

3**........................................................................................................................**

**13. Would you like to visit here again?**

* Yes
* No

**14. Will you recommend visiting here to your friends and family?**

* Yes
* No

Additional questions may be developed that offer insights into proposed new development or other strategic planning issues.



**Note**

Some questions, numbers 11 and 12 in particular, should appear in Visitor Satisfaction surveys as well as in this type of Market Research Survey. These questions should be asked constantly in every manner possible because of the excellent insight they provide to destination managers about the visitor experience, and visitors’ motivations for “repeat and referral.”



1. Review how you currently gather visitor data at your destination
2. List your methods here

|  |  |
| --- | --- |
| Table 2.6.3: Visitor Data | |
| Our current methods for gathering visitor data | |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |



1. Using the following discussion points, consider how you can increase the amount of high quality, actionable data for your destination.
2. Write your ideas in the spaces provided.

|  |
| --- |
| Table 2.6.4: Destination Data Collection |
| Discuss: The quality level of the information you are currently gathering at your destination and how that might be improved |
| Discuss: Suggestions for new methods to use to help you gather more and better data: how, when, where, and who pays any costs |
| Discuss: Which of these ideas can we implement quickly and at low cost? |
| Discuss: How will we develop a longer-term plan for collecting more data? |

**Direct contact with visitors and potential visitors via online services**

* Social media outlets are now more important than maintaining a distinct website. Market penetration by social media continues to grow rapidly. Target the markets indicated by analysis of market research data, and develop social media campaigns suitable to those targeted market segments. Utilization of social media also offers the advantage of using an online platform that is managed by someone else. For example, a Facebook page dedicated to your destination allows you to focus on and pay for content only, and not pay for maintenance of the website.

**Indirect contact with potential visitors via sellers of travel**

* Tour Operators: Tour Operators are essential to the tourism industry as an interface between destinations, tourism infrastructure and visitors. Tour operators and travel agents want to have open communication channels with government. This leaves the door open to form strong relationships between government and such enterprises at the local level. This relationship will allow you to disseminate your brand message and strategic plan through such agencies and it will allow you to gather information regarding the market and its needs, wants and expectations. Working with and supporting such businesses are very important to tourism departmental goals.
* Familiarization Trips: Familiarization Trips, popularly known as “Fam Trips”, are an effective way of showcasing destinations to sellers of travel. Fam trips can be offered either completely subsidized, free of charge to the participants, or at raw cost. Only qualified, active, professional sellers of travel should be allowed to participate. Smaller groups are better in order to provide more customized service, but larger groups are more cost effective based on shared transport and staffing costs. Avoid conducting Fam Trips to showcase new or revised features and attractions before they are fully developed and ready for visitors. Negative impressions of the visit can be held for long periods of time and result in the opposite of the intended promotional intentions of the hosts.
* Advertising: Governments can choose to advertise their destinations. This can provide communication between government and stakeholders. Governments should also ensure that all advertising within the tourism industry complies with national, regional and local government branding goals and values.
* Public Relations: This is not completely under your control. Press and news agencies can publish any news item and these can have positive or negative effects on peoples’ attitudes towards your products. However, you can use public relations to your advantage. Standard tools for tourism public relations include press releases, press conferences and briefings, interviews, media and industry co-operations and press trips. More recent tools are online PR, blogs and podcasts.

## 2.7. Standards

Standards provide important guidelines for implementation and serve as important tools for monitoring and measuring performance in order to effectively allocate resources.

Standards come in various forms. Destination managers can draw from national or regional standards that are relevant to their needs, and consider modifying them to develop local standards. Local standards can come in the form of general guidelines, but the more detailed they are, the better.

Key types of standards are:

* Service Levels for Hospitality Service Providers
* Separate Standards for Prominent Subsectors (for example, food preparation, which would include health and hygiene)
* Sustainability Standards

Standards indicate what to do, not how to do it. Often, however, they come with “indicators,” which provide more specific information about what to do, providing some clues as to how to do it.

A good ASEAN case study of service standards in tourism established at the national level comes from the Thailand Department of Tourism. This organisation has developed many forms of standards, some of which are available in English. They include standards for homestays, camping, canoeing and kayaking, trekking, rafting, and many more.

ASEAN nations are currently in the process of developing various standards for tourism. Community Based Tourism (CBT) standards are expected to be formally released in January 2015. These standards are very relevant for emerging destinations and should be utilized. Here is a sample from those standards:

### Standards for managing food and beverage services for quality

1. Food and beverage services are provided within the objectives, guidelines, regulations and codes of conduct of the CBT initiative.
2. Menus are available with associated prices (if appropriate).
3. Meals are provides at agreed times identified in consultation between food and beverage providers and the CBT committee.
4. Sufficient food is provided for visitor needs, including between-meal snacks.
5. Menus vary daily and include at least one traditional meal at each dining period.
6. Maximum use is made of fresh, organically grown food and local ingredients, including fresh meat and vegetables, but no bush meats prohibited by law.
7. Dessert and/or fruit forms part of each meal.
8. Food preparation and dining areas are maintained in a clean state at all times.
9. Food preparation and dining utensils are cleaned thoroughly before use (i.e. cleaned immediately after dining periods).
10. Food service providers wash their hands with soap in clean water before and regularly during food preparation.
11. Food is stored in clean containers, which are kept in good order
12. Animals (domestic and pest) are kept out of food storage, cooking and dining areas.
13. Opportunities exist for tourists to participate in meal preparation and to learn traditional cooking techniques.

### Standards for Sustainability

Standards exist for sustainable destination management, and “sustainable” management means good management.

The Global Sustainable Tourism Council (GSTC) - an NGO endorsed by the United Nations’ World Tourism Organisation (UNWTO) and its Environment Program (UNEP) - has developed a globally recognized set of standards for sustainability. GSTC put together an international team of experts that reviewed over 4,500 criteria. From them, the team selected the top 41, and presented them as the most important criteria for sustainable tourism.

These standards, called The GSTC Destination Criteria for Sustainability, were released in November 2013 and outline the standards that destinations must achieve in order to describe their management framework as “sustainable.” The criteria are listed below. The indicators are available on the GSTC website, as are translations of the criteria into many Asian languages.

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| Table 2.7.1: Global Standards |
| Global Sustainable Tourism Criteria for Destinations |
| SECTION A: Demonstrate sustainable destination management |
| A1 Sustainable destination strategy  The destination has established and is implementing a multi-year destination strategy that is publicly available, is suited to its scale, that considers environmental, economic, social, cultural, quality, health, and safety, and aesthetic issues, and was developed with public participation. |
| A2 Destination management organisation  The destination has an effective organisation, department, group, or committee responsible for a coordinated approach to sustainable tourism, with involvement by the private sector and public sector. This group is suited to the size and scale of the destination, and has defined responsibilities, oversight, and implementation capability for the management of environmental, economic, social, and cultural issues. This group’s activities are appropriately funded. |
| A3 Monitoring  The destination has a system to monitor, publicly report, and respond to environmental, economic, social, cultural, tourism, and human rights issues. The monitoring system is reviewed and evaluated periodically. |
| A4 Tourism seasonality management  The destination dedicates resources to mitigate seasonal variability of tourism where appropriate, working to balance the needs of the local economy, community, cultures and environment, to identify year-round tourism opportunities. |
| A5 Climate change adaptation  The destination has a system to identify risks and opportunities associated with climate change. This system encourages climate change adaptation strategies for development, siting, design, and management of facilities. The system contributes to the sustainability and resilience of the destination and to public education on climate for both residents and tourists. |
| A6 Inventory of tourism assets and attractions  The destination has an up-to-date, publicly available inventory and assessment of its tourism assets and attractions, including natural and cultural sites. |
| A7 Planning Regulations  The destination has planning guidelines, regulations and/or policies that require environmental, economic, and social impact assessment and integrate sustainable land use, design, construction, and demolition. The guidelines, regulations and/or policies are designed to protect natural and cultural resources, were created with local inputs from the public and a thorough review process, are publicly communicated, and are enforced. |
| A8 Access for all  Where appropriate, sites and facilities, including those of natural and cultural importance, are accessible to all, including persons with disabilities and others who have specific access requirements. Where such sites and facilities are not immediately accessible, access is afforded through the design and implementation of solutions that take into account both the integrity of the site and such reasonable accommodations for persons with access requirements as can be achieved. |
| A9 Property acquisitions  Laws and regulations regarding property acquisitions exist, are enforced, comply with communal and indigenous rights, ensure public consultation, and do not authorize resettlement without prior informed consent and/or reasonable compensation. |
| A10 Visitor satisfaction  The destination has a system to monitor and publicly report visitor satisfaction, and, if necessary, to take action to improve visitor satisfaction. |
| A11 Sustainability standards  The destination has a system to promote sustainability standards for enterprises consistent with the GSTC Criteria. The destination makes publicly available a list of sustainability certified or verified enterprises. |
| A12 Safety and security  The destination has a system to monitor, prevent, publicly report, and respond to crime, safety, and health hazards. |
| A13 Crisis and emergency management  The destination has a crisis and emergency response plan that is appropriate to the destination. Key elements are communicated to residents, visitors, and enterprises. The plan establishes procedures and provides resources and training for staff, visitors, and residents, and is updated on a regular basis. |
| SECTION B: Maximize economic benefits to the host community and minimize negative impacts |
| B1 Economic monitoring  The direct and indirect economic contribution of tourism to the destination’s economy is monitored and publicly reported at least annually. To the extent feasible, this should include visitor expenditure, revenue per available room, employment and investment data. |
| B2 Local career opportunities  The destination’s enterprises provide equal employment, training opportunities, occupational safety, and fair wages for all. |
| B3 Public participation  The destination has a system that encourages public participation in destination planning and decision-making on an on going basis. |
| B5 Local access  The destination monitors, protects, and when necessary rehabilitates or restores local community access to natural and cultural sites. |
| B6 Tourism awareness and education  The destination provides regular programs to affected communities to enhance their understanding of the opportunities and challenges of tourism, and the importance of sustainability. |
| B7 Preventing exploitation  The destination has laws and established practices to prevent commercial, sexual, or any other form of exploitation and harassment of anyone, particularly of children, adolescents, women, and minorities. The laws and established practices are publicly communicated. |
| B8 Support for community  The destination has a system to enable and encourage enterprises, visitors, and the public to contribute to community and sustainability initiatives. |
| SECTION C: Maximize benefits to communities, visitors, and culture; minimize negative impacts |
| C1 Attraction protection  The destination has a policy and system to evaluate, rehabilitate, and conserve natural and cultural sites, including built heritage (historic and archaeological) and rural and urban scenic views. |
| C2 Visitor management  The destination has a visitor management system for attraction sites that includes measures to preserve, protect, and enhance natural and cultural assets. |
| C3 Visitor behaviour  The destination has published and provided guidelines for proper visitor behaviour at sensitive sites. Such guidelines are designed to minimize adverse impacts on sensitive sites and strengthen positive visitor behaviours. |
| C4 Cultural heritage protection  The destination has laws governing the proper sale, trade, display, or gifting of historical and archaeological artefacts. |
| C5 Site interpretation  Accurate interpretive information is provided at natural and cultural sites. The information is culturally appropriate, developed with community collaboration, and communicated in languages pertinent to visitors. |
| C6 Intellectual property  The destination has a system to contribute to the protection and preservation of intellectual property rights of communities and individuals. |

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| SECTION D: Maximize Benefits to The Environment and Minimize Negative impacts |
| D1 Environmental risks  The destination has identified environmental risks and has a system in place to address them. |
| D2 Protection of sensitive environments  The destination has a system to monitor the environmental impact of tourism, conserve habitats, species, and ecosystems, and prevent the introduction of invasive species. |
| D3 Wildlife protection  The destination has a system to ensure compliance with local, national, and international laws and standards for the harvest or capture, display, and sale of wildlife (including plants and animals). |
| D4 Greenhouse gas emissions  The destination has a system to encourage enterprises to measure, monitor, minimize, publicly report, and mitigate their greenhouse gas emissions from all aspects of their operation (including emissions from service providers). |
| D5 Energy conservation  The destination has a system to encourage enterprises to measure, monitor, reduce, and publicly report energy consumption, and reduce reliance on fossil fuels. |
| D6 Water Management  The destination has a system to encourage enterprises to measure, monitor, reduce, and publicly report water usage. |
| D7 Water security The destination has a system to monitor its water resources to ensure that use by enterprises is compatible with the water requirements of the destination community. |
| D8 Water quality  The destination has a system to monitor drinking and recreational water quality using quality standards. The monitoring results are publicly available, and the destination has a system to respond in a timely manner to water quality issues. |
| D9 Wastewater  The destination has clear and enforced guidelines in place for the siting, maintenance and testing of discharge from septic tanks and wastewater treatment systems, and ensures wastes are properly treated and reused or released safely with minimal adverse effects to the local population and the environment. |
| D10 Solid waste reduction  The destination has a system to encourage enterprises to reduce, reuse, and recycle solid waste. Any residual solid waste that is not reused or recycled is disposed of safely and sustainably. |
| D11 Light and noise pollution  The destination has guidelines and regulations to minimize light and noise pollution. The destination encourages enterprises to follow these guidelines and regulations. |
| D12 Low-impact transportation  The destination has a system to increase the use of low-impact transportation, including public transportation and active transportation (e.g., walking and cycling). |

### GSTC Statement on the Application of the Sustainable Destination Criteria

GSTC recommends that all criteria be applied to the greatest extent practical unless, for a specific situation, the criterion is not applicable and justification is provided. Given local regulatory, environmental, social, economic or cultural conditions, there may be circumstances in which a criterion is not applicable to a specific tourism destination or destination management organisation. In the case of smaller destinations and communities, GSTC recognizes that limited resources may prevent comprehensive application of all criteria.

Because destinations comprise many different enterprises, organisations and individuals, the application of these criteria should include thorough consideration of the cumulative effects of activities. Measurement at the destination scale will usually capture the net result of cumulative effects at the individual scale. However monitoring impacts is not an end in itself; it should be viewed as a tool for improving the sustainability of the destination.

Further guidance on these criteria may be found from the supporting indicators and glossary, which have been published by the Global Sustainable Tourism Council.

Please note: The GSTC Sustainable Destination Criteria are available in many languages.

### Developing an Initial 5-Component Visitor Management Plan

As you can see from the 41 criteria selected and published by the GSTC, creating a comprehensive Destination Management Plan can be intimidating in the early stages of planning. It may take a long time and a lot of effort to incorporate all 41 criteria into your plan.

If you are just beginning to develop a Destination Management Plan, here is a suggested 5-Component Plan to help you get started.

**Component 1: determine the optimal number of tourists**

There is no universal formula, such as number of visitors/per certain size of space/per hour, to use. Circumstances vary much too greatly for that. Rather, local conditions must be assessed and solutions to problems and potential problems must relate to those local conditions. These need to address not only conservation, but also cultural, social, economic, and political conditions.

Important: The assessment must include data from the visitors themselves, based on visitor satisfaction data.

From the beginning, all those involved in planning should understand that their recommendations should NOT simply provide a restriction on the total number of visitors per year. This over-simplifies the situation and can only be counter-productive.

Rather, if the management plan requires visitor restrictions, those restrictions should be based on:

* Time of day
* Seasons/months of the year
* Specific features or sections within the destination

**Component 2: encourage low-impact transport**

Transport policies are a vital piece of the plan. In many cases, cultural heritage sites benefit from restrictions on vehicle usage. Here are some suggestions:

* *Shuttle systems* can very effectively keep low-occupancy vehicles out of otherwise congested areas.
* *Pedestrian zones* in core areas can limit the negative impacts to a cultural landscape or historic city centre from motorized vehicle noise, crowding, and engine emissions. These zones are not only good for conservation and environmental protection, but are generally preferred by visitors.
* *Vehicle size and type restrictions* reduce congestion and noise, air, and aesthetic pollution in sensitive areas.
* *Directional traffic restrictions*, e.g., making certain streets one-way for motorized vehicles, can provide benefit.

**Component 3: develop zoning restrictions**

Building-use (zoning) restrictions are essential within core heritage zones, because this affects the type and timing of vehicular traffic and other activities associated with the use of the buildings.

**Component 4: create a year-round visitor plan**

Create opportunities to shift portions of visitation demand from high-impact periods to lower impact periods. An example is to provide special entertainment or festivals at the site to attract visitors during otherwise quiet seasons of the year.

**Component 5: teach conservation**

Community and visitor education and awareness campaigns can provide conservation benefits by altering behaviors from destructive to at least benign, and possibly productive. Visitors generally respond well and alter their behavior when sensitized to conservation concerns. Forms of communication might include:

* On-site posters and flyers
* Suggestions and requests in locally-produced maps and guides
* Press releases to the travel industry
* Local schoolchildren visits in which you educate them on conservation, with specifics such as not littering – they will then frequently raise awareness with their parents

## 2.8. Trade Associations

Destination Management teams should consider trade associations from multiple perspectives:

* Consider joining national or international trade associations as a destination
* Consider forming or supporting local trade associations within the destination

**International and national travel trade associations**

The destination and its management team can benefit in many ways from membership in travel trade associations, mostly in terms of (1) education and training opportunities; (2) marketing events and channels; and (3) relevant travel industry news updates.

National or provincial trade associations are the most effective for most emerging destinations. The most established international travel trade association servicing ASEAN countries is the Pacific Asia Travel Association (PATA) and its regional chapters. Fees to join the regional chapters are modest and within the budget of most emerging destinations.

**Local trade associations**

These provide valuable support to the destination and its stakeholders:

* Travel and tourism advocacy and policy development
* Serving as “bridges” between the public and private sectors in disseminating information and facilitating review of regulations, tax policy, etc. But, they must be truly independent in order to be effective in that role
* Conducting trade fairs bringing buyers and sellers together
* Promoting the destination to external markets
* Many destinations have hotel and restaurant associations, separate from tour operator and travel agency associations. However, the most effective model is for a destination to maintain one travel association that is broad and inclusive in terms of membership types

## 2.9. Tourist Safety and Security



**Safety Checklist**

Use the checklist below to find out how safe and secure your destination is for the visitor.

|  |  |  |  |
| --- | --- | --- | --- |
| **Destination Security Analysis** | | **Yes** | **No** |
| 1. | Do you have a Safety and Security Policy, which clearly sets out your goals and objectives? |  |  |
| 2. | Do you have a Safety and Security Plan based on an analysis of the risks to tourists at your destination? |  |  |
| 3. | Does your Safety and Security Plan include clear instructions for lines of authority relating to communications with visitors? |  |  |
| 4. | Do you include local businesspeople in discussions of your safety and security policy and plan? |  |  |
| 5. | Do you have a multilingual brochure for visitors with the most pertinent safety and security tips? |  |  |
| 9. | To what extent is your destination handicapped accessible? (Rate as very good, needs improvement, or poor) |  |  |
| 10. | Is your water supply adequate and of good quality? |  |  |
| 11. | Are restaurants and catering facilities regularly checked for sanitation and good hygiene? |  |  |
| 12. | Do all hotels and other accommodation facilities meet local fire standards? Are hotels regularly checked for fire safety plans? |  |  |
| 13. | Are there up-to-date contingency plans for natural disasters? |  |  |
| 14. | Do you hold regular Safety and Security meetings with representatives from government and the community? |  |  |
|  |  |  |  |

(Source: Tourist Safety and Security World – Practical measures for Destinations, Tourism Organisation)

## 2.10. Crisis Management

Planning, preparing, and conducting drills for crises is essential. Potential crises that affect visitors include natural events (typhoons, earthquakes, tsunamis, flooding, etc.) and a variety of others (electrical power failure, civil unrest/protests, fire).

**Destination crisis management plans should include:**

* Selection of a “Command and Control Centre” where key decision-makers and communications players gather to manage the crisis
* Evacuation route development with signposts
* Training for first-responders to assist visitors in need
* Internal communications for effective coordination of activities
* Management of media, which may include not only local media, but possibly national and international – this requires careful selection of a designated hierarchy of spokespersons that is made known to all local stakeholders.



**Note**

All others, no matter how highly placed politically and socially, should refer inquiries for comment to the designated communications team in order to assure consistent and clear communications with the outside world.



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1. *“Handbook on Tourism Market Segmentation: Maximising Marketing Effectiveness”, World Tourism Organization (UNWTO) and European Travel Commission (ETC), 2007, p. 12* [↑](#endnote-ref-1)
2. *“Handbook on Tourism Market Segmentation: Maximising Marketing Effectiveness”, World Tourism Organization (UNWTO) and European Travel Commission (ETC), 2007, p.11: 28 NTO’s supported the development of the handbook by completing a survey:*

   |  |  |  |  |
   | --- | --- | --- | --- |
   | *Argentina* | *Finland* | *Kenya* | *Seychelles* |
   | *Australia* | *Greece* | *Macao (China)* | *Slovenia* |
   | *Austria* | *Hong Kong (China)* | *Maldives* | *Spain* |
   | *Cyprus* | *Hungary* | *Norway* | *Sweden* |
   | *Czech Republic* | *Ireland* | *Peru* | *Thailand* |
   | *Denmark* | *Italy* | *Portugal* | *United Arab Emirates* |
   | *Estonia* | *India* | *Saudi Arabia* | *United Kingdom* |

   [↑](#endnote-ref-2)
3. *“Handbook on Tourism Market Segmentation: Maximising Marketing Effectiveness”, World Tourism Organization (UNWTO) and European Travel Commission (ETC), 2007* [↑](#endnote-ref-3)
4. *“Handbook on Tourism Market Segmentation: Maximising Marketing Effectiveness”, World Tourism Organization (UNWTO) and European Travel Commission (ETC), 2007, p. 13* [↑](#endnote-ref-4)