



**Preparation of Destination Management Organization (DMO)  
Development Model for the Republic of Armenia**

**Ref. Number: DMO-01**

**ASSIGNMENT 1**

**TASK 1**

**Comparative analysis of best known/functional  
international DMOs models**

Deadline: 31.10.2022

**ARS Progetti SPA**

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## LIST OF ABBREVIATIONS

Abbreviation	Definition
ADR	Average Daily Rate
AOR	Average Occupancy Rate
ATA	Area Territorial Agencies
APT	Organisations for Tourism ( <i>Azienda di Promozione Turistica in Italian</i> )
BC	British Columbia
CAD	Canadian Dollars
CCI	Cultural and Creative Industry
DEC	Developing and Emerging Countries
DEIA	Diversity, Equity, Inclusion, Accessibility
DBC	Destination British Columbia
DM	Destination Management
DMO	Destination Management Organization
e.g.	<i>exempli gratia</i>
FIT	Free Independent Traveler
i.e.	<i>for id est</i>
GDP	Gross Domestic Product
GDPR	General Data Protection Regulation
GIZ	<i>Deutsche Gesellschaft für Internationale Zusammenarbeit</i>
GM	General Manager
HO.RE.CA.	Hotels, Restaurants, Catering services
HQ	Headquarters
IO	International Organisation
KPI	Key Performance Indicator
LGBTQIA	Lesbian, Gay, Bisexual, Transgender, Queer, Intersexual, Asexual
LT	Lithuania Travel
MICE	Meetings, Incentives, Conventions, Events
N/A	Not Available
NBC	Northern British Columbia
NTA	National Tourism Authority
NTO	National Tourism Organization
NGO	Non-Governmental Organization
PPP	Public Private Partnership
RTO	Regional Tourism Organization
SME	Small and Medium Enterprise
SIT	Special Interest Tourism
SQ KM	Square Kilometers
TC	Tourism Committee
TIC	Tourist Information Centre
TM	Trentino Marketing
TPA	Tourism Promotion Agencies
TS	Trentino Sviluppo
UN	United Nations
UNDP	United Nations Development Programme
UNWTO	United Nations World Tourism Organization
URSS	Union of Soviet Socialist Republics
USD	US Dollars
VA	Visit Aberdeen
VFR	Visiting Friends and/or Relatives
WB	World Bank

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## 1. EXECUTIVE SUMMARY

*“For every complex problem there is a simple solution, that is wrong”*

George Bernard Shaw

The present report is about best practices analysis in DMOs establishment. It is relevant to point out that, in general, practices that work incredibly well in one circumstance can be ill-suited for another circumstance. This is particularly true for an area, such as Destination Management, that not only cannot be easily defined, but it is also approached in very different ways in different cultural and geographical contexts, according demand conditions and local circumstances such as natural, capital and human resources. Not to speak about the efficiency of public institutions or available public and private finance.

It would therefore be naïve to look for a country that is fully suitable for Armenia to be replicated, as it would be to look for a country that is – to say – similar to Italy or France. No country can simply adopt solutions that worked well somewhere else, but can instead learn about some principles, rather than tactics, and try to extract practical insights that must be experimented so as to understand about the results.

Said that, the present study (Task 1) is intended to provide examples of international best practices in destination management, so as to inform, along with Local Context Analysis (Task 2) the models for DMO establishment in Armenia (Task 3).

The study includes an introduction about the role and scope of DMO, where differences in geographical extension, administrative levels, funding models are highlighted. Moreover, it is underlined as DMOs is not a static concept, as sound destinations change their organization through their life cycle and - depending on the degree of development of the different regions - several models can coexist within the same state. Well rooted destinations share such pattern, as is the case for Italy that in one century moved from a public-lead and centralized DM model to autonomous public-private organizations in the '2000s.

DMOs are analyzed according to specific features - namely Typology of organization, Staff and board, Office physical location, Financing, Plans and strategy, Key Performance Indicators, Stakeholders' involvement – that are considered useful for the design of Armenia DMOs. Good governance principles (Accountability and Transparency, Participation, Sound Legislation, Clear Future Vision, Responsiveness to Change, Efficiency and Effectiveness), are also introduced to draft conclusions about common traits of successful DMOs.

The choice of reference DMOs was not easy, as they had to comply with two contrasting conditions: from one side, being usable as a model for Armenia, which is still in its infancy as a tourism destination; from the other representing successful examples so as to be considered a guide for local design. Last, but not least, cases provided by scientific literature do usually focus on already developed destinations, with less attention paid to emerging ones, as in this latter case success are often episodic and volatile, not sustained by structural design and reform.

Best practices were selected so as to provide a broad reference for DMOs implementation in Armenia. The first case - *Destination British Columbia* - refers to a country which is well known for public administration reforms introduced since '90s, including new public management techniques – such as prioritization, performance budgeting and service agreements – which are applied to DMOs as well. Such national-level case is followed by a regional one – *Trentino, in Italy* – which is emblematic of mountain destinations which adopt the Alpine regions DMO style, which is much based on public-private partnership to foster digitization and product innovation. Such cases are followed by that of *Lithuania Travel* included as an example of post-Soviet nation, which is somehow comparable – also for its size – to the case of Armenia. This country, which effectively is considered a model for public administration reform among emerging ones, provides a case for the differentiation among national and local-levels roles in destination management, although the sustainability is questionable due to financial grants currently provided by international donors.

Further practices were selected with the intention to provide, along with successful references, cases of DMOs that, although broad in their scope (with the exception of wine routes management), are engaged in promoting tourism products which are comparable to those foreseen in Assignment 2, Task 4 (“Tourism Niches Identification and Development Plans”). They include *Visit Aberdeenshire* (Scotland, emphasis on Cultural Heritage tourism); *Destination Great Lake Taupo* (New Zealand, Nature-based); *The Route des Grands Crus of Burgundy* and *Taste Route* (France and Trentino-Italy, Gastro and Wine); *Discover Durham* (North Carolina – USA, Event-based); *Graubünden Tourism* (Switzerland, Winter Tourism).

## 2. INTRODUCTION. ROLE AND SCOPE OF DMOs

### 2.1. What is a DMO – Destination Management Organization

The evidence of the literature and a simple *explicatio terminorum* of DMO shows that it does not exist – and it cannot be provided – a single definition of Destination Management Organization (DMO)<sup>1</sup>.

For the purposes of the present assignment, we will however rely on broad conceptualizations provided by organizations such as UNWTO, according to which:

► **Destination management consists of the coordinated management (by an organization) of all the elements that make up a tourism destination (attractions, amenities, access, marketing and pricing)<sup>2</sup>.**

Always according to UNWTO, responsible and sustainable destination management should entail a process that effectively and harmoniously addresses the interactions between four elements:

- the visitors;
- the industry that serves them;
- the community that hosts them; and
- the environment in a broad sense (natural and cultural resources).

A key aspect is that DMOs do not control the activities of their partners and other actors operating in the tourism destination but bring together resources and expertise, and a degree of independence and objectivity to lead the way forward.

► Though DMOs have typically undertaken marketing activities, their remit is becoming far broader: being a strategic leader in **destination planning and management**.

The UNWTO also provides what should be the “five pillars” of a smart destination: (1) Governance; (2) Innovation; (3) Technology; (4) Accessibility; and (5) Sustainability, which are defined in the following table.

Said that, the UNWTO provides the following definition for a DMO:

► **A DMO is the leading organizational entity which may encompass the various authorities, stakeholders and professionals and facilitates partnerships towards a collective destination vision.**

The governance structures of DMOs can vary from a single public authority to a public-private partnership model – to a lesser extent also entirely private models are found – with the key role of initiating, coordinating and managing certain activities which will be further explored in the next pages. The functions of the DMOs may vary from national to regional and local levels depending on the current and potential needs, as well as on the decentralization level of the public administration.

Convention and Visitors Bureaus are also widely considered as DMOs, although their remit is primarily focused on promoting the destination for the meetings industry.

### 2.2. Geographical scope and administrative levels

DMO can appear at various administrative level<sup>3</sup>:

<sup>1</sup> The concept is clearly vague because:

- **Destination** is created by the mind of visitors and therefore cannot be univocally defined [UNWTO: [definition of destination](#), accessed on November 22th, 2022]

- **Management**, which originates from Latin word “*manus*” and later Italian word “*maneggio*” to mean the rational use of someone’s own resources to achieve an objective, cannot be univocally defined, as it depends on the agent, its aims and utilized resources [For instance, adopting Fayol’s definition Fayol, H. (1916), Management is “...to forecast and plan, to organize, to command, to co-ordinate and to control. To foresee and provide means examining the future and drawing up the plan of action. To organize means building up the dual structure, material and human, of the undertaking. To command means maintaining activity among the personnel. To coordinate means binding together, unifying and harmonizing all activity and effort. To control means seeing that everything occurs in conformity with established rule and expressed command.” General principles of management. *Classics of organization theory*, 2(15), 57-69. The scientific and managerial literature has however provided, only in the 20<sup>th</sup> century, dozens of different definitions. See, for instance, Kaehler, B., & Grundei, J. (2019). The concept of management: In search of a new definition. In *HR Governance* (pp. 3-26). Springer, Cham]

- **Organizations**, which can be interpreted according to a variety of school of thoughts, and therefore cannot be univocally defined es[According to Charles Handy there are at least seven approaches to define organizations, including Scientific Management, Human Relations, Bureaucratic, Power Conflict and Decision, Technology, Systems, Institutional. Handy, C. (2007). *Understanding organizations*. Penguin Uk.]

<sup>2</sup> UNWTO (2007), *A Practical Guide to Tourism Destination Management*, UNWTO, Madrid.

<sup>3</sup> World Tourism Organization. 2004. *Survey of destination management organisations*: Report April 2004. Madrid: WTO

- **National Tourism Authorities (NTAs) or Organizations (NTOs)**, responsible for management and marketing of tourism at a national level;
- **Regional (or provincial) tourism organizations (RTOs)**, responsible for the management and/or marketing of tourism in a geographic region defined for that purpose, sometimes but not always coinciding with administrative boundaries;
- **Local Destination Management Organizations (DMOs)**, responsible for the management and/or marketing of tourism based on a smaller geographic area or city/town.

Regardless of administrative boundaries, destinations are spatial units that have the potential, due to their size and structure, to be recognized in international competition, to be positioned as a brand, and to be developed and marketed with consideration for sustainable development. They should therefore include all of the various offerings that are needed for a tourist visit.

It is relevant to highlight that, from a visitor’s perspective, a “destination” is a geographic area that is chosen as a travel destination and whose offerings are used. Consequently, their layout is based on the perception of visitors, who generally perceive spaces as landscapes and cultural areas. From this perspective, a “destination” is a geographic area that is chosen as a travel destination and whose offerings are used.

► **The limits of a destination cannot therefore be clearly defined, because they are determined by the individual visitors.**

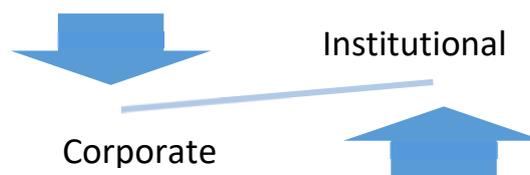
Moreover, different visitor segments can move differently within the destination, sometimes crossing the boundaries of the administratively-defined destination (e.g Transcaucasian Trail). When developing tourism products, it is therefore important to overcome administrative boundaries if this can produce customer-oriented service packages.

### 2.3. Public-Private typologies

In destination management practice, a wide range of organizational and legal forms have emerged according to the specific history and starting situation. The diverse existing models can be divided into three major groups, based on the funding structures<sup>4</sup>:

1. Public-sector organizations (institutional model)
2. Public-private partnership
3. Private-sector organizations (corporate model)

Figure 1: Balance between Institutional and Corporate models in DMO.



#### 2.3.1. Public-sector organizations

The simplest form is when the public sector assumes direct responsibility for destination management. It can be operated in different forms:

- through a separate tourism public authority;
- through a cooperation between multiple public authorities;
- by contracting tasks to private companies.

Benefits are the relative ease of constituting and funding by public budget, along with the ability to control DM actions through legal acts.

Drawbacks relates to the lack of private-sector motivation and potential lower acceptance of the tourism industry as a result. In addition, the financial resources available from public budgets and funding pools might be limited and constraints by public budget.

<sup>4</sup> Adapted from GIZ (undated). *Destination management in developing and emerging countries. Handbook and guidelines for building sustainable destination management organizations.* Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

### 2.3.2. Public-private partnership

In this model, public and private institutions are part of the DMO. Implementation usually takes place in the form of a society/association or a corporation, with participation regulated by the relative statute.

The advantage relates to stakeholders' direct involvement, with different interests that can be potentially represented in the association. Moreover, the DMO might count on further funds ensured by private partners. Management also might be eased if the partnership is mostly private and the DMO is ruled according to the commercial law.

The drawback relates to possible difficult decision making, which also depends on the various stakeholders' representation in terms of shares.

### 2.3.3. Private-sector organizations

Purely private tourism organizations have sometimes emerged. They are usually organized similarly to public-private partnerships, including different private actors, but without representation for the public sector.

The key difference with public-involving DMOs, is that the range of tasks usually limited to functions such as communication and sales since:

- they add direct value;
- it is out of scope operating on the supply-side, particularly tourism infrastructure and utilities, as private actors do not usually hold competences on such aspects.

~ ~ ~ ~ ~

According to the **degree of control which is retained the government** we can therefore distinguish among the following forms:

- Department of single public authority;
- Partnership of public authorities, separately serviced by partners;
- Partnership of public authorities, serviced by a joint management unit;
- Public authority(ies), outsourcing delivery to private companies;
- Public-private partnership for certain functions – often in the form of a non-profit making company;
- Association or company funded purely by a private sector partnership and/or trading – again for certain functions.

At the top, there is the traditional **institutional approach**, with the public sustaining alone the burden of destination management. At the bottom, there are “**corporate**” models, where single enterprises like a hotel or an attraction operator delivers all the services.

Between the two, there are **community type** of destinations, where services that have the quality of public goods (like visitor information, park management, etc.) that cannot be operated on a commercial basis are managed and financed with public funds.

Researches prove that destinations usually start their approach to DM by choosing one or the two opposite approaches – Institutional or Corporate – according to their institutional culture and tradition, and move towards community type once development starts<sup>5</sup>.

- ▶ **DMO is not a static concept, as destinations change their tourism organization throughout their life cycle.**
- ▶ **Several models can coexist within the same state, depending on the degree of development of the different regions.**

## 2.4. DMOs and destination life cycle

The starting situations for creating DMOs can be very different according to the destination's level of maturity. Most destinations indeed go through a four-stage development process, including access, development, consolidation and stagnation<sup>6</sup>.

<sup>5</sup> Formato, R., & Presenza, A. (2018). Management della destinazione turistica: attori, strategie e indicatori di performance. *Management della destinazione turistica*, 1-351.

<sup>6</sup> Plog, S. (2001). Why destination areas rise and fall in popularity: An update of a Cornell Quarterly classic. *Cornell hotel and restaurant administration quarterly*, 42(3), 13-24.

While in newly accessed destinations the goal is to build basic structures and processes for sustainable tourism-related development and to create a basic tourism-related supply, the goal for more mature destinations is to rethink and further develop the existing structures and processes. In addition, many actors must be made aware of the significance of developing sustainable tourism<sup>7</sup>.

The following table highlights key issues (typical features of the destination, challenges) for emerging and growing destination, which is the situation which belongs to all Armenian local contexts.

Typical features of the destination	Challenges
<b>Structures for developing and marketing the destination are rudimentary, if they exist at all.</b>	During this phase, the goal is to build basic structures and processes.
<b>The existing attractions are not optimally accessible.</b>	Important tasks are creating & professionalizing basic tourism-related supply.
<b>Accommodation supply is small, of low quality and shows a low level of professionalism.</b>	Ensuring a sustainable focus for existing and newly developed products early on.
<b>Smallest businesses lack entrepreneurial skills, and their investment capacity is very small. Their offerings are often not marketable.</b>	Because of the lack of capital resources, this phase depends on start-up funding.
<b>Larger and better-quality offerings come from providers outside the region.</b>	
<b>There is little awareness about the benefits of cooperation. Competitive thinking between service providers is the norm.</b>	

Table 1: Emerging destination typical features and challenges

In positioning new destinations, main requirements are a minimum of domestic security and stability, functional government bodies, planning reliability, and a positive attitude by the authorities toward tourism. Following that, other criteria also apply, such as the accessibility of the destination and its attractiveness<sup>8</sup>.

Typical features of the destination	Challenges
<b>There are structures for developing and marketing the destination, but they are usually not efficiently designed. Interactions between public and private institutions are uncoordinated.</b>	The goal is to further develop the existing structures and processes in harmony with long-term goals that can produce consensus.
<b>There is no target system that is jointly supported by all the actors, and no coordinated strategy. Among other things, that means the collaboration between tourism-related actors is shaped by individual interests.</b>	Given the growth in demand, a particular challenge is raising actors' awareness about the need for controlling.
<b>Tourism-related development is controlled through growth targets and investors. There is no balance between economic, social and ecological impacts.</b>	The main tasks involve diversifying the tourism related supply for the purpose of brand positioning.
<b>There are deficits with regard to developing and ensuring quality standards in the long term.</b>	

Table 2: Growing destination typical features and challenges

Once a solid basic tourism supply has been established in adequately attractive and accessible areas, tourism-related demand can develop very positively. During the growth phase, visible market success often means that the need for controls is not recognized. Environmental and sociocultural burdens generally originate during this phase.

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► **An example of a destination that changed its DMO institutional assets, objectives and scope through its life-cycle is Italy.**

Such nation holds a 200-years history as international tourism destination, with DMOs today very varied at regional level, as a consequence of several legislative changes.

The first NTO was established in 1919 and was followed by the introduction of Local Promotion Agencies (LPAs) in 1926 and Provincial Tourism Boards (PTBs) in 1935. LPAs were intended to provide information and coordinate tourism services at the single destination level. Decision about their establishment was kept up to the national government until 1960, when it was made more flexible, and let to PTBs, provided that such organization could sustain themselves relying on public sources and sale of tourism services' revenues.

<sup>7</sup> GIZ (undated). Op. cit.

<sup>8</sup> Mundt, Jörn W. (2004): Tourismuspolitik. Munich, Vienna. Quoted in GIZ (undated). Op. cit.

In 1983 a national reform, following a previous 1971 reform, which introduced autonomous regional government, allowed for the establishment of Tourism Promotion Agencies at the regional level.

Year	Event	DMO model
1919	Establishment of the National Tourism Organization	Institutional - National level
1926	Introduction of Local Promotion Agencies (LPAs)	Institutional plus autonomous
1935	Introduction of Provincial Tourism Boards (PTBs)	Institutional - National & provincial level
1960	Allowance for greater flexibility in the selection of LPAs	Institutional - National & a more empowered provincial level
1983	Introduction of Regional Tourism Promotion Agencies	Institutional – Regional level
2001	Competence on tourism development totally released to Regional Governments	Institutional and Corporate – Regional level
Up to 2022	Introduction of several different DMOs' schemes at regional level according to regional laws	Wide variety of models including growing PPP

Table 3: Evolution of DMOs in Italy

Finally, in 2001, a constitutional law recognized the exclusive competence of Italian Regional Governments on tourism development, with only national-wide promotion kept at the central level. Each Region consequently adopted different models, ranging from more some more institutionally-driven to other more market-led and based on PPP, sometimes in a private legal form.

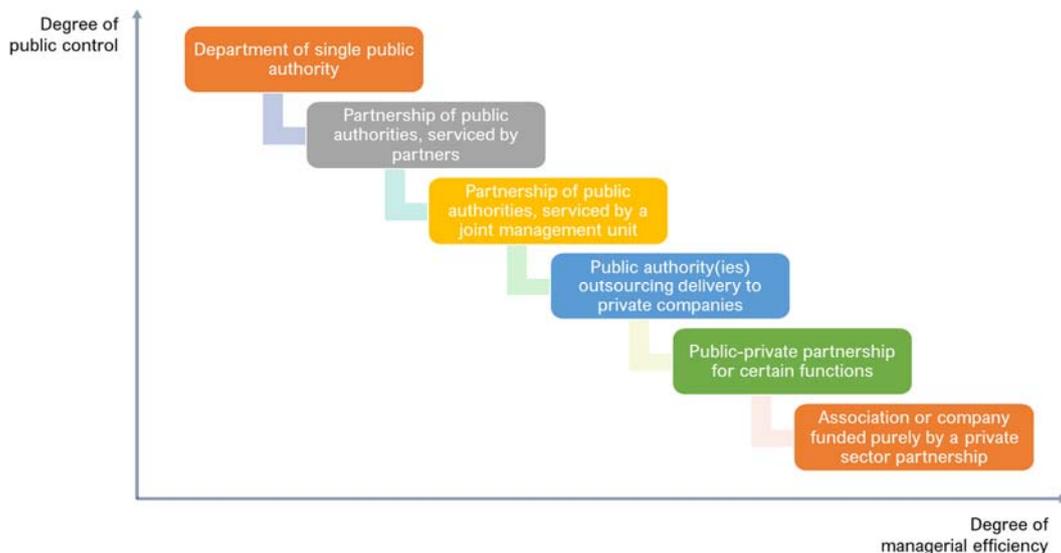


Figure 2: DMOs' models

► The two alternative models – Institutional vs. Corporate – differ according to two key indicators which reflect different policy focus, i.e. degree of public control vs. degree of managerial efficiency.

Recent researches prove that PPS NGOs models are currently the most frequently adopted, followed by private NGOs<sup>9</sup>.

As tourism is growing worldwide, and destinations compete in the international arena, institutional-driven schemes are losing ground as they are unable to provide tourism planning and service as PPPs schemes do.

Ranking	Legal form	%
1	Public-private partnership non-profit	40.4
2	Private non-profit organization	21.2
3	Regional / local government	15.4
4	Public-private partnership for-profit	1.9
5	Chamber of commerce / division of a chamber	0.0
6	Private for-profit organization	0.0
7	Other	21.2
<b>Total</b>		<b>100</b>

Table 4:: Legal form of regional and local DMOs

<sup>9</sup> See, for instance, Borzyszkowski, J. (2013). Legal forms of modern destination management organization and their influence on the range tasks and responsibilities. *UTMS Journal of Economics*, 4(3), 367-376.

- **International results reveal that nowadays a variety of DMOs schemes are adopted worldwide, with a growing relevance of PPPs and private ones, as they usually allow for more sounded tourism territorial planning and marketing strategies.**

## 2.5. Tourism stakeholders

A key concept for destination management is that of “tourism stakeholders”. The stakeholder approach was first introduced into the management theory as an answer for dissatisfaction with the unilateral financial criteria of effectiveness. The main assumption of the stakeholder theory is that an organization’s effectiveness is measured by its ability to satisfy not only the shareholders, but also those agents who have a stake in the organization<sup>10</sup>. Narrow and broad definitions of stakeholders can however be used, where:

- Narrow view in general attempt to define relevant groups in terms of their direct relevance to the organization’s core economic interests;
- Broad view, in contrast, is based on the empirical reality that most organizations can indeed be vitally affected by, or they can vitally affect, almost anyone. They therefore include the groups that might not have legitimate claims, but who may be able to affect or are affected by the organization nonetheless, and thus affect the interest of those who have legitimate claims<sup>11</sup>.

We can consider that the term “stakeholders in tourism development” includes, according to UNWTO, the following players<sup>12</sup>:

- national governments;
- local governments with specific competence in tourism matters;
- tourism establishments and tourism enterprises, including their associations;
- institutions engaged in financing tourism projects;
- tourism employees, tourism professionals and tourism consultants;
- trade unions of tourism employees;
- tourism education and training centers;
- travelers, including business travelers, and visitors to tourism destinations, sites and attractions;
- local populations and host communities at tourism destinations through their representatives;
- other juridical and natural persons having stakes in tourism development including non-governmental organizations specializing in tourism and directly involved in tourism projects and the supply of tourism services.

According to the broad approach it is however wise to include, in the list of stakeholders, key players such as journalists, media, social b-loggers and v-loggers, who have a growing relevant role in promoting the image and attractiveness of the destinations.

The same is true for operators of economic sectors which are involved in tourism development, despite they do not formally belong to the tourism sector (such as wine growers or wine producers for gastro tourism).

- **Again, it cannot be provided a unique and definitive definition or list of DMO’s key tourism stakeholders.** Their identification, classification and prioritization depend on the destination, on the type of tourism niche and tourism resources which are present, but also on stakeholders’ power, legitimacy and urgency, which vary over time<sup>13</sup>.

## 2.6. Tasks fulfilled

According to international practice, destination management should fulfil some basic functions<sup>14</sup>:

- Informational.** It includes Information about supply, demand, target achievement, etc., as an important basis for making well-founded decisions and for targeted management of tourism-related development. It also allows for a fact-based dialogue with the stakeholders.
- Planning.** It should steer stakeholder actions towards common agreed targets, guidelines and strategies providing a framework for tourism-related development, with target achievement regularly evaluated.

<sup>10</sup> Freeman, R. E. (2010). *Strategic management: A stakeholder approach*. Cambridge university press.

<sup>11</sup> Mitchell, R. K., Agle, B. R., & Wood, D. J. (1997). Toward a theory of stakeholder identification and salience: Defining the principle of who and what really counts. *Academy of management review*, 22(4), 853-886.

<sup>12</sup> List included in the attached report on the WTO Survey on the Implementation of the [Global Code of Ethics for Tourism](#) (2005), paragraph 32

<sup>13</sup> For the Power, Legitimacy and Urgency stakeholders’ definitions, see Mitchell, R. K., Agle, B. R., & Wood, D. J. (1997). Op. cit.

<sup>14</sup> GIZ (undated). Op. cit.



- c) **Supply.** It should provide visitors with tourism services consistent with their expectations and destination image, providing fundamental tourism-related structures, professionalizing tourism-related businesses, and combining services into marketable products.
- d) **Marketing.** It should reach potential guests through suitable communication and sales channels during every phase of the customer journey. As communication effectiveness can suffer from a plethora of messages produced by different public and private organizations, there is usually a strong need to concentrate as many tasks as possible within a powerful DMO.

According to international practice, DMOs can therefore fulfil different tasks<sup>15</sup>:

1. **Strategy formulation**, including planning, usually as a mean to reach broader policy objectives, such as generating new income, employment, taxes and contributing to a diversified local economy;
2. **Tourism industry coordination**, by providing a clear focus and pursuing the reduction of industry fragmentation and the upgrade of collective tourism infrastructure, so as to share in the growing benefits of tourism, including classification of hotel facilities to the individual types and categories, and supervision of these;
3. **Representing the interests of stakeholders**, while nourishing relationships between them and the DMO and as well between themselves;
4. **Catalyzing all the actors**, adding legitimacy for the industry and protection to individual and group visitors in the tourism destination;
5. **Management of the destination area/region**, by building partnership, promoting sustainable development and attracting new investors;
6. **Management of tourism products**: including consultancy, booking services, personnel development (including granting licenses of tourist guides), product development, marketing research;
7. **Management of tourist attractions**, including cultural and natural sites, so as to provide better and more focused tourist visitor services;
8. **Training and capacity building** (not only of its human resources but also facilitate training and capacity building activities for local tourism professionals);
9. **Monitoring**, including measurement and evaluation of destination performance;
10. **Marketing and destination branding**, by communicating the most appropriate destination image, attractions, and facilities to selected visitor markets, including running of promotional activities, creation of the tourist image, participation in trade fairs and exhibitions, publications and issue of promotional materials, organization of study tours;
11. **Digitalization and innovation**, with regard to both supply (e.g. VR/AR at cultural and natural tourism sites) and demand-oriented applications (implementation of web and social media marketing);
12. **Marketing intelligence**, including data gathering and analysis, market research, etc.;
13. **Crisis Management**, whose relevance has been proven by the challenges recently brought by the Covid-19 pandemic;
14. **Provision of tourism information**, by running of regional centers and tourist information outlets;
15. **Funding and fostering investments**, with regard to a range of policies from MSMEs incentives' provision to foreign investment attraction.

Tasks assigned to DMOs depends on local circumstances and capacity, degree of tourism development, policy patterns and political power game, including:

- Tradition of public control, which brings strong institutional path dependence;
- Resource constraint and pressure on financial and economic returns;
- Supply and demand conditions;
- Stage of the destination life-cycle.

► **The scope of DMOs can be very broad and it is not possible to define which is a best model, as it must adapt to peculiar local and external conditions of each destination.**

**Supply and demand conditions** are essential in understanding the potential for DMO establishment. Such concept reminds to the Porter's diamond model<sup>16</sup>, which explains why industries in some countries are more developed and competitive compared to other elsewhere. The framework, which includes tools to help policy makers devise most suitable development policies, can be applied to the tourism sector too.

<sup>15</sup> Various sources, including Bieger T., Beritelli P., Laesser C. (2009). Size matters! Increasing DMO effectiveness and extending tourism destination boundaries, *Tourism Review*, 57(3), 309-327 and Borzyszkowski J. (2013), op. cit. and UNWTO (2019). *Guidelines for Institutional Strengthening of Destination Management Organizations (DMOs)—Preparing DMOs for New Challenges*.

<sup>16</sup> Porter, M. (1990). *The Competitive Advantage of Nations*. Harvard Business Review.

According to it, the development model, and therefore the DMO's mode, depends on:

- dimension of current and perspective demand;
- stage of the destination life-cycle;
- presence of a tourist value-chain that provide services that visitors rely on;
- availability of natural, cultural and human resources in the tourism field;
- presence of key entrepreneurs that can drive development.

The **dimension of current and perspective demand** has a sizeable effect on how well tourism within a certain area can perform, as it creates opportunities for businesses growth and flourishing. If demand is stagnant, there is a lack of motivation for entrepreneurs in investing. In such situation, which usually occurs at the early stage of the **tourism life cycle**, the public sector might decide to bear the burden to provide key services and infrastructure. Only if natural and cultural resources are astonishing, the private sector, as long as key operators are available, might decide to start up tourism development by providing, at specific sites, the essential **tourism value chain**, including accommodation and other facilities, to cater to visitors' needs.

Along with natural and cultural resources, **human resources capacity** is essential as tourism is a much a people-driven industry. Education and training are traditionally carried out by the public sector, but can also in some cases taken by large **entrepreneurs** that find interest in investing in unexploited tourism destinations. Such entrepreneurs, particularly in developing nations, are often driving development by supplying to the lack of government intervention, with results that are sometimes arguable in sustainability terms, as they might disregard virtuous environmental and social practice for immediate economic and financial returns.

In such a model, the **government** has a catalyst role, by providing the rules of law while encouraging and pushing tourism stakeholders to raise their aspirations and move to even higher levels of competitiveness. This can be done by stimulating early demand for advanced tourism services (demand factors); focusing on specialized factor creations such as tourism infrastructure and the training system (factor conditions); promoting domestic rivalry by enforcing anti-trust laws; and encouraging change. The government can thus assist the development of the aforementioned factors in the way that should benefit the tourism industries.

## 2.7. Public-private balance in destination management

► **The public-private relation and balance is dynamic, as motivation for private operators to invest increases as the destination develop and consolidate.**

**At the early stages the public sector usually holds a key role in promoting development**, so as to provide to basic infrastructure, such as transport and public utilities in the form of electricity and sewage disposal. Much of this infrastructure also serves the resident population or other needs (e.g. agricultural) but, depending on the type of development, it may also be developed, or expanded, expressly for the tourists. The critical point is that although essential, infrastructure is basically a charge on development. With a few exceptions (such as toll roads or cableway such as in Tatev), the infrastructure does not itself generate revenue directly and must be taken up by the government.

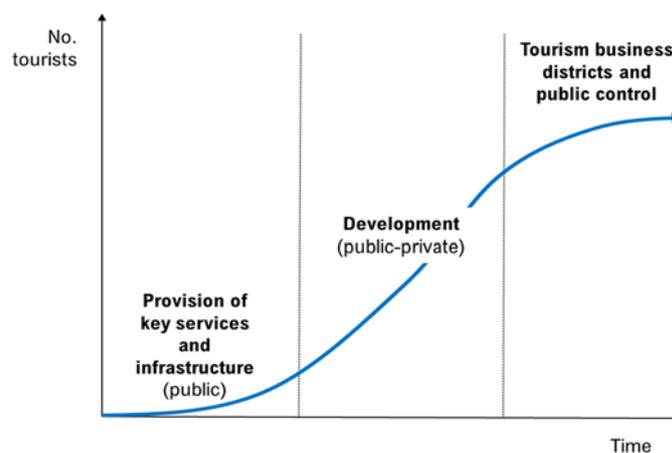


Figure 3: Involvement of private and public sector in tourism development according to destination life-cycle

As tourism development grows, the control of tourism usually passes to the private side and sometimes also out of local hands, as external companies emerge to provide up-to-date facilities. These may alter the appearance of the destination and regional and national government’s involvement may become necessary to prevent problems of overuse and deterioration of facilities.

When destination consolidates it might become fully fledged with major franchises and chain, including identifiable tourism business district. Such pattern is common as tourist activities take advantage of economies of scale and district, and agglomerate where there are already consistent and promising tourist flows. As such activities would rely on repeat visits and business use of its extensive facilities, major efforts might be needed to maintain and diversify the number of visits.

The following matrix sums up four possible key models according to the prevailing dominant logic (public or private). In reality, a variety of DMO may apply according to local circumstances mentioned above<sup>17</sup>.

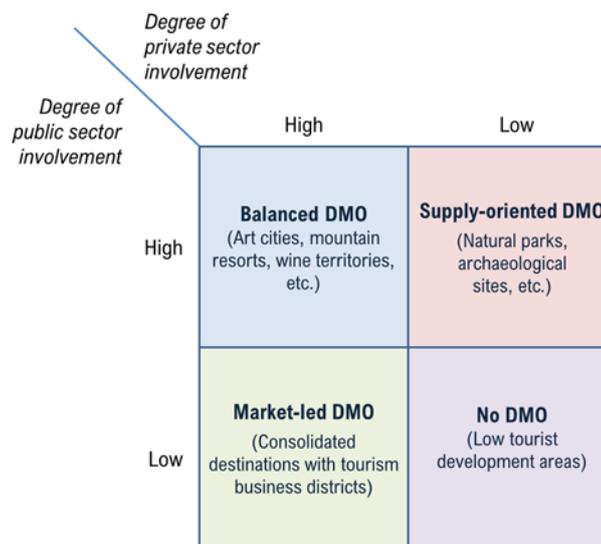


Figure 4: Classification of DMOs according to the degree of private and public sector involvement

1. **Supply-oriented DMO.** This model is common among emerging destinations, where attention is on providing key services and infrastructure, and in areas featured with outstanding natural and cultural resources that need to be protected for continuous use in the future. Here resources-driven activities are established (sightseeing, scientific and historic visits, hiking, cycling, fishing), with private operations also encouraged, but limited to the provision of ancillary services with man-made facilities kept to a minimum. Seasonal use (weekends and holidays) and political-administrative difficulties of enforcing private markets in what are perceived by the public as gifts of nature, may make these areas difficult to market, thus inducing the government to make the necessary provision through its own departments or public-owned organizations. This might also help to prevent abuse over overuse by enforcing collective provision out of taxation, and regulating individual behavior through legislation to preserve environmental amenity (e.g. restrictions on buildings height).
2. **Balanced DMO.** The ideal public-private model is a harmonic effort of public and private actors, with each one providing, in its own sphere of competence, a contribution to the creation of the destination value chain. It is a typical win-win situation that may happen in consolidated destinations, where public and private actors coordinate their efforts, agreeing about the “rules of the game”. Flow of visitors is large enough to remunerate entrepreneurial activities and support, through local and national fiscality (VAT, enterprise income tax, property tax, tourism tax, etc.), the provision of public services and infrastructure. Benefits arise for both the public and private actor.
3. **Market-led DMO.** Such private-dominant model characterizes consolidated resorts, provided with tourism business districts, where entrepreneurs carry the weight of designing, building and managing most of the tourism chain. Local and national governments are left with the responsibility of ensuring some basic functions (such as access roads and airports). The model allows private sector to manage the tourism chain, with advantages brought to customer satisfaction and destination marketing and competitiveness.
4. **No DMO.** Such situation is typical of areas where tourist resources are not distinctive and serve at the best the local demand. In such situation, provision of services and infrastructure by private operators is risky

<sup>17</sup> Formato R. and Presenza A. (2018). Op. cit.

and motivation for establishing a dedicated DMO is low. At best, local resources are offered as daily excursions from nearby territories.

### 3. METHODOLOGY

#### 3.1. Criteria for choosing DMOs

The last twenty years have been characterized by a rapid diffusion of DMOs, as they have been considered an efficient way for triggering tourism development in new destinations. However, as problems and challenges commonly arise when analyzing DMOs experiences in Developing Emerging Countries (DECs), international literature usually refers to developed countries cases.

Not only the lack of reliable researches, but also the evidence of other key drawbacks prevents from taking DEC experiences as a model<sup>18</sup>:

- implementing long-term, professional DM requires a minimum level of stability and safety, which often lacks in DEC, making observations results unstable and volatile;
- tourism responsibilities are often not clearly defined, leading to confusion and conflicts of competence, which in turns generate poor accountability;
- as many DECs are pressed by urgent economic problems, national tourism strategies are often one-sidedly focused on economic growth, neglecting or under-representing ecological and socio-cultural consequences of tourism development;
- as financial resources are often insufficient to permanently support tourism growth, development is strongly shaped and guided by International Organizations (IOs) making results less reliable;
- marketing functions are usually over-represented in DMOs experiences in DECs, as tourism strategies privilege short-sighted and quick to adopt brand promotion and information at the expense of more difficult although long-term rewarding tourism development planning based on PPP or sound tourism management;
- lack of professionals holding sufficient skills to implement DM all over national territory makes DMOs experience episodic and based on single talented people or community rather than reflecting a sustainable nation-wide approach.

► **Due to these reasons, most proposed best practices refer to developed countries, with the notable exception of Lithuania, which not only is a former Soviet country as Armenia, but succeeded in adopting public management reforms<sup>19</sup>, which included public tourism management as well<sup>20</sup>.**

#### 3.2. Areas of analysis

For each DMO the following driving areas are analyzed<sup>21</sup>:

- Typology of organization;
- Staff and board;
- Office physical location;
- Financing;
- Plans and strategy;
- Key Performance Indicators (KPIs);
- Stakeholders' involvement.

#### 3.3. Criteria of choices

The analysis focuses on destinations which are commonly recognized as best practices in their respective DM field according to their performance which can be assessed by KPIs. Among these, the Consultant, in agreement with the Client, selected a heterogeneous pool of case studies, so as to satisfy the following objectives:

- where feasible, to provide a reference for the Armenia niche tourism studies going on under the present Contract. Some DMOs operate at national/regional level, holding a broad scope, while others

<sup>18</sup> GIZ (2019). Handbook and guidelines for building sustainable destination management organizations

<sup>19</sup> OECD (2021), Economic Policy Reforms 2021: going from growth

<sup>20</sup> Grundey, D. (2008). Managing sustainable tourism in Lithuania: Dream or reality? *Technological and Economic Development of Economy*, 14(2), 118-129.

<sup>21</sup> For Destination British Columbia a further section was added, relative to the organization of Visitor Information & Services

are more geographically focused and/or privilege specific tourism niches. The Consultant therefore examined DMOs practice in Cultural Heritage, Gastro & Wine, Adventure & Nature, Events, Winter Tourism;

- to cover a variety of strategic and operational issues:
  - destinations of different sizes and density of inhabitants,
  - destinations at a different level of their Life Cycle<sup>22</sup>;
  - destinations which offer year-round tourism activities but also present seasonal peaks (as they manage ski areas in winter or sport and leisure activities in summer).

### 3.4. Good governance principles

All chosen DMOs respect good governance principles. Although this is a subject which can be analysed according to different perspectives, the Consultant adopted the World Bank (WB) and United Nations Development (UNDP) approach, which – among broader features - identify three basic elements of good governance<sup>23</sup>:

- a) Accountability;
- b) Participation, and
- c) Transparency.

Such principles are reported in the model, along with the following that are conducive to effective Destination Management:

- d) Sound Legislation;
- e) Clear Future Vision;
- f) Responsiveness to Change;
- g) Efficiency and Effectiveness.



Figure 5: Elements for effective destination management

### 3.5. Key performance indicators

Accountability and transparency are generally implemented recurring to the use of performance indicators, which allow for budgeting, monitoring and evaluation, therefore favouring also stakeholder participation<sup>24</sup>.

To such extent, analysis is conducted trying to adhere - according to data and information available – to the **Input-Output-Outcome** (or **3-E**) model commonly used in international of the policy and management cycle, with qualitative and quantitative indicators included<sup>25</sup>.

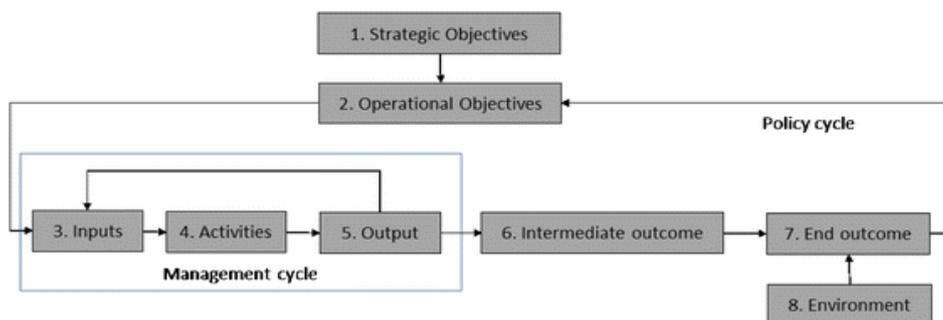


Figure 6: Policy and management cycle

**Qualitative indicators** include:

- strategic and operational objectives, with the first usually reflecting higher level (national, regional) and broader socio-economic objectives, and the latter more tourism-bounded;
- environmental conditions, i.e. political/legal; economic, socio-cultural, technological conditions which might influence the performance of the DMO.

<sup>22</sup> Butler, R. (2004). The tourism area life cycle in the twenty-first century. *A companion to tourism*, 159-169

<sup>23</sup> [http://web.worldbank.org/archive/website01020/WEB/0\\_\\_CON-5.HTM](http://web.worldbank.org/archive/website01020/WEB/0__CON-5.HTM)

<sup>24</sup> Behn, R. D. (2003). Why measure performance? Different purposes require different measures. *Public administration review*, 63(5), 586-606.

<sup>25</sup> Bovaird, T., Löffler, E., & Löffler, E. (Eds.). (2003). *Public management and governance* (Vol. 3). London: Routledge.

**Quantitative indicators** include:

- input indicators: e.g. money spent in different activities (personnel, marketing, provision of grants and loans to SMEs, research and studies, etc.), money provided by the government, money provided by private, etc.;
- output indicators: e.g. no. of access to DMO’s website, no. of SMEs that received grants/loans, no. of researches conducted; no. of quality inspections to destination accommodation;
- Intermediate/end outcome indicators: no. of yearly visitors to the destination, average money expenditure per visitor, financial results (profit/loss) of the DMOs.

Quantitative indicators are selected according to “SMART” criteria (specific, measurable, achievable, realistic and time-bound), so that to provide immediate usable insights for Armenian DMOs.

### 3.6. Synoptic scheme of analysed DMOs

The following synoptic scheme shows the list of DMOs that were analyzed. Where it applies, we highlighted reference to niche tourism products currently under study for the Armenia Tourism Committee.

Geographical scope/Tourism niche	Selected DMO
National DMO	<i>Destination British Columbia and Northern BC</i>
Regional DMO	<i>Trentino (Trentino Marketing, Area Territorial Agency, Promotion Tourism Agency)</i>
Case study from emerging economy	<i>Lithuania Travel</i>
Niche 1: Cultural Tourism	<i>Visit Aberdeenshire</i>
Niche 2: Nature-based tourism	<i>Destination Great Lake Taupo</i>
Niche 3 - 4: Gastro and Wine Tourism	<i>The Route des Grands Crus (of Burgundy) and Taste Route of Trentino</i>
Niche 5: Event-based Tourism	<i>Discover Durham</i>
Niche 6: Winter Tourism	<i>Graubünden Tourism</i>

Table 5: International DMOs’ best practices<sup>26</sup>

## 4. BEST DMOs’ PRACTICES

### 4.1. Country Level: Destination British Columbia<sup>27</sup>

#### 4.1.1. Motivation for choosing the practice

Destination British Columbia (BC) is a public-private company in charge of tourism development and regulation in British Columbia, federal state of parliamentary monarchy of Canada<sup>28</sup>.

The Consultant selected this practice because:

- It is internationally recognized as a best practice in tourism organization at national/regional level;
- It foresees sub-DMOs which are actively involved in tourism management as “local branches” of the national “umbrella” organization;
- Such DMOs operate according to a service contract agreement based on a performance-based model.

#### 4.1.2. British Columbia as a tourism destination

Tourism is one of the main economic sectors and employment creators in British Columbia. It strongly relies on domestic tourism (52% of visitors are Canadians) and, despite its isolated geographic position and harsh climate, in 2021 held a high Accommodation Occupancy Rate (OR), around 64,3%<sup>29</sup>.

<sup>26</sup> Borzyszkowski, Jacek. 2013. Legal forms of modern destination management organizations and their influence on the range of tasks and responsibilities. *UTMS Journal of Economics* 4 (3): 367–376

<sup>27</sup> Destination British Columbia website has a library where publications on tourism are available: <https://www.destinationbc.ca/>. Here most of the data used to carry out the comparative study were found.

<sup>28</sup> At national level, Canada also brands its image through [Destination Canada](https://www.destinationcanada.ca/), which however has not interest for our study, as it deals only with branding and international representation

<sup>29</sup> According to international benchmark a good Occupancy Rate is between 70-90% of the total available rooms. However, when assessing Occupancy rates, several factors such as geographic position, time of reservation, number of rooms, target of clients. The ideal Occupancy Rate is nevertheless the one that consents to maximize revenues and minimize costs (Source: <https://hoteltechreport.com/it/news/occupancy-rate/>).



<b>Area of competence</b>	<p><b>Total area:</b> 944,735 km<sup>2</sup></p> <p><b>Total inhabitants:</b> 5.3 million</p> <p>British Columbia is the westernmost province of Canada situated between the Pacific Ocean and the Rocky Mountains. It has a diverse geography: rocky and sandy beaches, forests, lakes, mountains, inland deserts and grassy plains.</p>
<b>Niche tourism products</b>	<ul style="list-style-type: none"> <li>- Adventure and Nature-based tourism</li> <li>- Arts and Heritage</li> <li>- Events and festivals</li> <li>- Winter Tourism</li> </ul>
<b>Tourism market</b>	<ul style="list-style-type: none"> <li>- <b>N. of international visitors:</b> 5.842.000 in 2019</li> <li>- <b>Domestic Tourists:</b> 15.663.000 in 2019 (52%)</li> <li>- <b>Country of origin:</b> US, followed by Asia and the Pacific</li> <li>- <b>Overall Tourism Revenues:</b> \$22.3 billion in 2019</li> <li>- <b>ADR:</b> 205,39 USD (as per August 2022)</li> <li>- <b>Occupation Rate:</b> 64,28%</li> <li>- <b>N. of tourism businesses:</b> 19,690</li> <li>- <b>N. people directly employed in the tourism industry:</b> about 46,400 (1 job every 16 in BC).</li> </ul>

Table 6: Destination British Columbia Description



Figure 7: British Columbia landscape diversity

#### 4.1.3. The Provincial crown DMO

Destination BC is a peculiar example of PPP that has in place **long-standing service contract which favor accountability and transparency in destination management**. The organization is incentivized to achieve performance objectives which are set by the government through a long-standing service contract. Performance-based service contract are also applied to DBC to regional DMOs.

Figure 8: Branding Destination British Columbia



<b>Organization<sup>30</sup></b>	<ul style="list-style-type: none"> <li>- <b>Legal Status:</b> Destination BC is a <b>PPP Crown corporation</b> created after enforcement of an ad-hoc legislation<sup>31</sup> recognizing its status of DMO. British Columbia is divided into <b>six tourism regions</b> (about 200 communities): 5 are managed by Regional DMOs in partnership with DBC; one by DBC directly.</li> <li>- DBC has <b>longstanding service contracts</b> with its five Regional DMOs, which are independent NGOs governed by their own board.</li> <li>- <b>Identity:</b> It leads the marketing of British Columbia as a tourist destination and promotes the development and growth of the provincial tourism industry through a combination of global</li> </ul>
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<sup>30</sup> Information on "Organization" and "Staff and Board" displayed in this paragraph have been collected by the official website of the DMO

<sup>31</sup> Destination BC Act was assented on 14 March 2013. Among others, it gives indications on DMO identity, governance, financial administration, Tourism Marketing committee. Full content is accessible on: [https://www.bclaws.gov.bc.ca/civix/document/id/complete/statreg/13006\\_01#section1](https://www.bclaws.gov.bc.ca/civix/document/id/complete/statreg/13006_01#section1)



	<p>marketing, destination development, industry learning, cooperative community-based programs, and visitor servicing.</p> <ul style="list-style-type: none"> <li>- <b>Mission:</b> Promote BC tourism growth while inducing sustainable social, cultural, environmental and economic benefits for all British Columbians by sharing British Columbia beauties with visitors.</li> </ul>
<b>Staff and Board</b>	<p>The DMO has 115 staff positions divided in:</p> <ul style="list-style-type: none"> <li>● <b>Board and Committee</b><sup>32</sup>: composed of up to nine private-sector directors, who are appointed by the Minister for tourism. Up to four board members may have direct investments in hospitality and/or tourism projects in the Region, at least 5 should not. Board meetings are set on quarterly base. Directors have a fiduciary duty to act in the best interests of Destination BC. They are guided in fulfilling their mandate by Destination BC's partners and, in particular, British Columbia's tourism industry. <b>As such they ensure full engagement of the private sector in strategy-making.</b></li> <li>● <b>Four standing committees:</b> Finance and Audit; Human Resources, Governance and the Tourism Marketing Committee. Board members and committee set goals and priorities for tourism development, liaising with the Chief Executive.</li> <li>● <b>Executive Management:</b> Led by the CEO, the executive management includes leaders from across the organization's core business groups. The CEO achieves corporate goals and priorities set by the Board, sets standards for organizational conduct, and recommends new initiatives to the Board.</li> <li>● <b>Operational staff:</b> Since 2017, Destination BC is structured in 3 internal functional areas: Global Marketing, Destination Management, and Corporate Development.</li> </ul>
<b>Physical location</b>	<p>The DMO is based in <b>Vancouver</b>, with market representation offices in the United Kingdom, Germany, Mexico, China, and Australia.</p>
<b>Financing</b> <sup>33</sup>	<p>DBC is financed through a <b>performance-based model</b>, in which a minimum contribution (50 million CAD) is set and eventual additional funding is provided according to reaching of objectives. <b>According to the latest Statements of Financial Information released on March 31, 2022, only 0.05% of revenues came from programs management, making Destination BC, in practice, totally funded by Government transfers</b><sup>34</sup>.</p> <p>Each year KPIs are established, with achievements measured the following year. If objectives are met, additional funds are guaranteed, with maximum increase in the Ministry Base. Contribution in any one-fiscal-year period being up to 2%. For unforeseen events affecting the industry, such as COVID-19, funds may increase, according to government funds availability.</p> <p>DBC provides funds to the Regional DMOs, whose <b>primary income comes from the underlying contracts with DBC</b>. In exchange, Regional DMOs support DBC services in their area of competence. <b>Regional DMOs are therefore the operational arm of DBC</b> and are called achieve KPIs objectives in their region. Both DBC and DMOs are entitled to <b>revenue generating activities</b>. The extent of such activities in 2021 was however very limited.</p>
<b>Plan and Strategy</b>	<p>Destination British Columbia adopts both short and long-term plans and strategies:</p> <ul style="list-style-type: none"> <li>- <b>Corporate Strategy:</b> 3 year span (2020-2023)</li> <li>- <b>Global Marketing Plan:</b> published yearly</li> <li>- <b>Service Plan:</b> DBC's goals, strategies, and performance are set for a 3 years period. The plan is supported by yearly operational plans.</li> <li>- <b>Operating Plans:</b> DBC developed a <b>handbook for the regions</b> that describes development expectations, resources on the ground and services that should be provided to support the planning processes.</li> </ul> <p>On the base of it, each DMO signs a contract with DBC, whose TORs (i.e. operative plans oriented towards long-term strategy goals) are updated on a yearly base according to industry needs. At the end of every financing year, Regional DMOs report on how they used the budget received by DBC.</p> <p>The 6 Regions are further broken down into 20 planning areas that follow a specific planning framework. They are developed according to corridors of travel, clusters of communities with a common set of visitors, common experiences and potentially common development needs. The planning areas follow a 10 years development strategy, supported by Action Plans (1 to 3 years).</p> <p>Efforts to develop <b>provincial destination development strategies</b> are also in place as well as to write/update regional strategies and marketing approach by involving more stakeholders. DBC also conducts <b>research</b> in the following areas:</p>

<sup>32</sup> See the [Board of Directors](#), accessed on November 23th, 2022

<sup>33</sup> A Municipal and Regional District Tax (MRDT) was introduced in 1987, by the Provincial Government, to provide funding for local tourism marketing, programs, and projects. The tax is intended to help grow BC revenues, visitation, and jobs, and amplify BC's tourism marketing efforts in an increasingly competitive marketplace. The MRDT is an up-to three percent tax applied to sales of short-term accommodation provided in participating areas of British Columbia on behalf of municipalities, regional districts and eligible entities. The MRDT is jointly administered by Ministry of Finance, Ministry of Tourism, Arts and Culture, and Destination BC

<sup>34</sup> See Destination BC (2022). [Statements of Financial Information Fiscal Year Ended March 31, 2022](#)



	<ul style="list-style-type: none"> <li>- <b>COVID-19:</b> Market monitoring and weekly reports on COVID-19 impacts on BC tourism industry.</li> <li>- <b>Industry performance:</b> on-going measurement of KPIs for Canada, BC and regional DMOs, with reports updated monthly.</li> <li>- <b>Regional Research:</b> publications and reports referred to the six regions.</li> <li>- <b>Market Research:</b> publications and reports referred to key markets (e.g. Stakeholder satisfaction research, 2021)</li> <li>- <b>Activity Research:</b> publications and reports referred to various visitor activities (e.g. Cruise tourism sector profile)</li> </ul>
<b>Focus</b>	<p>Over the past year, due to COVID-19 pandemic, DBC focused on the <b>survival of the tourism industry</b>. In partnership with the provincial and federal government, it implemented <b>key COVID-19 industry recovery programs</b> providing financial and business support to service providers. Aside of such vital initiative, current focus of activities is on achieving the following long-term goals:</p> <ul style="list-style-type: none"> <li>- <b>Assisting industry in navigating challenges:</b> communicating the latest information on destinations, developing weekly snapshot on important data (e.g. residents readiness to travel, industry performance), providing a yearly environmental plan with mitigation initiatives.</li> <li>- <b>Driving revenue to tourism businesses throughout the year:</b> launching of regional domestic campaigns in key markets – e.g. “<i>Stay Local, support local campaign while travel restrictions were in place</i>”.</li> <li>- <b>Working more closely with partners:</b> implementing initiatives with Regional DMOs and adopt a joint planning, transnational partnerships with other NTAs (e.g. California, USA), and indigenous tourism projects.</li> <li>- <b>Investing in the future of tourism industry:</b> launching new strategies (e.g. “<i>Invest in Iconic</i>”) and brand refinements, launching of three Pilot Programs and the “<i>Power UP!</i>” mentoring program with small business owners and service-providers.</li> <li>- <b>Working on self-improvement:</b> refocused efforts on diversity, equity, inclusion and accessibility (DEIA), developing a new team working on “<i>Indigenous and Regional partnerships</i>”.</li> </ul>
<b>KPIs</b>	<p>KPIs are set by the Ministry so as to be aligned with the National Strategy. DBC dedicates a section of its Annual Activity Report to “<i>Performance: Goals, Objectives, Measures and Targets</i>” in which KPIs are set, measured and commented according to Strategic Goals set in the Service Contract:</p> <p><b>Goal 1: Growth of Overnight Visitor Expenditures</b>  <i>Objective 1.1: B.C. travel content captivates travelers and creates emotional urgency to visit British:</i></p> <ul style="list-style-type: none"> <li>- 1.1a: Consumption of travel content promoted by DMO (in million)</li> <li>- 1.1b: Tourism industry revenue</li> </ul> <p><i>Objective 1.2: Destination BC work amplifies traveler advocacy for British Columbia:</i></p> <ul style="list-style-type: none"> <li>- 1.2 Size of DMO’s global social media community of brand advocates</li> </ul> <p><i>Objective 1.3: Increase direct and indirect customer leads to tourism Businesses:</i></p> <ul style="list-style-type: none"> <li>- 1.3 Number of customer leads for industry generated directly by Destination British Columbia through digital marketing activities.</li> </ul> <p><b>Goal 2: Remarkable Guest Experiences</b>  <i>Objective 2.1: Work in partnership with industry and training organizations to assist tourism businesses to meet and exceed guest needs and expectations:</i></p> <ul style="list-style-type: none"> <li>- 2.1a Visitor satisfaction with visitor information services.</li> <li>- 2.1b Competitive ranking of British Columbia’s Net Promoter Score</li> </ul> <p><b>Goal 3: A Powerful Marketing Network</b>  <i>Objective 3.1: Collaborate with Regional Destination Management Organizations, and other key stakeholders, partners, and communities to align and focus on collective marketing and destination development efforts:</i></p> <ul style="list-style-type: none"> <li>- 3.1a: Net Promoter score of Tourism businesses’ satisfaction with Destination BC programs and services.</li> <li>- 3.1b: Net Promoter Score of Participants (trimmed mean) in all ongoing Destination BC delivered workshops or webinars.</li> <li>- 3.1c: a) Number of communities and sectors participating in Destination BC’s application-based co-op marketing program b) number of participating communities outside Metro Vancouver, Victoria, and Whistler.</li> </ul> <p><b>Goal 4: Business Efficiency</b>  <i>Objective 4.1: Conduct business efficiently to ensure cost effective provision of support services that meet evolving business requirements:</i></p> <ul style="list-style-type: none"> <li>- Percentage of Destination BC funds allocated to support services.</li> </ul> <p><b>Goal 5: Our People</b>  <i>Objective 5.1: Attract, retain, and develop highly skilled and engaged people:</i></p>



	- 5.1 Net promoter score for employee engagement.
<b>Stakeholders involvement</b>	DBC founded a network of organizations and partners that collaborate at developing BC and are engaged in several projects with indigenous governments, local governments, tourism businesses, regional districts and different ministries (the so-called <b>Tourism Ecosystem</b> ). It has continuous dialogue with the Regional DMOs, which are in charge of having relationships with their partners on the ground, local governments, regional districts, economic development groups, tourism businesses and City DMOs/Local DMOs. DBC is currently putting effort in developing a broader network of core stakeholders.
<b>Visitor Centres</b>	In BC there are <b>over 100 community-owned Visitor Centres and booths across the province</b> . This that make up <b>BC's Visitor Services Network</b> . Here visitors can access a wide range of services including personalised trip planning, wayfinding, accommodation reservations, and general information about the destination. Visitor Information Counsellors often extend their services within their communities via mobile or street teams <sup>35</sup> .

Table 7: Key features of Destination British Columbia DMO

#### 4.1.4. Organization of Destination BC at regional level

British Columbia is divided into six tourism regions. Five are managed by Regional Destination Management Organizations (DMO) in partnership with Destination BC; one is managed by Destination BC directly:

- Caribbo Chilcotin Coast Tourism Association;
- Kootenay Rockies Tourism;
- Northern BC Tourism;
- Thompson Okanagan Tourism Association;
- 4VI (Formerly Tourism Vancouver Island);
- Vancouver, Coast and Mountains, represented by Destination BC.

Regional DMO are **non-profit associations** led by a **board of directors elected by industry**, and work collaboratively with the provincial government and Destination BC, to advance the tourism sector throughout the region. Tourism business or organization located in the region can register as a stakeholder for free to achieve representation of their interests and be included in development and marketing initiatives.

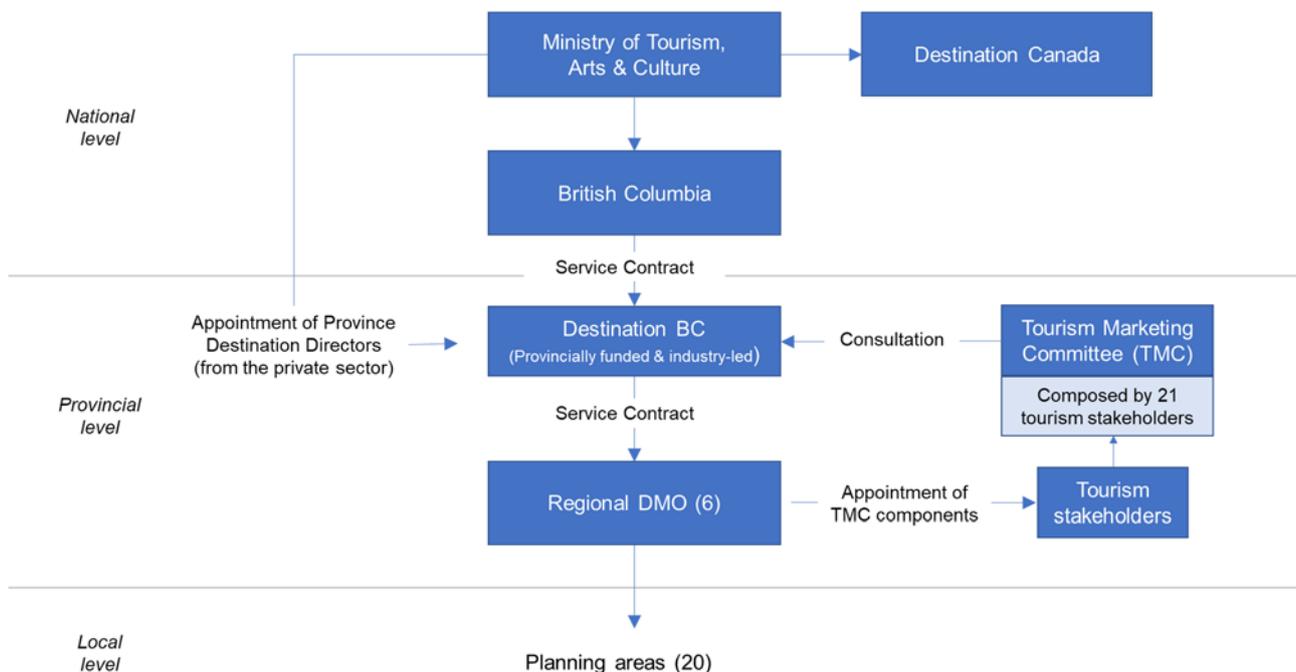


Figure 9: Canada's organizational chart of tourism bodies

<sup>35</sup> See [DBC's Visitor Information & Services](#), accessed on November 23th, 2002



They operate on mandate of a Regional Contract – Shared Cost Agreement<sup>36</sup> – which specifies that:

- Destination BC's mandate includes the promotion of the development and growth of the tourism industry in the province of British Columbia, including by providing industry leadership in tourism marketing and support for regional, sectoral and community tourism marketing;
- ▶ **Regional DMO contributes regional leadership, destination management, on the ground business intelligence, stakeholder relationships, research and data, and operational expertise important to the BC tourism ecosystem;**
- ▶ Destination BC and the Regional DMO enter into the Shared Cost Arrangement according to terms and conditions which are yearly revised. The Contract specifies the Services that the Regional DMO must provide during the Term in change for a payment of financial contribution. For instance, in the case of Northern BC DMO, the following figures provides the maximum amount of the eligible expense for a three-year period.

	Fiscal Year 2021/22	Fiscal Year 2022/23	Fiscal Year 2023/24	TOTAL
<b>Direct Service Delivery Costs</b>	\$649,688	\$866,250	\$866,250	\$2,382,188
<i>In support of Destination BC Programs:</i>				
<b>Destination Development related:</b>	\$433,125	\$577,500	\$577,500	\$1,588,125
<ul style="list-style-type: none"> <li>• Destination Development</li> <li>• Industry Training &amp; Business Advisory Services</li> <li>• Invest in Iconics – Place Making</li> </ul>				
<b>Destination Stewardship related:</b>				
<ul style="list-style-type: none"> <li>• Diversity, Equity and Inclusion and Accessibility Action Plans</li> <li>• Climate change and sustainability in alignment with the Provincial Government's Strategies and within Destination BC's legislated mandate</li> <li>• Indigenous Cultural Tourism and Reconciliation in alignment with, and in support of, Indigenous Tourism BC and Destination BC programs</li> </ul>				
<b>Marketing related:</b>	\$216,563	\$288,750	\$288,750	\$794,063
<ul style="list-style-type: none"> <li>• Invest in Iconics – Place Branding</li> <li>• Travel Trade</li> <li>• Travel Media</li> <li>• Social Media Marketing</li> <li>• Content Marketing</li> </ul>				
<b>Administrative Costs*</b>	\$216,563	\$288,750	\$288,750	\$794,063
<b>TOTAL BUDGET</b>	\$866,250	\$1,155,000	\$1,155,000	\$3,176,250
<b>MAXIMUM ELIGIBLE EXPENSES</b>	\$866,250	\$1,155,000	\$1,155,000	\$3,176,250

\*Administrative Costs cannot exceed 25% of the total budget

Figure 10: Destination BC budget

Over the Term Northern BC is expected to allocate approximately 50% of the maximum eligible expenses to Destination Development related Destination BC Programs and 25% of the maximum eligible expenses to Marketing related Destination BC Programs. Administrative Costs cannot exceed 25% of the total budget.

The table provides services to be provided in 2021-2022.

Program	Objectives
<b>Destination Development</b>	<ul style="list-style-type: none"> <li>- Updating the planning area and regional destination development plans for the impacts of COVID and priorities for recovery;</li> <li>- Communicating the updated priorities with industry, communities, First Nations, and all levels of government;</li> <li>- Making progress on Planning Area Strategy implementation; and</li> <li>- Increased alignment of marketing &amp; development for planning area partners.</li> </ul>
<b>Destination Stewardship</b>	<ul style="list-style-type: none"> <li>- More accessible tourism experiences available for visitors;</li> <li>- Visitors are more aware of available accessible tourism experiences;</li> <li>- More BC residents believe that the tourism industry plays an important role in the economic well-being of British Columbia; and</li> <li>- More BC residents agree that tourism supports a greater diversity of amenities in their community than would be feasible without visitors.</li> </ul>
<b>Industry Training &amp; Business Advisory Services</b>	<ul style="list-style-type: none"> <li>- Destination BC Learning and Development resources evolve with changes in highest priority industry needs (within Destination BC's mandate);</li> <li>- More tourism businesses &amp; partners in each region benefit from Destination BC Learning and Development training opportunities and resources available to them;</li> </ul>

<sup>36</sup> Regional contracts can be accessed [here](#).



	<ul style="list-style-type: none"> <li>- Destination BC workshop participants are supported post-workshop to adopt training outcomes and develop new skills and products;</li> <li>- Small and medium sized businesses receive the training and assistance to support their recovery from the pandemic and their future success; and</li> <li>- More accessible tourism businesses are available for visitors.</li> </ul>
<b>Invest in Iconics Strategy</b>	<ul style="list-style-type: none"> <li>- World famous travel routes and destinations that drive increased revenue and benefits for all parts of BC, in all seasons, creating a year-round robust tourism sector;</li> <li>- Traveler and resident expectations are exceeded – experiences deliver on the brand promise, creating positive word of mouth fueling future visitation;</li> <li>- Strong industry support – tourism organizations, businesses and workers are proud to market themselves as part of an Iconic and see direct business benefits from doing so;</li> <li>- Compelling public and private tourism development opportunities and funding/financing mechanisms for investment; and</li> <li>- Creating a better province for all British Columbians – enhanced job opportunities, livability, and enjoyment of all parts of BC for its residents.</li> </ul>
<b>Travel Trade</b>	<ul style="list-style-type: none"> <li>- Quality Travel Trade familiarization tours (“FAMs”) and experiences are delivered in collaboration with regional stakeholders;</li> <li>- Tourism businesses and organizations in all regions of the province understand the value of and support Travel Trade FAMs;</li> <li>- Attendance at relevant trade and media shows; and</li> <li>- The n. of FAMs and shows that Destination BC and RDMOs participate in and performance measures and annual targets will be determined annually through Integrated Planning</li> </ul>
<b>Travel Media</b>	<ul style="list-style-type: none"> <li>- High level of consumer awareness of Iconics is generated through unpaid media in collaboration with Destination BC;</li> <li>- Quality Iconics FAM experiences suitable for the media outlets are delivered in collaboration with regional stakeholder;</li> <li>- Iconics story ideas and media pitches suitable to share with media outlets have been generated in collaboration with key stakeholders and communities;</li> <li>- Tourism businesses and organizations in all regions of the province understand the value of Travel Media and support travel media FAMs; and</li> <li>- An annual plan, performance measures and targets will be set through the integrated planning process.</li> </ul>
<b>Content Marketing</b>	<ul style="list-style-type: none"> <li>- More partner content is included in DBC’s marketing activities;</li> <li>- All areas of BC are represented in content commonwealth programs;</li> <li>- Potential travellers receive timely, accurate information through Destination BC’s content marketing activities;</li> <li>- Tourism industry partners across the province are represented through our Recovery marketing efforts; and</li> <li>- Annual plans, performance measures and targets will be set through the annual integrated planning process.</li> </ul>
<b>Social Media Marketing</b>	<ul style="list-style-type: none"> <li>- Curate authentic stories about BC that people feel compelled to share;</li> <li>- Reach new audiences through influencers and amplify our brand ambassadors to drive advocacy;</li> <li>- Grow engagement within the global Destination BC social media community to maximize our impact in all key markets and segments;</li> <li>- Foster awareness and adoption of #exploreBC by residents, visitors, and industry partners;</li> <li>- Empower industry partners with social media tools and training to create a provincial network of online visitor services and social media marketing experts;</li> <li>- Create remarkable on-the-ground experiences in BC which results in increased peer-to-peer recommendations;</li> <li>- BC residents and other potential travellers who are interested in visiting a region of BC see relevant and inspiring content; and</li> <li>- Tourism industry partners across the province are represented through our collective social media efforts.</li> </ul>

Table 8: Contents of the Shared Cost Agreement between Destination BC and Northern BC DMO, 2021-2022

**Northern BC DMO, as other Regional DMOs, is allowed to secure additional funding for projects, initiatives and services from other sources**, provided the projects or initiatives are not in conflict with commitments under the Agreement, and are subject to the DMO’s compliance with the provisions of it.

#### 4.1.5. Lessons learned

- a) **Participation of private operators to NTA management board** ensures that implemented strategies reflects tourism industry concrete needs.

- b) **The implementation of an efficient research/monitoring department** allows to achieve sector knowledge and inform strategy and operational plans.
- c) **Subsidiarity helps to ensure high level of representation and performance throughout the national territory.** Regional DMOs operate according to an agency-based model, as is typical of New Public Management approaches<sup>37</sup>. They are attribute functions and receive funds, according to a Service Agreement, to achieve strategic objectives in their respective territory.
- d) **Service contracts based on performance-based model incentivizes DMO engagement.** Funds for operating DMOs are guaranteed by the government, but additional ones depend on DMOs performance as measured and evaluated according to agreed KPIs.
- e) DMOs may carry **revenue-generating activities** as to integrate government funds. Their financial stability however does not depend on them, as they are used for additional programs. The generation of market revenues however enhance the DMOs' bargaining power vs. NTA and allow for budget increase.

► **Although there is no membership program based on fees, tourism-related business operating or organization representing and/or supporting tourism are encouraged to register.** Participation is valued by itself, as it increases effectiveness along with providing responsiveness to change. Although free, registration provides access to a wide range of concrete benefits to help grow, support and promote the stakeholder's business.

The following figure shows the stakeholders' registration criteria in the case of Northern BC Tourism Association, which is one of the five Regional DMOs depending for Destination BC.



### STAKEHOLDER REGISTRATION CRITERIA

	Compliant with all municipal, regional, district, provincial & federal regulations & bylaws	Minimum \$2 million insurance (including 3rd party liability)	Coast Guard certified	Incorporated under the Societies Act or the Board of Trade Act	Community (incorporated as a municipality or it within a regional district)	Must be either municipal, regional, provincial or federal	Must have appropriate insurance	Tourism purchases must be a component of the business/service	Accredited provincial educational organization or legally registered or incorporated trading company	Licensed and compliant with the Business Practices & Consumer Protection Act (Travel Industry Regulations - BC Reg 204/2004)	Registered with Indigenous Services Canada
<b>VOTING STAKEHOLDERS</b>											
Accommodation	X	X									
Attractions & Recreation	X	X									
Festivals & Events	X	X									
Food & Beverage	X						X				
House Boat Rentals	X	X	X								
Incorporated Community	X				X		X				
Parks						X					
Retail	X						X	X			
Tourism Associations, DMOs	X			X			X				
Tourist Services	X						X				
Transportation	X	X		X							
Travel Wholesalers & Receptive Operators	X						X			X	
Vacation Home Rentals	X	X									
Indigenous business*	X						X				
First Nation Community Administration											X
First Nation Development Corporation	X						X				
<b>NON VOTING STAKEHOLDERS</b>											
Education & Training	X	X							X		
Suppliers	X						X				

Figure 11: Example of Stakeholder Registration Criteria for Northern BC Tourism DMO<sup>38</sup>

<sup>37</sup> For a comprehensive analysis of Public Management Reforms in the last decades, see Pollitt, C., & Bouckaert, G. (2017). *Public management reform: A comparative analysis-into the age of austerity*. Oxford university press or Allegro, I., & Formato, R. (2014). *Smart spending: oltre i tagli: strumenti e metodi per migliorare la spending review negli enti locali (e non solo)*. McGraw-Hill Education.

<sup>38</sup> Source: <https://www.travelnbc.com/wp-content/uploads/2021/05/NBCTStakeholderRegistrationCriteria2020-V2.pdf>

## 4.2. Lithuania

### 4.2.1. Motivation for choosing the practice

The Consultant selected this case study because<sup>39</sup>:

- Lithuania has, to a certain extent, some history in common with Armenia, as it was part of the Russian empire and was embedded in URSS. It also experienced diaspora (currently 1.3 Lithuanian descendants live abroad).
- Until 1990, Lithuania was a DEC. Since independence, its GDP grew over 500%. Therefore, it accounts as a developed economy from quite recently.
- Such achievements were reached thanks to smart policies, which – after – the collapse of URSS, adopted the well-known Canadian model of public-decision making system, based on strong investment prioritization and results-based budgeting<sup>40</sup>.

### 4.2.2. Lithuania as a tourism destination

Lithuania is the southernmost of the Baltic countries, a former Soviet bloc state that experienced a rapid tourism development after its independence from Russia. Thanks to its particular geographic position, it is the gateway to Europe from Russia and post-soviet countries. The Average Tourist Stay and OR still low (respectively 2,3 days/trip and 53,7%) suggest there is room for growth, especially for what concerns international arrivals that do account as almost 50% of total tourism arrivals.



Figure 11: Map of Lithuania



Figure 12: Lithuania as Tourism destination

<b>Area of</b>	<b>Total Area:</b> 65,300 km <sup>2</sup>
	<b>Total population:</b> 2,795 million inhabitants

<sup>39</sup> The choice of Lithuania as a best practice was directly suggested by the TC. The Consultant made its best to build up the case according to the limited secondary sources available. It also used primary sources as later discussed.

<sup>40</sup> Evans, G. (2005). Exporting governance: Lithuania adapts a Canadian policy management model. *Canadian public administration*, 48(1), 4-34. As put in the article "Lithuania's efforts to join the European Union were faltering in the late 1990s. A moribund policy management system offered scant hope for quick reversal. To break the impasse, Lithuania's prime minister negotiated a unique, CIDA-funded project to modernize their decision-making system by partnering with the Ontario Public Service and the Institute of Public Administration of Canada. Although slow to gain traction, inspired leadership by a new Lithuanian prime minister, his chancellor and government secretary re-energized efforts to adapt an Ontario policy management model, which endures today".



<b>competence<sup>41</sup></b>	Lithuania's geographic and geopolitical situation is special, as it lays at the center of Europe and is gateway to former Russian states. Recreational natural resources are not equally distributed in its territory. The most important is coast of the Baltic Sea, which stretches for 99 km.
<b>Niche tourism products</b>	<ul style="list-style-type: none"> <li>- Cultural tourism</li> <li>- Nature-based tourism</li> <li>- Rural tourism</li> <li>- City break (Vilnius)</li> </ul>
<b>Tourism market<sup>42</sup></b>	<ul style="list-style-type: none"> <li>- <b>Total Tourism arrivals:</b> 3.6million tourism arrivals in 2018</li> <li>- <b>N. Domestic Tourists:</b> 1.9 million domestic tourists in 2018</li> <li>- <b>N. of international visitors:</b> 1.7 million international tourists in 2018</li> <li>- <b>Country of origin:</b> Germany, Russia, Poland, Belarus and Latvia as main markets</li> <li>- <b>Average daily tourism expenditure<sup>43</sup>:</b> 369EUR per trip in 2021. The average trip length is estimated to 2,3 days</li> <li>- <b>Overall Tourism Revenues:</b> 1.2 billion EUR</li> <li>- <b>ADR:</b> N/A</li> <li>- <b>Occupancy rate<sup>44</sup>:</b> 53.7% in 2022</li> <li>- <b>N. of tourism businesses:</b> 18,301 in 2018</li> <li>- <b>N. people directly employed in the tourism industry:</b> 47,200</li> </ul>

Table 9: Key information on Lithuania as a destination

#### 4.2.3. The 2019 reform of tourism organization and the creation of Lithuania Travel

At the national level the main organization for tourism policy in Lithuania until 2019 was the Ministry of Economy, which operated through a State Department of Tourism. In such year, a national reform decided that such Department was subject to dissolution and from such year onwards, tourism marketing would have felt within the scope of responsibility of a new public body - Lithuania Travel - while tourism service providers would be supervised by the State Consumer Rights Protection Authority<sup>45</sup>. As for Armenia, tourism development continuous to be partially financed by International Donors.

The reform was taken on the evidence that the State Department of Tourism could not operate effectively because of its inadequate structure, therefore the main task of the reform was to separate the functions of tourism marketing and the supervision of tourism activities, with<sup>46</sup>:

- **Lithuania Travel** operating as a national tourism development agency responsible for Lithuania's tourism marketing and promotion, acting under the Ministry of the Economy and Innovation. Its strategic goal is to raise awareness of the country as an attractive tourism destination and to encourage inbound and domestic travel, with the main ambitions to enhancing international competitiveness of Lithuanian tourism sector and creating added value for the national economy;
- the functions of the supervision of tourism service providers moved to the **State Consumer Rights Protection Authority**. It was made responsible for the supervision of tour operators, retailers, tour package sellers and accommodation providers as well as for the representation of interests of tourists in the event of an insolvency or bankruptcy of the tour operator.

Anyway, the Ministry of the Economy and Innovation of the Republic of Lithuania and its **Tourism Policy Division** remained in charge of shaping the national tourism policy, resort and resort territory development policy, taking part in the activities of international tourism organizations and representing Lithuanian there. It is also responsible for international agreements in the field of tourism as well as for maintaining relations with diplomatic missions of foreign countries and the Republic of Lithuania.

#### 4.2.4. Tourism organization at the local level

At local level tourism is covered by **Municipalities** and **Local Tourism Information Centers (TIC)<sup>47</sup>**.

<sup>41</sup> Grundey, D. (2008). Managing sustainable tourism in Lithuania: Dream or reality? *Technological and Economic Development of Economy*, 14(2), 118-129.

<sup>42</sup> Data on tourism statistics have been collected through Grampian Factsheet 2019.

<sup>43</sup> <https://www.lithuania.travel/en/news/tourism-data-dashboard>

<sup>44</sup> Tradingeconomics.com Lithuania: Net occupancy rate in hotels and similar accommodations

<sup>45</sup> Ministry of the Economy and Innovation of the Republic of Lithuania (2020). [Coordination of tourism in Lithuania](#), October 20<sup>th</sup>

<sup>46</sup> Ministry of the Economy and Innovation of the Republic of Lithuania (2022). [The Government is to carry out dissolution of the State Department of Tourism and to establish Lithuania Travel instead](#). Press release, August 22<sup>th</sup>

<sup>47</sup> Detailed information can be retrieved at the page [Tourism Information and Visitor Centres](#) of Lithuania Travel

► TICs are set up by local governments, therefore there is no organization hierarchy between them and LT, which is however supposed to steer their activity so that to provide tourism offers at the local level.

TICs are run by Lithuanian municipalities. Although they do not cover all the DMOs' activities mentioned at § 2.6, their role cannot be underestimated.

First of all, considering that Lithuania had a population of about 2,8 million in 2021 and that there are currently 92 centers in the country, we obtain a penetration rate of **1 center for 30,434 inhabitants**, which is a fair rate, according to international practice. Moreover, as the average size of municipalities is about 47,140, this means that each municipality is covered by at least one TIC<sup>48</sup>.

It is worthwhile to notice that there is an average of 1.5 TIC for municipality. This is not surprising as TIC's locations follow two rules: (1) they cover each municipality; (2) inside larger municipalities there is more than one TIC, as they are located close to main tourism districts/attractions.

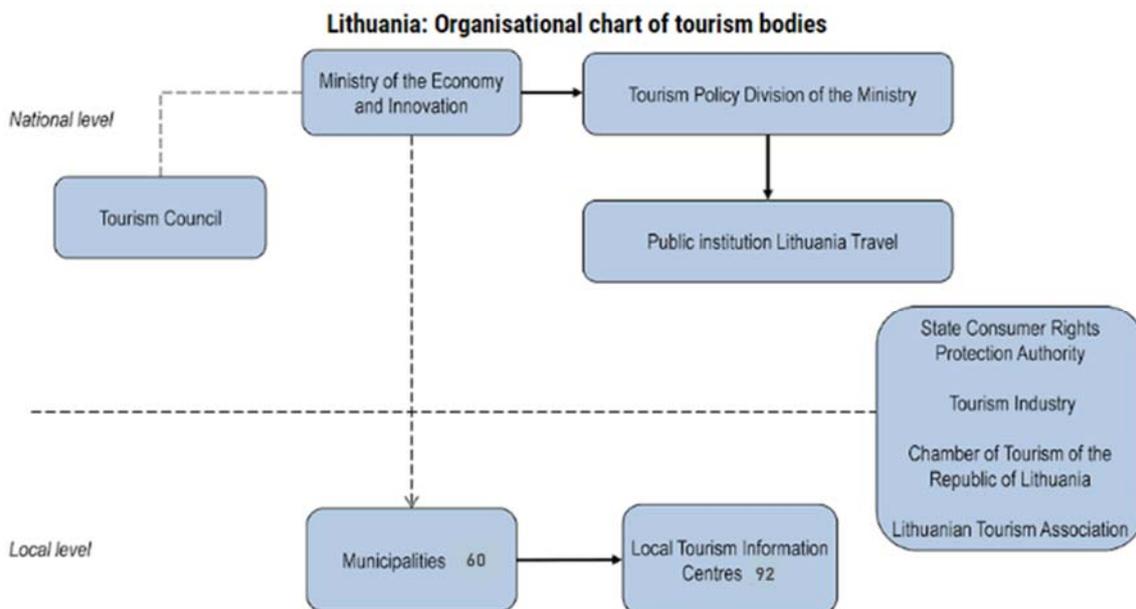


Figure 12: Lithuania: Organizational chart of tourism bodies

With regard to the number of tourist arrivals in tourist accommodation, sticking to the pre-Covid 2019 figure of 6.15 million bednights, we obtain a rate of one TIC every 66,847 tourists per year, which means a capacity of 183 overnight tourists per day, which is still a fair value according to international practice<sup>49</sup>.



Figure 13: A Tourist Information Centre in Lithuania

Moreover, such TICs, according to local circumstances, are involved not only in information provision (which is always however a key task not to be neglected), but souvenirs sale, accommodation booking, audio-guide

<sup>48</sup> Based on such figures, we can assume that the capital and major cities do rely on more than one TIC

<sup>49</sup> Obviously, TIC will be attended by one-day visitors too, whose figures are however not available



and ticket sales, etc. As proven by reviews on visitors' website, such TICs are also often located in fascinating places, reflecting the *genius loci* of territories and add much value to Lithuania provision of tourists' satisfaction thus performing a key marketing function<sup>50</sup>.

### Vilnius Tourist Information Centre



8 • #155 of 252 things to do in Vilnius • Visitor Centers

Open now • 9:00 AM - 6:00 PM Visit website Call Email Write a review

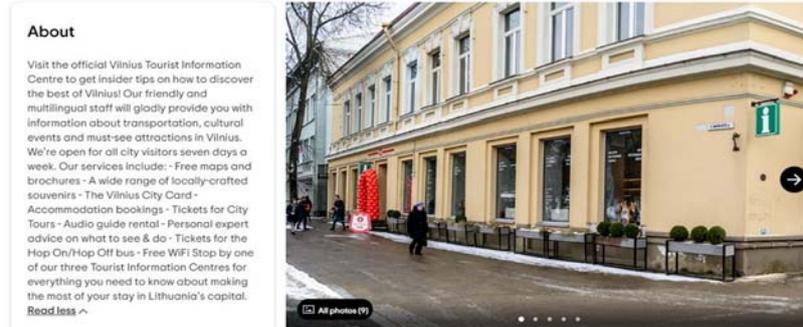


Figure 14: The Vilnius Tourist Information Centre

► The provision of economic, efficient and effective Visitor Centers is a key step in tourism destination management whose relevance must not be overlooked. Taking into account that Armenia currently lacks such essential pre-requisite, the practice of Lithuania should be adequately valued and considered in the process of DMOs' construction.

#### 4.2.5. Lithuania Travel NTA

As said, in 2019, the revision of competences on tourism at State level brought the entrustment of destination management and development to Lithuania Travel. The organization is, among others, also in charge for providing coordination of the above mentioned 92 visitor centers, scattered around the Lithuanian territory.



Figure 15: Lithuania Travel brand

#### Organization <sup>51</sup>

- **Legal form:** Up to 2019, there was no clear tourism governance. Coordination was weak, with various institutions active in tourism and functions often overlapped<sup>52</sup>. This brought to a reform which foresaw the reorganization of the tourism administration bodies. The Ministry of Economy and Innovation has now lead responsibility for tourism, with the Tourism Policy Division responsible for shaping national tourism policy. **Destination development and international relations are entrusted to Travel Lithuania, which has the legal form of public enterprise.**
- **Identity:** The strategic objective of Lithuania Travel is to raise awareness of Lithuania as an attractive tourist destination and to encourage inbound and domestic travel.
- **Mission:** Strengthen the international competitiveness of the Lithuanian tourism sector and create benefit for the national economy.

<sup>50</sup> For a review of TICs in Lithuania see <https://www.tripadvisor.com/Attractions-g274947-Activities-c60-t48-Lithuania.html>

<sup>51</sup> Most of the information used for filling out this table have been collected in the website of Lithuania Travel

<sup>52</sup> Paulauskienė, L. (2014). Prospects for improving the governance of tourism in Lithuania: interaction of the national and local levels. *Vadybos mokslas ir studijos-kaimo verslų ir jų infrastruktūros plėtrai*, 36(1), 92-105.



<b>Staff and Board</b>	The DMO has <b>27 employees</b> , coordinated by a GM and divided into 5 departments: Tourism Marketing and Communication Department; Tourism Product Development, Infrastructure and Analysis Department; Domestic and Inbound Tourism Department; Administration Department.
<b>Office Physical location</b>	The main office is located in Vilnius. The NTA has 5 tourism representation services abroad, located in Italy, Germany, France, Japan and UK. On the national territory, it is in charge of <b>coordinating 92 visitor centers</b> , scattered around Lithuania. Total Population was around 2.8 million in 2021, with great variation of density, as the highest (83/residents per km <sup>2</sup> ) is reached in the Capital Region and Vilnius area, and the lowest (17/residents per Km <sup>2</sup> ) in Utena County. Average size of Lithuanian municipality is 47,140 inhabitants On average, there is one visitor centre: - For 30,434 residents; - For 39,130 tourists. We can therefore argue that <b>each municipality hosts at least one visitor centre.</b>
<b>Financing<sup>53</sup></b>	The NTA is financed by Government funds for some 1.2 Million EUR, while in 2022 it could rely on additional UE funds accounting for 3.1 Million EUR. Before COVID, at a local level some efforts were taken to generate own revenues by DMO operations. The City of Vilnius introduced a <b>city tax</b> of EUR 1/person/night. Tax revenues are used to fund international marketing activities and improve tourism infrastructure. As NTA currently reports to be financed for around ¼ of its expenditure (3.1 over 4,3 EUR Million) by EF funds, there is an allowance of 13,044 EUR per centre. This expenditure appears to be very low. We can therefore assume that visitor centers are financed by local municipalities, with NTA focusing on international promotion.
<b>Plan and Strategy<sup>54</sup></b>	Lithuania Travel has a tourism development strategy in place: Lithuanian Tourism Development Programme 2014-20, with a new long-term strategy currently under approval by Lithuania Travel. The document sets targets and objective to solve main challenges of the sector, namely: - Diversify the offer and extend the tourism season. - Protect important cultural and natural heritage. - Improve transport connectivity. - Encourage the uptake of digital technologies. - Improve tourism education and skills. - Improve the overall quality and sustainability of the offer. Lithuanian municipalities (tourism destinations) are divided into three groups according to tourist potential: high, medium and low. The highest tourism potential is held by four Lithuanian resorts (Neringa, Palanga, Druskininkai and Birštonas) and three major Lithuanian cities (Vilnius, Kaunas and Klaipėda) <sup>55</sup> . The functions of municipalities in the area of tourism include tourist information provision, communication, promotion, planning of tourism operations, and implementation of tourism infrastructure projects.
<b>Focus</b>	Lithuania Travel works closely with tourism companies and organizations to promote Lithuanian tourism products, services and experiences while operating on social and digital media, holding press trips, international travel exhibitions and B2B events.
<b>KPIs</b>	According to Consultants research, there was no evidence for Lithuania NTA adoption of KPIs to measure its performance.
<b>Stakeholders involvement</b>	According to Consultants research, it was not possible to highlight the extent and form of stakeholders' involvement.

Table 10: Key features of Lithuania Travel NTA

#### 4.2.6. The tourist tax in Lithuania

Before being introduced in Vilnius as well (fee per person for one night is 1 Eur), the hotel accommodation fee was already collected in five Lithuanian cities: Druskininkai (1 Eur), Palanga (1 Eur), Birštonas (1 Eur), Trakai (1 Eur) and Kaunas (1 Eur).

The fee is calculated on the basis of the number of nights spent by city guests. At Vilnius, in the first year, it was planned to exempt tourist groups booking at least 10 rooms, with benefits also provided for patients, children under 18, the disabled and those who intend to stay for a month or longer.

► Taking into account the growth dynamics of the number of tourists in Vilnius, it was expected, for Vilnius, **to collect about an additional 800,000 Eur from the tourist tax to the city budget per year.**

<sup>53</sup> <https://tradingeconomics.com/lithuania/tourism-revenues>

<sup>54</sup> OECD Tourism Trends and Policies 2020 – Lithuania

<sup>55</sup> Paulauskienė, L. (2014). Prospects for improving the governance of tourism in Lithuania: interaction of the national and local levels. *Vadybos mokslas ir studijos-kaimo verslų ir jų infrastruktūros plėtrai*, 36(1), 92-105.

It was planned that the funds collected from the tourist fee would be used for the development of tourism in Vilnius by:

- raising the profile of the city;
- increase international accessibility of the city (flight development program);
- promoting conference tourism;
- increasing the tourist attractiveness by soft infrastructural betterments.

According to local press and business operators, we can assume that the new toll was well accepted as a wise tool to achieve better marketing and communication:

*"Currently, the budget for the city's marketing and communication abroad is not enough. Businesses are well aware of the benefits of such a fee. This is probably the first time in ten years that a business has agreed in principle to the introduction of a toll. However, he agrees with the condition that a sufficient transition period will be provided so that the accommodation establishments will be able to adapt to the changes, and the collected funds will be allocated for the city's marketing and tourism promotion".<sup>56</sup>*

[Evaldas Šiškauskienė, President of the Lithuanian Hotel and Restaurant Association]

#### 4.2.7. Lessons learned

- a) **Lithuania prioritized investments according to destinations' tourism interest/ potential**, so as to achieve efficiency and effectiveness.
- b) **NTA is involved in international promotion** and national-level tourism policy coordination.
- c) **Information provision and marketing activities at the local level, such as accommodation booking and sales of tours and other tourism services, is left to a widespread system of visitor centres**, which cover all municipalities, with multiple visitor centres implemented according to need.
- d) **Visitor centres are sustained by the municipalities and raise additional revenues** by selling tourist services and souvenirs.
- e) A **Tourism Tax** system, based on tourist bed nights, is in place in Vilnius and other locations. It is used mostly to finance marketing and communication activities.

### 4.3. Regional level DMO: Trentino DMO

#### 4.3.1. Motivation for choosing the practice

Trentino DMO is a very interesting practice because:

- It is a very successful DMO operating in a mountain environment, which was once a very depressed Italian area;
- It balances very well the supply-orientation with market sensitiveness;
- It has an articulated structure which integrates the regional and local level;
- It leverages very efficiently on PPP;
- It much valorizes private contributions;
- It relies on fiscal revenues provided by the tourism tax;
- It privileges a holistic approach where the territory is valorized as a whole, with traditional tourist resources (culture and nature) promoted along with local **products** (such as **gastro & wine**) and other territorial peculiarities (**wellness and health service**, etc.), with great attention paid to benefits brought to tourists, such as health, adventure, nice family time, etc.



Figure 16: The Trentino Brand

#### 4.3.2. Trentino as a tourism destination

According to Italian constitution, Trentino is an autonomous province, since the end of the Second World War. This allowed the province to adopt innovative policies and organizations in tourism and other economic sector much in advance the introduction of the regional federalist reform in 2001.

<sup>56</sup> Source: [The tourist tax will open new opportunities for Vilnius](#)



It sticks to the “Alpine” model of destination management, shared with Austria, Germany and Switzerland, based on broad involvement of local stakeholders in destination management and promotion.

Figure 17: Map of Trentino Region



<b>Area of competence</b>	<p><b>Total area:</b> 6000 km<sup>2</sup></p> <p><b>Total population:</b> 541,098 inhabitants (2019 census). Trentino is composed by 177 municipalities, with capital city Trento. It is a mountain region in northern Italy, particularly renowned for Dolomites (UNESCO protected landscape). Its landscape presents elevated plains and hilly valleys in which diverse minorities and cultures join: a melting-pot of Northern countries (Germany, Italy and Ladin populations) and Italian culture-lifestyle.</p>
<b>Niche tourism products</b>	<ul style="list-style-type: none"> <li>- Adventure and Nature-based tourism</li> <li>- Winter Tourism</li> <li>- Local festivals</li> <li>- Sport and other big events</li> <li>- Wine and experiential tourism</li> </ul>
<b>Tourism market</b>	<ul style="list-style-type: none"> <li>- <b>Total Tourism arrivals:</b> 4.528.179 in 2019</li> <li>- <b>N. Domestic Tourists:</b> 2.401.894 national visitors in 2019 (53,04%)</li> <li>- <b>N. of international visitors:</b> 2.126.285 international visitors in 2019 (46,96%)</li> <li>- <b>Country of origin:</b> Germany (34,9%), Poland (14%), Czech Republic (8%), Netherlands (6,2%), Belgium (3,8%), UK (3,7%), Austria (3,6%), Russia (3,3%), Switzerland (2,6%), Sweden (2,5%), Other markets (18%).</li> <li>- <b>Average daily tourism expenditure:</b> 101 EUR (in 2018). Ski tourists have a ATE of 146,8 EUR.</li> <li>- <b>Overall Tourism Revenues:</b> N/A</li> <li>- <b>ADR:</b> 80EUR/room (2014)</li> <li>- <b>Occupancy Rate:</b> 57, 9%. OR in 2019. OR is higher in high-quality accommodations (&gt;50%) and vary greatly according to location (e.g. seasonal hospitality establishments next to ski-area have AOR close to 100%).</li> <li>- <b>N. of tourism businesses:</b> Direct contribution to GDP is 1,3 billion EUR.</li> <li>- <b>N. people directly employed in the tourism industry:</b> N/A</li> </ul>

Table 11: Trentino as a Tourism Destination



Figure 18: Landscape diversity in Trentino

### 4.3.3. The Trentino DMO

Trentino is a very interesting example of **collaboration between the public and private sectors**, which guarantees significant added value to the regional tourism product.

► **Such cooperation is the result of several reforms made through the last decades, whose success proves that DM is absolutely not a static concept, but it is rather a dynamic approach to tourism management which has to adapt, in its structure and strategy, to changing circumstances through the life-cycle of the destination.**

The last reform was that accomplished on 12 August 2020, when the new provincial legislation on territorial promotion was approved so as to set responsibilities and financing schemes for key actors of the tourism system: Provincial government, TM, Area Territorial Agencies (ATAs) and Tourism Promotion Agencies (APTs).

<b>Organization</b>	According to the recently approved Law on Tourism Organization, n. 08/2020 <sup>57</sup> , the Trentino tourism marketing system is structured around several integrated functions, carried out by <sup>58</sup> : a) <b>Provincial Government</b> , with a strategic role of guidance, planning, programming and coordination in particular through the definition of guidelines for tourism policy; b) <b>Trentino Marketing (TM)</b> , the company for the territorial promotion and tourism marketing of Trentino; c) <b>Area Territorial Agencies (ATAs)</b> , as organizational articulations of TM, responsible for the conception and construction of the inter-area tourist product in the respective territorial areas. ATAs were established according to both geographic positions and potential attractions and operate as linking bodies between the provincial and the local level <sup>59</sup> ; d) <b>Tourism Promotion Agencies (TPAs)</b> , that are PPP structures responsible for the quality of the tourist experience, hospitality quality and tourist fidelization, in their respective territorial areas, at the local level <sup>60</sup> .
<b>Role of Trentino Provincial Government</b>	The Provincial Government has a role of <b>strategic orientation and definition of the development priorities of the provincial territory</b> , also in order to create awareness among the various subjects operating in Trentino of the role of tourism as a fundamental element of development, and to create cross-sectoral alliances with external subjects. In particular, it carries out the functions of guidance, planning, programming and coordination. In carrying out its functions, it is up to the Provincial Government to guarantee a <b>harmonious and balanced development of the tourist offer for all the territories in the ambit of the TPAs</b> .
<b>Role of TM</b>	TM is an <b>in-house limited company created by the Provincial Government</b> , formally established by another provincial company which is Trentino Sviluppo (i.e. <i>Trentino Development</i> ), which in turn is a company established by the Provincial Government to address regional development. It carries out the territorial promotion and tourist marketing of Trentino, and among the others, the following activities: <sup>61</sup> : a) It operates by wide partnership, including profit and NGOs, from both the tourism and other economic sector; b) It steers and coordinates the activities of the ATA and TPAs and ensures co-marketing with other Alpine destinations; c) It operates mainly by digital marketing; d) It is an operative branch which can be assigned specific roles (e.g. event management) by TS and the Provincial Government based on specific circumstances.
<b>Role of ATAs</b>	<b>ATAs provide the development of inter-area tourist products</b> by carrying out, among the others, the following activities: a) Development of interregional projects by EU funds; b) Development of tourism mobility projects c) Development of other project requiring cooperation among different subjects
<b>Role of TPAs</b>	<b>APTs operate locally</b> by ensuring activities aimed at enhancing the quality of hospitality and the tourist experience and at building customer loyalty. <b>It is very relevant to highlight that they operate on a PPP base</b> , with majority up to private operators. They carry out, among the others, the following activities:

<sup>57</sup> Source: <https://www.consiglio.provincia.tn.it/leggi-e-archivi/codice-provinciale/Pages/legge.aspx?uid=35315>

<sup>58</sup> It is interesting to observe that the provincial law mentions in the opposite order such stakeholders, providing first TPAs, later ATAs, then TM and finally the Provincial Government, which very practically reflect the concrete bottom-up orientation of the DM approach

<sup>59</sup> Trentino set five inter-territorial areas, which are in the competence of Area Territorial Agencies (ATA). The five correspondent ATAs are: ATA Garda (Lake), ATA Dolomiti (Mountains), ATA Dolomiti di Brenta (Mountains), ATA Città, Laghi ed Altopiani (cities, lakes and plateau).

<sup>60</sup> Trentino set eleven territorial areas

<sup>61</sup> TM, ATA and TPAs detailed activities are reported in Annex 1



	<ol style="list-style-type: none"> <li>1. Management of visitor centers and provision of tourist information and assistance;</li> <li>2. Organization and promotion of exhibitions and events;</li> <li>3. Development of seasonal and differentiated tourist products by involving tour operators;</li> <li>4. Promotion of specific tourism products by using particularly digital technologies;</li> <li>5. Participate in inter-area tourism product development by appointing their own representative at ATAs;</li> <li>6. Guarantee further partnership with local municipalities and other subjects.</li> <li>7. <b><u>Manage tourism attractions of different typologies</u></b></li> </ol>
<p><b>How DMO stakeholders coordinate</b></p>	<p><b>The Trentino Provincial Government and TPAs</b>  <u>The Provincial Government finances a TPA in each territorial area having, among the others, the following structural and organizational requirements:</u></p> <ol style="list-style-type: none"> <li>a) possession of legal personality and corporate legal form;</li> <li>b) presence in the subject's administrative body of a representative of the tourist accommodation category associations;</li> <li>c) qualified majority representation, to the extent of at least two thirds, of the economic categories directly linked to tourist products in the TPA's administrative body, with the procedures for identification established with a specific organizational deed;</li> <li>d) possession of an organizational structure that guarantees adequate execution of the decisions of the administrative body and the identification of the top management figure through a selection procedure;</li> <li>e) approval of a code of ethics;</li> <li>f) membership open to all subjects who carry out a stable activity in the territory in one of the sectors related to territorial promotion and tourism marketing;</li> <li>g) membership open to municipalities and communities located within the territory; <u>in any case, the APT cannot be presided over by a mayor or a community president.</u></li> </ol> <p><b>The Trentino Provincial Government and TM</b>  Relations between the Province and TM are regulated by an agreement which identify, among other things, the contents and management criteria of the company's activity and the criteria for determining the economic and financial relations between the parties.  TM may make use of its own in-house company.  TM must guarantee:</p> <ol style="list-style-type: none"> <li>a) the presence of a board of directors;</li> <li>b) the involvement of the territories through the ATAs;</li> <li>c) the separation between guidance functions and management functions identifying a manager with proven experience to be entrusted with management responsibility for the company.</li> </ol> <p><b>TM and ATAs</b>  ATAs are equipped with a technical staff committed to elaboration of proposals related to the planning and development of tourism products in line with the strategic TM indications. The staff is made up of:</p> <ul style="list-style-type: none"> <li>- at least one representative for each local area involved, who are appointed by APTs on the basis of specific professional requirements;</li> <li>- an area manager indicated by TM.</li> </ul> <p>Such technical staff is provided with no compensation or treatment, however denominated.</p>
<p><b>Staff and Board</b></p>	<p>TM is managed by a Board of Directors, which is composed by five people, who are appointed by the mother company Trentino Sviluppo (TS), which is a private company owned by the provincial government.</p> <p>TM has no employees as, for carrying out the activities carried out in the name and on behalf of TS, the latter has seconded its own staff to TM. TS also holds all the staff contracts. According to the Italian law, the personnel have private contracts, but they are selected according to the public law.</p> <p>According to information provided, it is not possible to extrapolate the staff committed to TM, while TS accounts approximately 120 employees, including coordinators (23 people). TS is divided in 6 Business Units:</p> <ul style="list-style-type: none"> <li>- Sales support and tourism intelligence;</li> <li>- Territorial Agencies;</li> <li>- Brand and communication (online and offline);</li> <li>- Digital marketing and infrastructure (in accordance with branding strategy, it defines paid digital campaigns and follows their implementation);</li> <li>- Agrifood and sustainability (including special task force with representatives of all departments). It operates in synergy with municipal governments and private companies to promote the development of agri-tourism and local quality brands;</li> <li>- Sport and Great Events (related to sports, culture, food and wine tourism).</li> </ul>
<p><b>Physical Location</b></p>	<p>TM has one operative office based in Trento.</p>



<p><b>Financing</b></p>	<p>The mother company, TS, had in 2020 a balance with revenues accounting for 4,8 Million of Eur. TM, which has no staff neither operational cost, as they are sustained by TS, was attributed in 2020 a budget of 80,000 Eur, by transfers provide by TS.</p> <p>The new provincial law established that TM will provide all activities for the territorial promotion and tourist marketing, which will be expanded with respect to the current ones. The eruption of the COVID-19 pandemic however hindered the full implementation of the reform, which was supposed to engage TM with important challenges. Therefore, in 2020, it relied on a smaller than expected budget.</p> <p><b>Despite the Provincial Government can finance the tourism system by further resources, the financial sustainability relies very much on the tourism tax, which was regulated by the new provincial law.</b></p> <p>Such taxation ranges from 1 to 3EUR per visitor/per night, with only special guests exempted<sup>62</sup>. All taxation revenues are returned to the tourist system:</p> <ol style="list-style-type: none"> <li>TM is allocated the amount of at least 10 percent of the taxation;</li> <li>The rest is allocated between TPAs and the Provincial Government, provided that: <ul style="list-style-type: none"> <li>TPAs are priority, but they are financed up to 49% of their budget, as they must operate with a majority of private finance<sup>63</sup>;</li> <li>The Provincial Government is allocated the rest, which has however to be invested according to consultation with TPAs, in actions concerning mobility, tourism marketing or other initiatives, projects of general interest, including those of a cultural nature, and investments functional to the development of new tourism products.</li> </ul> </li> </ol> <p>TPAs can receive funds by other public and private actors, including municipalities.</p>
<p><b>Plan and Strategy</b></p>	<p>The region has a core <b>long-term strategy in place</b>, which identifies Trentino as a destination characterized by the intertwining of three core pillars: <b>Landscape</b> (Alps, Mediterranean, contrasting elements, climate, biosphere and living culture), <b>Italian Lifestyle</b> (relations, Italian cuisine, and vitality), <b>Wellbeing</b> (physical and mental).</p> <p>This vision is linked to «<b>big themes</b>» to be addressed: sustainability, mobility/transportation, product development, working force in tourism, high quality standard in all the destination system, new platform to facilitate stakeholder cooperation and involvement, creation of a fully functioning tourism system, provision of office space to all TPAs, create systemic knowledge of the tourism industry among all its actors, qualitative hospitality system.</p> <p>TM uses a <b>customer-centric approach</b> to tourism management in which:</p> <ul style="list-style-type: none"> <li>tourism products are made easily accessible by a <b>multimedia ICT platform</b>, so as to allow their immediate commercialization by involving local tour operators. In promotion, the DMO does not only focus on tourism development only, but promotes its valorization by <b>integrating tourism resources with other territorial peculiarities</b>;</li> <li>a <b>yearly catalogue of holiday' proposals</b> targeting individual travelers, is provided. Such catalogue is subdivided by geographical area and theme;</li> <li>proposals are prepared by TPAs involving local tourism operators, with TM intervening downstream in the process, aggregating all the proposals in the catalogue that is promoted to the target markets through a plurality of channels<sup>64</sup>.</li> </ul>
<p><b>Focus</b></p>	<p>The above-mentioned strategy is supported by <b>three years roadmaps</b>. For the period 2022-2024 all actions are focused on <b>digitalization of Trentino destination</b> and include:</p> <ul style="list-style-type: none"> <li><b>Trentino Guest card:</b> Every tourist who spends at least 2 nights in Trentino is receiving the Trentino guest card, entitling him/her to discounts for accessing several services during his/her stay<sup>65</sup>. The guest card is linked to a digital platform in which tourists can book partners services. Next steps of the project will be to give answer to strategic matters such as mobility, sustainability, non-formal hospitality establishment (e.g. B&amp;Bs).</li> <li><b>Trentino Guest platform:</b> It is intended to give service providers the opportunity to make their own product accessible online and via apps, following GDPR and integrating standards protocols. In the short-run the app will also provide information on mobility (e.g. bus timetables), experiences and accommodation. In the medium-run, this initiative will seek synergies with Trentino guest card and APP MIO TRENTO.</li> <li><b>Marketplace platform:</b> Marketplace is a platform currently under development that will permit the direct booking and selling of experiences, activities, services and mobility. Its objective is to favour digitalization of the tourism offer and ease the planning of the trip. The platform will be also accessible via App <i>MIO Trentino</i>.</li> </ul>

<sup>62</sup> Policemen, civil security employees and relatives of health service' patients are exempted

<sup>63</sup> According to the Italian law, if a company has a turnover of less than 50% made by public contribution is subject to the Civil Law and not to the Public Law. This means, for example, that its debts will not add to the National Public Debt and will not be subjected to severe EU regulations regarding EU States fiscal consolidation.

<sup>64</sup> Formato, R., & Presenza, A. (2018). Op. cit.

<sup>65</sup> Among others, discounts are available for access to cultural attractions, events and festivals, thermal establishments and wellness centers, thematic parks. Local products/art pieces from partner businesses can be bought at a discounted rate too, favoring local businesses.



	<ul style="list-style-type: none"> <li>- <b>Digitalization projects:</b> A digital strategy has been drafted along with communication strategy and action plans, social editorial plans.</li> <li>- <b>Trentino H-benchmark:</b> The DMO has developed a system of KPIs accessible to all operators providing <b>occupation data</b> (N. of tourists) and <b>average tourism expenditure, broken down per tourism product</b>. Since 2021, a new team is developing new indicators and parameters, along with Trento University.</li> <li>- <b>Special project in sustainability:</b> Interdisciplinary working group drafting 2030 Roadmap for sustainability.</li> <li>- <b>Other special projects and festivals.</b></li> </ul>
<b>KPIs</b> <sup>66</sup>	The DMO is currently not adopting a formal set of KPIs to measure its performance.
<b>Stakeholders involvement</b>	Stakeholder involvement is very high as the DMO is based on a <b>PPP scheme particularly at the local level (TPAs)</b> . Tourism and hospitality operators, as well as agro-industry, wellness and health operators, to mention a few, are widely involved in the catalogue and in promotion making.

Table 12: Key features of Trentino Marketing DMO

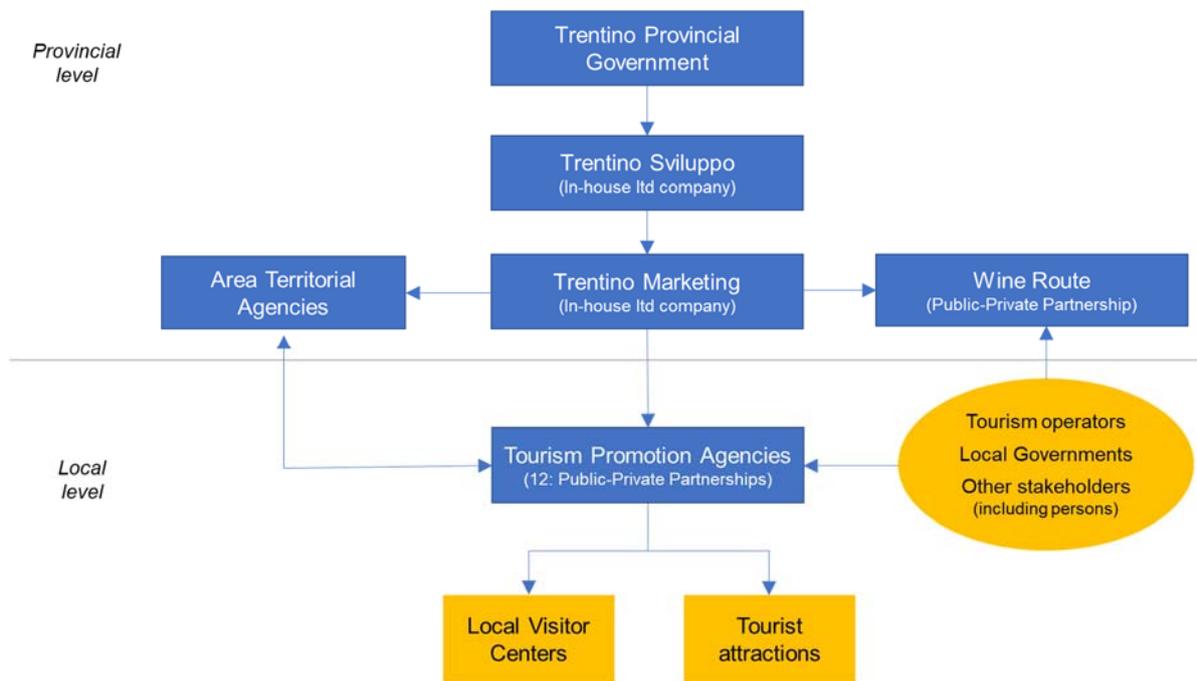


Figure 19: Trentino's organizational chart of tourism bodies

#### 4.3.4. Lessons learned

- In successful mature destinations, the **Government keeps a strategic role focusing on steering and setting development priorities**, while leaving to specialized agencies and local DMOS marketing strategies and tourism products constructions.
- Tourism taxes can represent a core source of revenues for the DMO.** In Trentino, the tourism tax, which is directly linked to the number of overnight stays, is a relevant financing source for tourism development and marketing.
- PPP should be examined as a viable option not only for tourism infrastructure but also for tourism service provision.** Trentino Guest Card, booking platform and marketplace are advanced territorial cooperation projects that provide the possibility to small local producers, creatives and artists to sell products/services to tourists, spreading economic benefits arising from tourism all over the territory. They also help to make DMO efforts for tourism development visible to operators and to regional government. More PPP experiences are also in place at the local level as the result of TPAs' efforts.
- Local DMO do not necessary depend on administrative boundaries.** ATAs are set as a facilitation body to allow areas with similar characteristics (and perceived by tourists as the same destination) to adopt coherent tourism development initiatives.

<sup>66</sup> Information received by DMO directly

- e) **The DMO system values market intelligence** to inform hospitality business and service providers about industry trends, market opportunities and potential threats.
- f) **Although the DMO system is apparently disaggregated, the staff is concentrated in the mother company (TS), with other bodies (TM, ATAs) playing as responsibility centres without extra costs.** This allows for economy of scale and scope without losing focalisation of objectives.
- g) **TPAs**, which are the local DMO branches, where the tourism product is built and the tourism experience provided, **are organized very freely**, only accounting for the principle of relying up to 49% of their turnover on Government funds. **Private involvement is therefore not only encouraged but expressly due**, provided that TPAs carry out tourism initiatives coherent with regional tourism development strategy.

#### 4.4. Visit Aberdeenshire, Scotland (focused on C&H)

##### 4.4.1. Motivation for choosing the practice

The Consultant is proposing this case study because:

- Tourism development is mainly driven by a cultural strategy in place at city level (Cultural Strategy for the City of Aberdeen 2018-2028);
- The DMO operates as an NGO, which is the current legal status adopted by Armenian local and regional DMOs.
- 78% of visitors to Aberdeenshire are domestic tourists. The DMO considers them as important drivers for regional economic growth. Travelling with the purpose of Visiting Friends and/or Relatives (VFR) made up half of all visits to Scotland in 2021<sup>67</sup>. VFR is one of the most important travel motivations for Armenia too.

##### 4.4.2. Aberdeen as a tourism destination

Aberdeen is well known for its museums, galleries and arts and has acculturated residents that contribute to sustain the sector. As many post-industrial cities, it recognizes heritage, culture and creativity as a driver for revitalizing its economy and avoid decay.

To support the change of image of the city and to attract new residents the city demanded and obtained the status of **“UK City of Culture”** in 2017<sup>68</sup>. To support its application, Aberdeen heavily invested in cultural capital infrastructure creating and refurbishing significant hard assets in the city as cultural centers, laboratories, theatres and music halls, which do now host high level international art festivals (e.g. Look Again Festival of Art and Design)<sup>69</sup>. After that, it devised a 2018-2022 Cultural Strategy<sup>70</sup>.



Figure 20: Aberdeenshire map

<sup>67</sup> Compared with 25% in 2019

<sup>68</sup> Charles, S., & Nicoll, H. (2022). Aberdeen, City of Culture? How Best-Laid Plans “Gang Aft A-gley”. *M/C Journal*, 25(3). <https://doi.org/10.5204/mcj.2903>

<sup>69</sup> Charles, S., & Nicoll, H. (2022). *Op. cit.*

<sup>70</sup> <https://www.aberdeencity.gov.uk/sites/default/files/2018-06/Culture%20Aberdeen%20updated.pdf>



<b>Area of competence<sup>71</sup></b>	<p><b>Total area:</b> 6,313</p> <p><b>Total population:</b> 261,460 inhabitants</p> <p>Aberdeen is a post-industrial port city located in the North East of Scotland, accounting as the third most populated city of its region. It has a vibrant economy and several initiatives in place to support business development. It recognizes all forms of tourism, including business tourism, as important to boost the regional economy<sup>72</sup>.</p> <p>Aberdeen also aims to become <b>Scotland's creative lab: a destination for artists, creative enterprises and new ideas</b>. The city is also rich in built heritage, such as mysterious standing stones, towering granite walls and more than 350 castles<sup>73</sup>.</p>
<b>Niche tourism products</b>	<ul style="list-style-type: none"> <li>- Business events</li> <li>- Cruise</li> <li>- Golf</li> <li>- Culture, heritage and festivals</li> <li>- Food and drink</li> <li>- Outdoor tourism</li> </ul>
<b>Tourism market<sup>74</sup></b>	<ul style="list-style-type: none"> <li>- <b>Total Tourism arrivals:</b> 4,434,000 tourism arrivals</li> <li>- <b>N. Domestic Tourists:</b> 3,444,000 (78%)</li> <li>- <b>N. of international visitors:</b> 990,000, (22%)</li> <li>- <b>Country of origin:</b> Most from "near neighbors": Germany, the Netherlands and Norway.</li> <li>- <b>Average daily tourism expenditure:</b> 115 £ (Shire) to 132 £ (Aberdeen City) per day for international tourists. 59£ (Shire) to 74£ (Aberdeen City) per day for domestic tourists.</li> <li>- <b>Overall Tourism Revenues:</b> 317,000 m £. It has to be noted that international tourism expenditure is -20%, whereas domestic tourism expenditure is +7% with respect to 2018/2019.</li> <li>- <b>ADR:</b> 80£ (shire) to 83£ (Aberdeen city) per room per night</li> <li>- <b>Occupancy rate:</b> 56%</li> <li>- <b>N. of tourism businesses:</b> N/A</li> <li>- <b>N. people directly employed in the tourism industry:</b> N/A</li> </ul>

Table 13: Aberdeen as a tourism destination



Figure 21: Aberdeen and Aberdeenshire

#### 4.4.3. Visit Aberdeenshire - Local DMO

Visit Aberdeen (VA) is a **Local DMO founded by Local institutions** so as to promote tourism development in the broader North East area of Scotland. It focuses particularly on the cultural and creative sphere, following recognition as a UK City of Culture in 2017. It has a narrow operational team and bases its activity also on **volunteer schemes**, as typical of many cultural organizations, besides **tight cooperation with stakeholders**. Employee satisfaction and the assurance of a positive and creative work environment, built on education and training, both inside and outside the organization, are key assets.

<sup>71</sup> The following sections have been drafted considering data entailed in the Cultural Strategy for the City of Aberdeen 2018-2028; MRP Group Aberdeen Report

<sup>72</sup> Business development review SGBus4: Tourist facilities and accommodations

<sup>73</sup> <https://www.visitabdn.com/what-to-do/history-and-heritage/>

<sup>74</sup> Data on tourism statistics have been collected through Grampian Factsheet 2019. Most of the statistics have been produced by surveying. This solution has been adopted because of the need to measure statistics on domestic tourists and daily visitors.

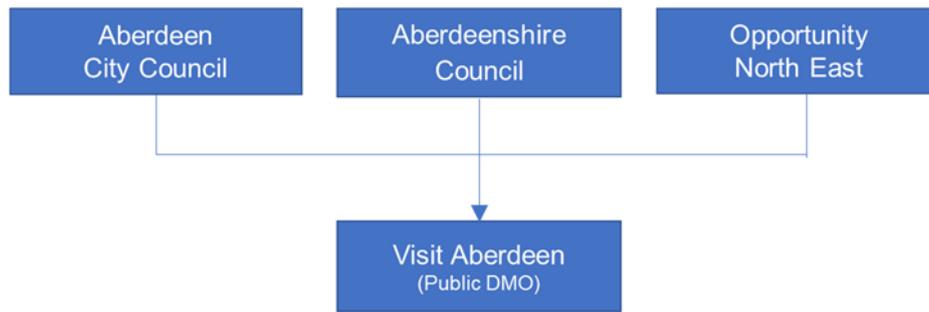


Figure 22: Aberdeen's organizational chart of tourism bodies

<b>Organization<sup>75</sup></b>	<ul style="list-style-type: none"> <li>• <b>Legal Status:</b> NGO founded by Aberdeen City Council, Aberdeenshire Council and Opportunity North East.</li> <li>• <b>Identity:</b> The DMO aims to lead tourism development and promote visitor experiences in North-east Scotland to targeted audiences in the UK and overseas.</li> <li>• <b>Mission:</b> To develop the visitor economy to provide a sustainable contribution to the prosperity of North East Scotland.</li> </ul>
<b>Staff and Board</b>	The DMO has a board composed by 12 representatives and an <b>operational team of 15 persons</b> . It also has a <b>volunteer scheme</b> in place.
<b>Physical location</b>	VA has one office located in Aberdeen.
<b>Financing</b>	<b>The DMO is funded by its members.</b> There is no membership scheme in place; funds are provided based on <b>need/availability</b> . There is no tourism tax scheme in place <sup>76</sup> . Some <b>incomes are generated</b> through commercial and marketing campaigns and partners contribution to participate to trade fairs in Visit Aberdeen stand. At the end of the fiscal year, remaining funds/revenues are spent in training/open access courses.
<b>Plan and Strategy</b>	VA has a <b>Destination Strategy</b> in place, which focuses on priority themes mainly connected to product development, commercialization, community and operator's engagement, enhancement of quality of local offer. Such six pillars are connected to action plans. Sustainability and cultural development are also core elements overarching the strategy.
<b>Focus<sup>77</sup></b>	The most important initiatives currently in place are: <ul style="list-style-type: none"> <li>- <b>COVID-19 Business Recovery Programme</b>, providing training to operators on how to respond to new challenges and opportunities arisen in the post-pandemic context.</li> <li>- <b>Market information and Measurement</b> of Destination performance.</li> <li>- <b>Influencers and press trips</b> with national and international operators.</li> <li>- <b>North East Adventure Tourism project:</b> market testing campaigns to scour opportunity in adventure tourism development.</li> <li>- <b>Business Tourism bidding conference:</b> seminar on how to bid to attract new business events to the city.</li> <li>- <b>Monthly tourism product update</b> shared with a pool of potential buyers in high interest markets.</li> <li>- Thanks to its <b>"What's on section" on its official webpage</b>, the DMO informs tourists about cultural initiatives in town, fostering the reaching of new audiences.</li> </ul>
<b>KPIs</b>	VA only adopts one <b>organizational KPIs</b> : Goal: Employees satisfaction KPI1: Annual employee engagement survey (79% for 2020)
<b>Stakeholders involvement</b>	VA permanently consults with the local government, the private sector and other interested parties. It organizes thematic meetings with stakeholders all year round (e.g. outdoor sports, cultural activities) and an annual general meeting. The DMO reported that such initiative is helping to build a more cohesive local industry, engaging the community and creating links between local businesses, which are slowly starting to cooperate among each other <sup>78</sup> .

Table 15: Key features of Visit Aberdeenshire DM

<sup>75</sup> Most of the information enclosed in this table have been collected by the Destination Aberdeen and Aberdeenshire Tourism Strategy 2018 - 2023 and the Icelandic Tourism Board DMO study 2019; the Annual Review Visit Aberdeen 2020/2021, Aberdeen city and shire hotel accommodation report

<sup>76</sup> The City Council is currently considering the introduction of a city tax, The scheme would mean tourists paying an additional £1 a night for stays, boosting council coffers by an estimated £1.7 million a year. Source: [Tourist tax 'last thing' north-east needs, warns council leader](#)

<sup>77</sup> Next sections have been drafted considering data entailed in the Cultural Strategy for the City of Aberdeen 2018-2028; MRP Group Aberdeen Report

<sup>78</sup> Icelandic Tourism Board DMO study 2019



Figure 23: Visit Aberdeenshire brand

#### 4.4.4. Lessons learned

- In city tourism the implementation of strategies to **match tourism development with culture and creativity** are a key tool.
- Cultural tourism development relies very much on **creative class engagement and broad stakeholder engagement, including private operators, cultural NGOs and volunteers.**
- As an NGO the DMO reinvest eventual gains at the end of the fiscal year in development activities, **paying particular attention to training and education of employees and stakeholders.**
- Visit Aberdeenshire **uses the cultural attraction of the city to extend such allure to the broader North-East territory.**

### 4.5. Lake Taupo, New Zealand (focused on Adventure & Nature-based tourism)

#### 4.5.1. Motivation for choosing the practice

The Consultant selected this case study because:

- New Zealand is well known for advanced techniques used in public management<sup>79</sup>.
- Destination Great Lake Taupo is putting sustainability at the center of its tourism development activity and, in terms of nature-based tourism, is a leading destination.
- It strongly relies on domestic and close-neighbors' visitation
- It adopts advanced market intelligence methods, which make use of big data and new technologies (e.g. estimating tourism expenditure by tracking expenses made by credit cards, which are not registered in Taupo).

#### 4.5.2. Taupo as a tourism destination

Taupo is a nature and adventure destination, with tourism providing relevant revenues to the local economy as it employees around 1/3 of its total workforce.

<b>Area of competence<sup>80</sup></b>	<p><b>Total area:</b> 6,333 km<sup>2</sup> of land, and 610 km<sup>2</sup> of lake area</p> <p><b>Total population:</b> 41,000 inhabitants</p> <p>Situated in North Island in New Zealand, the district of Taupo stretches around the homonymous lake, which is the largest freshwater lake in Australasia.</p> <p>Taupo is home to one of the most-visited tourist attraction in New Zealand (Huka Falls) and is a world-famous fishing destination, as it is home to one of the tastier wild trout fisheries of the world. The lake also hosts over 30 species of water bird, several types of native fish and native koura (crayfish).</p> <p>Taupo is a great destination for adventure sports like kayaking, mountain biking, and diving too. In the premises of Taupo there is a very active geothermal park, which offers stunning views to visitors.</p>
<b>Niche tourism products</b>	<ul style="list-style-type: none"> <li>- Nature-based tourism</li> <li>- Fishing</li> <li>- Adventure and sports</li> </ul>
<b>Tourism</b>	<ul style="list-style-type: none"> <li>- <b>Total Tourism arrivals:</b> N/A<sup>82</sup></li> <li>- <b>N. Domestic Tourists:</b> N/A - Largely driven by weekend travel.</li> </ul>

<sup>79</sup> Pollitt, C., & Bouckaert, G. (2017). *Public management reform: A comparative analysis-into the age of austerity*. Oxford University Press.

<sup>80</sup> Visit Taupo website and <https://www.holidify.com/places/taupo>

<sup>82</sup> To track domestic tourists, New Zealand monitors electronic card transactions that helps to define tourism expenditure. Unfortunately, information about the n. of cards performing transaction in a destination different to their home city is not available.



<b>market<sup>81</sup></b>	<ul style="list-style-type: none"> <li>- <b>N. of international visitors<sup>83</sup></b>: 398,556 in 2021.</li> <li>- <b>Country of origin<sup>84</sup></b>: Australia (40%), UK (11.6%), USA (8.7%), China (4.6%), Japan (4.2%), South Korea (3.2%), Germany (2.5%) and Canada (2.2%).</li> <li>- <b>Average daily tourism expenditure<sup>85</sup></b>: 288 USD (over 17.2 days average stay).</li> <li>- <b>Overall Tourism Revenues</b>: Before COVID-19, tourism was the most important economic sector for NZ economy delivering over \$41.9 billion<sup>86</sup>. Visitor spend in March – October 2020 declined 32% over the same period of the previous year (-\$5.7 billion USD).</li> <li>- <b>ADR</b>: N/A</li> <li>- <b>Occupancy rate</b>: 36,6% in 2018 (regional data for Waikato).</li> <li>- <b>N. of tourism businesses</b>: N/A</li> <li>- <b>N. people directly employed in the tourism industry</b>: In the region of Great Lake Taupo tourism employees over 6,600 full time employees (35% of total workforce).</li> </ul>
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Table 14: Destination Great Lake Taupo



Figure 24: Great Lake Taupo



Figure 25: Map Great Destination Lake Taupo area



Figure 26: Destination Great Lake Taupo brand

### 4.5.3. Destination Great Lake Taupo DMO

New Zealand is a country which has been considered a leader in administrative reforms carried out under the “New public management” approach<sup>87</sup>. As it is common among some of the most advanced countries, and particularly in Oceania, there is much delegation of legislative autonomy and delegation of institutional power to local governments. This apply to the DMOs system as well, which is very efficient but do not respond to a unique vision.

**The analysis of DM in New Zealand clearly shows that no single model exists. Rather, the country’s administrative regime permits a mix of statutory and discretionary functions to be carried out under a range of different structures which have been adopted by local governments and the tourism sector in each destination depending on local or regional circumstances<sup>88</sup>.**

In New Zealand there are 30 RTOs (regional tourism organizations, the New Zealand form of destination marketing organizations) and 67 territorial local authorities (TLAs): 11 city councils, 50 district councils and 6 unitary councils which cooperate in very different forms, sometimes including the EDA (Economic Development Agency).

<sup>81</sup> Data on tourism statistics derives from Grampian Factsheet 2019, which collected data by surveying tourists to measure the flow of domestic tourists and daily visitors.

<sup>83</sup> <https://www.stats.govt.nz/information-releases/international-travel-july-2022/>

<sup>84</sup> TOURISM SECTOR PROFILE – New Zealand

<sup>85</sup> <https://championtraveler.com/price/cost-of-a-trip-to-taupo-nz/>

<sup>86</sup> Source: Stats NZ – Tourism Satellite Account, March 2020

<sup>87</sup> Pollitt, C., & Bouckaert, G. (2017). *Public management reform: A comparative analysis-into the age of austerity*. Oxford university press.

<sup>88</sup> For a deeper analysis of the New Zealand case see Pearce, D. G. (2015). Destination management in New Zealand: Structures and functions. *Journal of Destination Marketing & Management*, 4(1), 1-12.

The RTOs vary in size and structure and are mainly in charge of destination marketing functions. RTOs can be:

1. Located in the TLA, as a department/unit within the organization
2. Established as Council Controlled Organizations NGOs/Trusts governed by independent directors, operating following a declaration of intents.

As shown in figure 27, the combination of such factors gives birth to a complex and multi-layered tourism management structure, which is however designed to meet specific industry needs of each region.

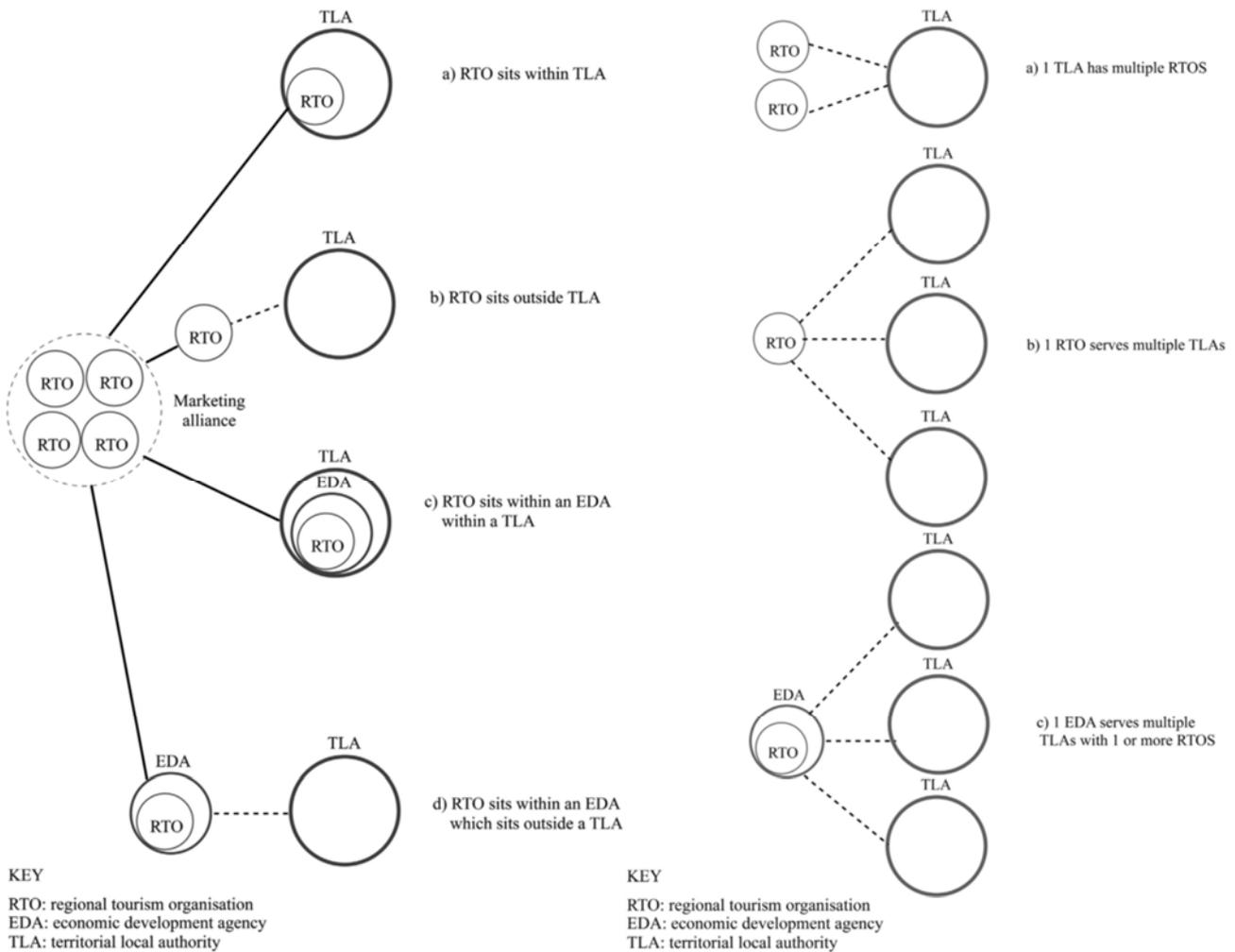


Figure 27: DM structure in New Zealand, with multiple TLAS and RTOs

Destination Great Lake Taupo is a Council-controlled DMO, which corresponds to “type b -RTO sits outside a TLA”, as TM is outsourced to an external NGO: Destination Great Lake Taupo. As such, it is encouraged to earn parts of its revenues out of market activities. It has a thin and smart organization, which operates three visitors’ centres and makes large use of new technologies to implement market intelligence and engage the community and stakeholders. It is not only involved in tourism marketing, but it uses its knowledge to orient the action of other government departments so as to promote tourism supply development.

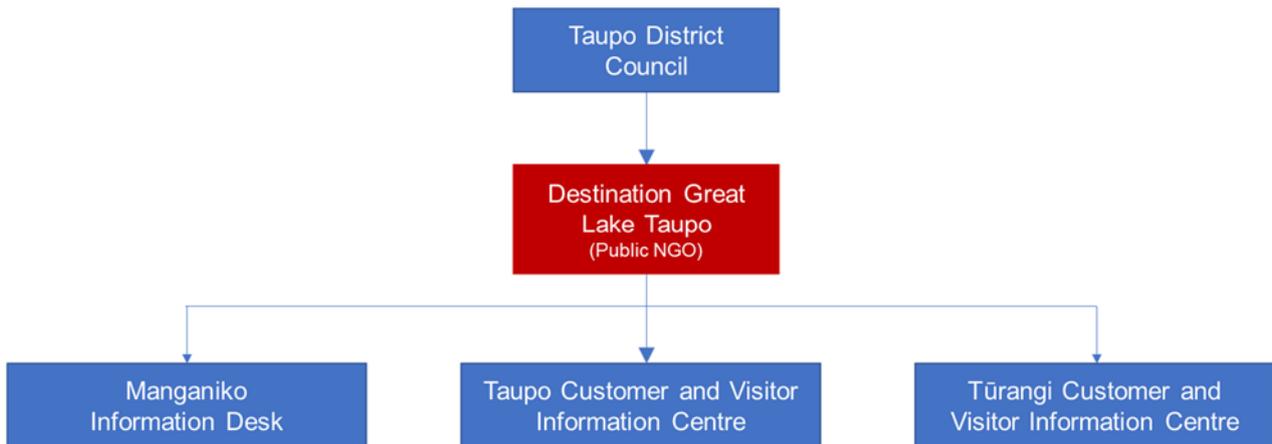


Figure 28: Destination Great Lake Taupo's organizational chart of tourism bodies

<b>Organization</b> <sup>89</sup>	<ul style="list-style-type: none"> <li>- <b>Legal Status: Council-controlled NGO</b></li> <li>- <b>Identity:</b> Destination Great Lake Taupo is a Regional Tourism Organization, established by Local Government Act 2002.</li> <li>- <b>Mission:</b> To promote the destination by taking a leadership role in its development and management. The DMO is particularly engaged in ensuring the sustainability of the sector.</li> </ul>
<b>Staff and Board</b>	<p>The DMO has <b>5 employees working in its headquarter</b>, who cover General Management, Trade and marketing, MICE Digital strategy. It also employs <b>10 people in the two information centers</b> that it directly manages.</p> <p>The Board acts on behalf of the Taupo tourism industry, by addressing strategic issues and providing destination marketing and tourism product advice. It includes 6 people selected from open applications, covering a mix of skills including digital and other capabilities. Half of the board members come from within the district and half from outside.</p>
<b>Office Physical location</b>	The DMO office is located in the township of Taupo. The DMO also controls two visitor information centres: one in Taupo, the other one in Turangi.
<b>Financing</b>	<p>The DMO is funded by <b>a yearly grant from the Taupo District Council (75%)</b>. Other revenues are <b>self-generated by advertising on website and brochure, and commission over sales of tourism accommodation and experiences</b>.</p> <p>To recover from COVID Destination Great Lake Taupo (like other Regional Tourism Organizations) in May 2020 were provided financial help from an extraordinary \$400M USD Tourism Recovery Fund launched by the NZ Ministry of Business, Innovation and Employment.</p>
<b>Plan and Strategy</b>	<p>DMO's strategy focuses on maintaining domestic tourism and enhance international arrivals, as the latter are considered relevant for revitalization and de-seasonalization.</p> <p>It focuses on the following <b>strategic goals</b>:</p> <ol style="list-style-type: none"> <li>Increase the value of local tourism economy.</li> <li>Develop and implement a destination management plan for the Taupo District.</li> <li>Support and assist local tourism industry to deliver an exceptional visitor experience.</li> <li>Operate efficiently and effectively focusing on delivering an exceptional ROI for all partners and stakeholders.</li> <li>Invest in new infrastructure and products to sustain a high-quality visitor experience.</li> </ol> <p>The DMO reports to the Taupo District Council on a quarterly basis and also prepares a <b>business plan that is approved by the council</b><sup>90</sup>.</p>
<b>Focus</b>	<p><b>Marketing the principal focus for the organization</b>, although <b>increasing attention is paid to destination development and management too</b>. In particular, a growing commitment goes to product development and innovation. The DMO also:</p> <ul style="list-style-type: none"> <li>- gathers information about the visitors so as to fuel national statistics;</li> <li>- implements educational activities for local service providers;</li> <li>- participates to activities outside the tourism sphere, but strictly connected to destination development and contributing to its attractiveness in the long run, such as roads upgrading, land management, urban design etc.</li> </ul>
<b>KPIs</b>	<p>Since 2018, the DMO has been adopting the following KPIs to measure its performance:</p> <p><b>Objective 1 – Grow the value of the local tourism economy:</b></p> <p>KPI1: Growth in tourism expenditure (%):</p>

<sup>89</sup> Most of data for compiling this table were collected from the document: "DESTINATION GREAT LAKE TAUPŌ Statement of Intent 2021-2024".

<sup>90</sup>Icelandic Tourism Board DMO study 2019



	<ul style="list-style-type: none"> <li>• Monthly Regional Tourism Estimates</li> <li>• Monthly electronic card transactions</li> </ul> <p><b>Objective 2 – Sustainably manage and develop the destination to create a ‘Destination of Excellence’:</b></p> <p>KPI2.1: Develop a sustainable Destination Management strategy:</p> <ul style="list-style-type: none"> <li>• Quarterly meetings of <i>Te Ihirangi</i> Leadership Advisory Group</li> </ul> <p>KPI2.2: Grow industry capability:</p> <ul style="list-style-type: none"> <li>• N. of industry workshops organized</li> </ul> <p>KPI2.3: Product Development</p> <ul style="list-style-type: none"> <li>• N. of Product Audit to identify product gaps carried out.</li> <li>• N. of new opportunities identified.</li> </ul> <p>KPI2.4 Connect with residents:</p> <ul style="list-style-type: none"> <li>• Annual Community Sentiment Survey</li> <li>• Brand and community workshops</li> </ul> <p><b>Objective 3 – Run an efficient and effective regional tourism organization, strongly supported by the local tourism industry:</b></p> <p>KPI 3.1: Support for DMO marketing initiatives:</p> <ul style="list-style-type: none"> <li>• Measured by free of charge, advertising support for marketing</li> <li>• N. participants in DMO activities.</li> </ul> <p>KPI 3.2: Stakeholder satisfaction:</p> <ul style="list-style-type: none"> <li>• Annual Industry Survey</li> </ul>
<b>Stakeholders involvement</b>	<p>Destination Great Lake Taupo works with the community to develop a DM Plan for the region. The process foresees several joint workshops to consult relevant stakeholders. To ensure integrated destination development, the DMO also interacts with a national government departments that are responsible for aviation, roads, national parks. It also connects with other organizations on a case-by-case basis. Board meetings are open to the public.</p>

Table 15: Key features of Destination Great Lake Taupo DMO

#### 4.5.4. Lessons learned

- The DMO has a **thin organization but operates through extensive stakeholder engagement.**
- Such involvement is however driven by the **adoption of clear KPIs** that help to pay constant attention to strategic consistency and long-term vision.
- It is very much **involved in supply development by providing internal consultancy to government departments that are responsible for utilities and infrastructure** (e.g. urban planning, infrastructural development, roads creation and upgrading, etc.
- Information centers are **self-sustained for some 25% from market revenues** collected by advertising and commission on sales.
- Information centers are used to **collect tourism statistics.**
- The **Destination Management Plan is developed and managed by the DMO but after consultation with the community**, so as to ensure acceptance and viability.

## 4.6. Wine Routes. France, Italy & Australia<sup>91</sup>

### 4.6.1. Motivation for choosing the practice

As we set in the introduction, DMOs can assume a variety of management forms and organizational structures. Moreover, as the concept of destination is subjective and depends on the motivations and attitudes of visitors, is not infrequent that a destination can have in place more DMOs, particularly where they specialized on specific tourism products.

- ▶ A very common case is that of **convention bureaus**, which are special-purpose DMO committed to the MICE market. They can be public or private driven, but they usually overlap with other DMOs, particularly in capital cities which are provided with conference centers and meeting facilities which have to be sold on the international market.
- ▶ **The same is true for tourism products which build their identity on services and products provided by other economic sectors, such as Health and Spa or wine tourism.** The above-mentioned Trentino DM system, which is likely the most advanced in a primary tourist country such as Italy, foresee, in its new

<sup>91</sup> This paragraph has been written by making reference to conference notes shared by the Team Leader of this project, Mr. Roberto Formato.

provincial law, the creation of a special DMO which will be committed exclusively to wine tourism promotion, cooperating with TM, TPAs and ATAs.

As wine tourism is linked to several niche products addressed by Armenian TC, among which gastro & wine, agrotourism, cultural heritage tourism and is a relevant potential niche, the Consultant believes that it is wise to inform the TC about the chance to take into account such opportunity.

**If properly managed, wine routes** have been recognized as a viable tool to manage complex and interlinked tourism offer by addressing **horizontal coordination of multi-actors through multi-sectors to deliver a satisfactory tourism experience**.

Tourism by its very nature is indeed in general a pervasive sector, which generates multiple indirect and induced impacts on other economic fields. Wine tourism emphasizes this aspect as it operates as a **broad network industry**. Many actors do indeed cooperate for its success from both the tourism and side sectors, including vineyards, wine factories, wine museums, restaurants and accommodation.

#### 4.6.2. Wine tourism in the world

Wine tourism around the world developed in different ways according to local traditions and habits. In wine-producing countries, such as France and Italy, wine tourism was driven by the consumers' custom to visit vineyards and canteens to buy wine. It was a **plus** provided to already existing clients.

In countries featured by less individual wine consumption, wine tourism was instead developed as an experiential tool to convince individuals to visit vineyard and experience there a **new fashionable and unknown drinking habit**. This explains why sometimes new wine producing countries present wine attractors which are more glamorous than those we encounter in old wine making countries.

Here after are presented the experienced of **France**, which introduced its first **wine route** in the '30s of last century; of **Italy**, that promoted the development of wine routes through legislative acts starting from the '90s; and **Australia**, which has much promoted wine tourism since its infancy. P

From the tourism side, their establishment is therefore linked to a various motivation:

1. to contribute to build tourism identity of otherwise neglected rural regions;
2. to support local economy by integrating wine selling with tourism revenues, thus compensating wine demand progressive contraction;
3. to differentiate regional **tourism demand**.

<b>Evolution of wine tourism management in most developed wine tourism countries</b>	<p><b>France:</b></p> <ul style="list-style-type: none"> <li>- The reduction of the per-capita consumption of wine in the '80s fostered the opening of <b>selling points for visitors</b> in wine producing areas. In the '90s, almost 20% of wine was sold through this system. Such encouraging result fostered the creation of <b>gastro itineraries connected to famous wines and gastro products</b> (e.g. cheese or olive oil tasting).</li> <li>- Wine routes are quite a few and related to famous wine brands.</li> </ul> <p><b>Italy:</b></p> <ul style="list-style-type: none"> <li>- Italy was among the first countries to adopt a law on Wine Routes<sup>92</sup> and to set up minimum <b>quality service standards</b><sup>93</sup>.</li> <li>- Wine routes are many and generally <b>small-sized</b> (on average include less than 10 municipalities). This favors homogeneity of the offer and a smoother and quicker decision process, but brings the risk of not having enough attractions in the route.</li> <li>- According to a recent survey made by the Italian Wine Routes Associations, out of around a hundred wine routes, only <b>eight wines were identified as "champions"</b> (i.e they satisfy most quality service criteria). They are mostly located in the north of the country and inspired by top wine brands (e.g. Barolo, Valpolicella, Chianti, etc.)</li> <li>- Route wines help to <b>overcome the extreme fragmentation of the offer</b>, which is featured by many commercial references which make it difficult to distinguish among brands, due to a variety of denominations, grapes, territories, etc.</li> <li>- There are two main organizations for wine tourism:             <ol style="list-style-type: none"> <li>1. <i>Associazione Città del Vino</i> (representing wine cities at national level);</li> </ol> </li> </ul>
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<sup>92</sup> Framework Law "Strade del Vino" of 27 July 1998, No. 268 defines the roads as "instruments through which wine and agricultural territories and their production can be disseminated, marketed and enjoyed in the form of an integrated tourist offer". It also provides that routes can also be planned and realised for other quality productions, with particular regard to olive oil and other typical products

<sup>93</sup> Ministerial Decree of 12 July 2000 also refers the details of the organizational aspects to the implementing regional laws.



	<p>2. <i>Movimento Turismo del Vino</i> (grouping over 1000 wine cellars selected according to specific criteria).</p> <ul style="list-style-type: none"> <li>- There are two main national events for wine tourism: <i>Cantine Aperte</i> (open wine cellars) and <i>Calici di stelle</i> (glasses of stars: a night of tastings, music and art).</li> <li>- To be recognized as wine route, operators have to present a project to the regional government to which they belong, which as to comply to strict criteria set by the government, both on tourism services and on sustainability practices, including the respect of the local ecosystems and of their biological complexity<sup>94</sup>.</li> </ul> <p><b>Australia:</b></p> <ul style="list-style-type: none"> <li>- Although it is a country that only recently approached wine producing (in 1996, it accounted for about 2.5% of world production, while in 2021 it rose to 4%), it is considered among the leading countries for wine tourism.</li> <li>- It sustained wine tourism since the infancy of the sector and in the 90s it already had several organizations pursuing to develop the sector.</li> <li>- In 1997 it adopted the <b>first National Strategic Plan for wine tourism development</b>, which was interlinked to the wine sector development strategy.</li> </ul>
<p><b>Wine tourism and production in the most important national markets</b></p>	<p><b>France:</b></p> <ul style="list-style-type: none"> <li>- <b>No. Visitors:</b> 10 million in 2016</li> <li>- <b>Tourism Expenditure:</b> 5.2 billion EUR</li> <li>- <b>Other available data:</b> French wine routes are mainly used by Frequent Individual Travellers (FITs). Package tours are intended mostly for associations and groups of retired people. In Burgundy, group tourism accounts for around 20% of demand.</li> <li>- <b>Wine production<sup>95</sup> in 2021:</b> 34,2M hl</li> </ul> <p><b>Italy:</b></p> <ul style="list-style-type: none"> <li>- <b>No. Visitors:</b> 15 millions in 2020</li> <li>- <b>Tourism Expenditure:</b> 42 million EUR/year in 2020</li> <li>- <b>Other available data:</b> 27% of total revenue of wine makers, 36% of the rural hospitality establishments.</li> <li>- <b>Wine production in 2021:</b> 44,5M hl</li> </ul> <p><b>Australia:</b></p> <ul style="list-style-type: none"> <li>- <b>Nr. Visitors:</b> 5.5 million visitors</li> <li>- <b>Tourism expenditure:</b> USD 5.9 billion in Australia</li> <li>- <b>Other available data:</b> minimum average stay for wine tourists is 6 nights.</li> <li>- <b>Wine production in 2021:</b> 14.2M hl.</li> </ul>

Table 16: Examples of Wine Routes

#### 4.6.3. The French Wine Routes and the Route des Grands Crus (of Burgundy)

French wine routes were established by wine-sector operators since the early 30s with the aim of valorizing wine heritage and protecting it rather than for tourism reasons<sup>96</sup>. Since their early development stages, wine routes also promoted local gastronomy products<sup>97</sup>. They availed themselves with **hospitality charts defining minimum standards for tourism reception** and **trained wine operators** accordingly.

<sup>94</sup> Carta Europea dell'Enoturismo, Associazione città del vino

<sup>95</sup> <https://www.bkwine.com/features/more/2021-wine-production/>

<sup>96</sup> IGNON-DARMAILLAC Sophie, « L'œnotourisme : de la culture de la vigne au vin objet de culture », Pour, 2019/1-2 (N° 237-238), p. 217-226. DOI : 10.3917/pour.237.0217. URL : <https://www.cairn.info/revue-pour-2019-1-page-217.htm>

<sup>97</sup> Sophie Lignon-Darmaillac, « Les routes des vins vers l'oeno-gastronomie », Territoires du vin [Online], 10 | 2019, Online since 24 September 2019, connection on 19 October 2022. URL: <http://preo.u-bourgogne.fr/territoiresduvin/index.php?id=1753>

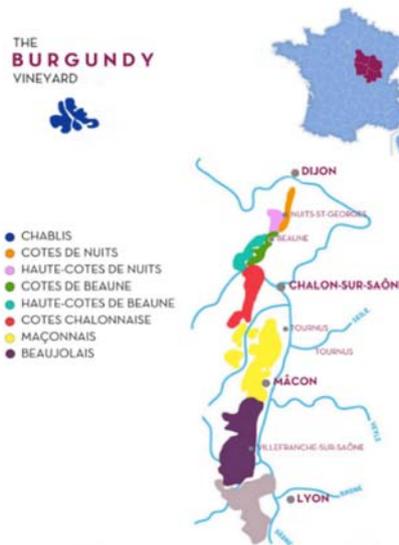


Figure 29: Grands Crus de Bourgogne Wine Route

French wine routes have thus become part of more **complex itineraries, networks** of places to visit and where to consume typical meals. On average, they stretch for several kilometers and reunite hundreds of wine producers (e.g. the Champagne Route is composed by four itineraries that cover 70-120 km)<sup>98</sup>.

Among French wine routes, the *Route des Grand Crus* was created in 1937 and accounts as **the very first French wine route** and of a new way of tourism. It stretches from Dijon to Beaune, and then to Santenay, connecting a thousand years old vineyards, now classified as **UNESCO World Heritage**. Their characteristic is to form "*climats*": a mosaic of little vine plots, each one unique for its exposure, geology, local know-how, etc. From this vineyard originates some of greatest red wines in the world, including 24 of Burgundy's 33 grands crus (Romanée-Conti, Clos de Vougeot, Chambertin...)<sup>99</sup>.

Area	- <b>Total Area</b> : 10,000 hectares (37 municipalities)
Organization	<ul style="list-style-type: none"> <li>- <b>Legal Status</b>: Public</li> <li>- <b>Identity</b>: The route is managed by the <b>Côte-d'Or Attractiveness Agency</b>, a structure created and subsidized by the Departmental Council, within the framework of the Tourism Code. Its mission is to support the preparation and implementation of the department's tourism policy. The departmental tourism agencies and committees are organizations that combine strategy, operational actions and innovation. Through their range of services, they support all sizes of tourism projects, both public and private.<sup>100</sup></li> <li>- <b>Mission</b>: The wine route <b>connects 37 wine-making villages</b> located along an itinerary of 60 km and possesses the <i>Vignobles&amp;Decouverts</i> quality certification. It helps operators valorizing wine heritage and protecting it. The route is marked with brown-background signs showing a white grape cluster, from Dijon to Santenay via Nuits-Saint-Georges and Beaune to guide visitors.</li> </ul>
Plan and Strategy	<ul style="list-style-type: none"> <li>- The Route organizes: <ul style="list-style-type: none"> <li>o local festivals (e.g. Baccus' day and celebration for Saint Vincent, protector of vineyards);</li> <li>o bike and bus tourism initiatives to visit the vineyards safely;</li> <li>o wine tasting and other eno-gastronomic initiatives.</li> </ul> </li> <li>- As several other official French wine routes, the Grand Crus route has adopted the "<b>carte des vigne en cave</b>", a map including over 300 wine producers, sellers, degustation points, cellars and wine cooperatives that present themselves under the Grand Cru Route logo. The visitors who buy the map have the right to taste one wine for free and visit the vineyards.<sup>101</sup></li> </ul>
Stakeholders involvement	<b>Côte-d'Or Attractiveness Agency</b> has a section of its website dedicated to suggestions, where stakeholders can provide suggestions on services to be created or to be improved <sup>102</sup> . It has two staff members dedicated to this activity (one for public stakeholder support, one for supporting private ones). Municipalities members of the route can ask for guidance on destination management and development.

Table 17: Key features of Grands Crus de Bourgogne Wine Route

<sup>98</sup> Conference notes conference notes shared by the Team Leader of this project, Mr. Roberto Formato.

<sup>99</sup> <https://www.beaune-tourism.com/discover/burgundy-wines/visit-wineries-and-vineyards-of-burgundy-near-beaune/the-route-des-grands-crus>

<sup>100</sup> <https://www.lacotedorjadore.com/qui-sommes-nous/>

<sup>101</sup> <https://kanoa.it/route-des-grands-crus/>

<sup>102</sup> [https://www.cotedor-attractivite.com/porteurs\\_projet](https://www.cotedor-attractivite.com/porteurs_projet)

#### 4.6.4. The Route of Taste DMO in Trentino, Italy

The above-mentioned reform of 12 August 2020 which brought to the approval of the DM system in the Trentino mountain region of Italy, had a special provision for the creation of a separate DMO committed to promotion of the food & wine tourism product. The rationale lies in the relevant growth of this segment of tourism which is very much related to the image of Italy as by far the leading country in the world for quality food and wine production and related export and tourism<sup>103</sup>.

As wine tourism is growing very quickly, Trentino decided, in its autonomy (according to Italian Constitutional Law Trentino is a province enjoying regional status which has full competences in tourism) to have a separate organization for it. This because it will provide stronger image to this tourism products which is of great relevance for its connection with wine production. Italy – along with France – is indeed world leader of the global wine market, with wine export up to 40 Billion US\$ in 2020 and Trentino Government believed it was worthwhile to have a DMO focused on such product. For another wine tourism DMO see for instance also Franciacorta, which as well a highly fashioned wine territory.

<b>Area</b>	Trentino Region, Italy – As previously described
<b>Organization</b>	As for TPAS, the route is a <b>private company, which can be participated up to 49% by public institutions.</b> The road of Trentino taste, hereinafter road, is made up of routes that develop within territories with a high agricultural-rural vocation, characterized by typical and traditional agri-food crops, productions and processes, by handicraft productions, by cellars, by agritourisms and from farms, laboratories and other individual or associated production structures, open to the public, as well as from particularly significant naturalistic, cultural and historical attractions for the purposes of an <b>integrated rural tourist offer.</b>
<b>Plan and Strategy</b>	For the management of the road, a <b>promoting committee</b> proposes to the Provincial Government a <b>disciplinary</b> which defines the modality and the form of management of the road, ensuring, in any case, the necessary roots with the territories through the subjects who are an expression of it. The specification regulates the relations between members, defines the denomination of the road and the related routes and identifies the promotion project relating to the road; a draft <b>statute</b> of the road operator is attached to the specification.
<b>Role of the Provincial Government</b>	The Provincial Government: <ul style="list-style-type: none"> <li>- approves the disciplinary, which establishes the criteria and methods for the recognition of the road</li> <li>- recognizes the road;</li> </ul>
<b>Role of the DMO</b>	The subject managing the road: <ul style="list-style-type: none"> <li>- operates with 50 <b>specialized DMO</b>;</li> <li>- carries out its initiatives in connection with the Provincial Government and with the other subjects of the provincial DM of which it is part;</li> <li>- formulate the promotional project of the road and <b>coordinates with TM for its implementation</b>;</li> <li>- cooperate with 50 specialized institutions such as the <b>Chamber of Commerce, Industry, Crafts and Agriculture.</b></li> </ul>
<b>Financing</b>	The Provincial Government: <ul style="list-style-type: none"> <li>- may <b>grant concessions</b>, in compliance with the EU regulations on State aid, for the implementation of the road strategy.</li> <li>- may also promote and support <b>training courses</b> aimed at individuals adhering to the road.</li> </ul>
<b>Stakeholders involvement</b>	The DM is encouraged to involve as members agricultural, commercial, artisanal and tourist operators and their professional associations, protection consortia, wine bars, associations, institutions and public or private bodies operating in the cultural, tourist and agricultural fields can promote or join the road. Adherence to the road is open to all the aforesaid subjects who carry out their activity in the territorial area of the road route and who adhere to the specific regulations set.

Table 18: Key features of the Route of Taste, Trentino

#### 4.6.5. Lessons learned

- Wine (and food) routes **will be increasingly established as separate DMOs** or branch of this so as to promote such fast-growing tourism niche, while promoting a sector which is very attractive for its adherence to the local economy.
- Wine routes DMOs are a **multi-stakeholder entity** which can be set according to various legal forms.

<sup>103</sup> It is worthwhile to notice that that the Mediterranean Diet, which is mostly associated to Italy, has been also recognised as Intangible Cultural Heritage by Unesco

- c) For they success it is advisable to put in place a **strong coordination of stakeholders**, so as to provide a unique customer experience.
- d) The adoption and implementation of **service quality standards**, along with the provision of education and training is conducive to such objective.
- e) The adoption of a wine brand as a tourism brand can help to **build and enhance the image of rural territories** that are otherwise neglected.
- f) Wine tourism can help to increase **knowledge and popularity of other territorial products**, such as cheeses and fruit.

#### 4.7. Discover Durham, North Carolina USA (focused on MICE & leisure tourism)

##### 4.7.1. Motivation for choosing the practice

**Discover Durham, North Carolina** was birth as a **Convention and Visitor Bureau**, which was later entrusted by state and local governments to lead the strategic economic and cultural development of the Durham city and its county. It is one of the most famous DMOs operating in community marketing and promotion, with emphasis on **recreational tourism**.

The Consultant selected this practice because:

- It is one of the first North American DMOs to be accredited to new international standards and best practices in community marketing and promotion, and it was several times awarded innovation prizes. For instance, it is accredited by the global, independent Destination Marketing Accreditation Program<sup>104</sup>;
- As its tourism offer mainly targets the domestic market, it has almost no seasonal demand patterns (22% to 27% per season)<sup>105</sup>.



Figure 30: Discover Durham logo

##### 4.7.2. Durham as a tourism destination

Durham is a world-class destination, building its economy on the service sector, particularly research, health, and innovation. Leisure and events are important to local wealth production too and area strictly linked to arts and culture production. For such features, the city positioned itself on the MICE tourism market.



Figure 31: Durham

<b>Area of competence</b>	<p><b>Total Area:</b> 300,9 km<sup>2</sup>  <b>Total population:</b> 283,506 in the 2020 Census  Durham is a city in the U.S. state of North Carolina located in the Piedmont region along the river Eno. Formerly an industrial city growing and processing tobacco, it is today a world-class destination that is well known for its buzzing culture of doing business and multi-cultural food scene. It is home to three universities/research centers and to one of the best hospitals in US.</p>
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<sup>104</sup> The globally recognized Destination Marketing Accreditation Program (DMAP) serves as a visible industry distinction that defines quality and performance standards in destination marketing and management

<sup>105</sup> 2018 Visitors research executive summary – An overview of the Durham tourism industry



Niche tourism products	<ul style="list-style-type: none"> <li>- Events and festival</li> <li>- MICE</li> <li>- Gastro tourism</li> <li>- Culture</li> </ul>
Tourism market	<ul style="list-style-type: none"> <li>- <b>N. of international visitors:</b> N/A.</li> <li>- <b>Country of origin:</b> N/A.</li> <li>- <b>Average daily tourism expenditure</b><sup>106</sup>: \$903 Tourists from other US States; \$467 for visitors from North Carolina.</li> <li>- <b>Overall Tourism Revenues:</b> \$932 million + \$176 million in tax revenue in 2019<sup>107</sup>. Due to the pandemics, in 2020, overall visitor spending fell 49.5% and it was forecasted that the sector would not reach 2019 levels before 2024.</li> <li>- <b>ADR:</b> 149 \$<sup>108</sup>.</li> <li>- <b>Occupancy rate:</b> 72,3%.</li> <li>- <b>N. of tourism businesses:</b> N/A.</li> <li>- <b>N. people directly employed in the tourism industry:</b> 13,000 local jobs.</li> </ul>

Table 19: Durham as a destination

### 4.7.3. Discover Durham

Discover Durham is a public DMO covering different operations from visitor bureau to other related to event organization, including Sport Commission and Convention Bureau. In these last cases, it operates as representative of conference centers. It operates a visitor center and collects revenues out of a development tax applied on room occupancy. It also operates as an agency for tourism investment attraction and adopts new public management techniques, including performance budgeting based on sound KPIs.

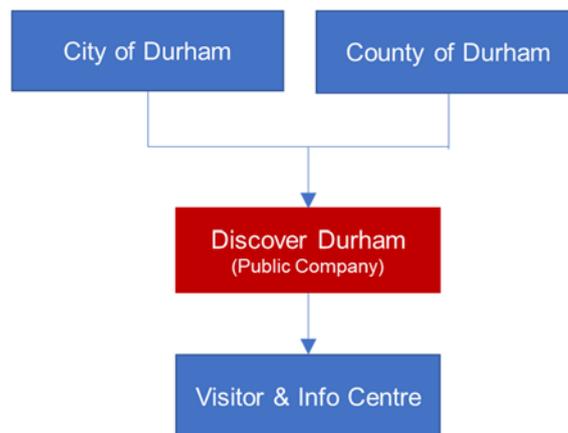


Figure 32: Durham's organizational chart of tourism bodies

Organization	<ul style="list-style-type: none"> <li>- <b>Legal Status:</b> Public Company</li> <li>- <b>Identity:</b> Discover Durham is <b>the business end of the Durham Tourism Development Authority</b>. The DMO was originally chartered by the City and County of Durham via <b>inter-local agreement</b> and later allowed to collect the city's room occupancy and tourism development tax directly.</li> <li>- It also operates as <b>Durham Sports Commission</b> and <b>Durham Convention Bureau</b> under an inter-local agreement with the municipality and the county governments (in legal form of NGO).</li> <li>- <b>Mission:</b> To spearhead visitor-centered economic and cultural development of Durham.</li> </ul>
Staff and Board <sup>109</sup>	<ul style="list-style-type: none"> <li>- The City Council and Board of County Commissioners appoint <b>12 authority members via an inter-local cooperation agreement</b>; as required by the legislation, half are appointed by the Durham City Council and the other half by the Durham Board of County Commissioners. <b>Members represent residents at large, neighborhoods, lodging properties, restaurants, retail stores, transportation companies.</b></li> </ul>

<sup>106</sup> Data refer to North Carolina and not to Durham specifically. Data Source: 2017 North Carolina Visitor Profile.

<sup>107</sup> Discover Durham Activity Report 2020-2021, Durham Annual Report 2019-2020 – A year in review

<sup>108</sup> <https://www.budgetyourtrip.com/hotels/united-states-of-america/durham-4464368>

<sup>109</sup> <https://www.discoverdurham.com/about/faqs/> and <https://www.discoverdurham.com/about/about/>



	<ul style="list-style-type: none"> <li>- Convention bureaus promote the <b>organization of convention and conference events in the city</b>. The birth of this type of entities dates back to the beginning of the 20<sup>th</sup> Century in the US and such model is largely adopted in cities in which these activities are relevant for local tourism development, in terms of number of participants, average per capita expenditure and contribution in terms of status.</li> <li>- It pursues the mission of developing conference tourism through the exercise of some basic activities and others that may be defined as “accessory”, varying according to circumstances. It limits, however, to <b>coordinating the activities of members and representing them vis-à-vis potential demand</b>, not acting directly as a conference organization company<sup>110</sup>.</li> </ul>
<b>Office Physical location</b>	The DMO has its <b>HQ in downtown Durham, which is also a visitor centre</b> . The office is equipped with touch screens and displays through which tourists can orient themselves and find out about events and activities in town. Thematic printable maps (e.g. mural map, parking map) are also available. The centre is equipped with a lounge and a souvenir shop too.
<b>Financing<sup>111</sup></b>	Since 2002, the legislation enables Durham to collect its <b>room occupancy and tourism development tax (6% per room)</b> . <b>Almost 33% of it is devolved to Discover Durham</b> to enable tourism development activities. The DMO <b>does not receive any membership fees</b> . It decided that the best way for the private sector to participate is through <b>sponsorships</b> in publications and other cooperative marketing projects.
<b>Plan and Strategy</b>	Besides being involved in tourism marketing, the DMO also operates in investments attraction. It indeed monitors new infrastructure building/renovation and tenders for revitalizing unused urban areas. This has the twofold aims to inform existing operators on new developments in town and to <b>attract eventual prospective investors in tourism</b> <sup>112</sup> . To support such action, it makes available for consultation, on its webpage, documents on demography and other socio-economic data <sup>113</sup> .
<b>Focus</b>	At the time of writing <sup>114</sup> , Discover Durham is committed to implement activities to sustain the tourism sector and help operators overcome COVID-19 negative effects: <ul style="list-style-type: none"> <li>- <b>Durham Delivers</b>: App for a delivery service of F&amp;B produced by participating local businesses to help them survive the pandemics. It generated more than 200,000\$ revenues.</li> <li>- <b>Supporting Minority-Owned Businesses</b>: Support given to black-owned and LGBTQIA+ businesses dedicating a page on the website to tell their stories, art work displayed at visitor center, billboards in museums. This activity generated 22000+ views on website.</li> <li>- <b>COVID 19 partner emails</b> to keep them updated on latest information affecting the sector, along with <b>Recovery &amp; Renewal Task Force roundtables</b> to find cross-sectoral opportunities of cooperation (tourism, retail, sport, arts, fashion, etc.).</li> <li>- <b>Hospitality Job Fairs</b> at University Campus and convention centre with 35 HO.RE.CA businesses participating and hundreds of positions covered.</li> <li>- <b>Revamped Meeting Planner Page and campaign</b>: DMO staff sought for new ways to engage meeting planner presence, developed with new target audiences and pandemic consideration and content addressing meeting planners specifically.</li> </ul>
<b>KPIs</b>	The board meets monthly to set policy, assure fiscal health and stability and monitor Discover Durham’s performance. As the DMO is part of the Destination Marketing Accreditation Program, it is assumed by the Consultant that it adopts KPIs set by the programme. Destination Marketing Accreditation Program qualitative and quantitative KPI set <sup>115</sup> takes into account: <ul style="list-style-type: none"> <li>- <b>Governance</b>: 12 KPIs (KPI1.1: <i>DMO follows an approved governance policy</i>).</li> <li>- <b>Strategic planning</b>: 3 KPIs (KPI2.2: <i>DMO shall develop and maintain a strategic plan</i>).</li> <li>- <b>Stakeholder engagement/advocacy</b>: 3 KPIs (KPI3.1: <i>DMO has an advocacy plan in place and is proactively engaged in advocacy activities</i>).</li> <li>- <b>Finance</b>: 7 KPIs (KPI 4.5: <i>DMO adopts and utilizes a Uniform System of Accounting and Uniform Chart of Accounts</i>).</li> <li>- <b>HRs</b>: 12 KPIs (KPI5.1: <i>DMO complies with all applicable labor and employment laws</i>).</li> <li>- <b>Management and operations</b>: 7 KPIs (KPI 6.3: <i>DMO utilizes specific policies and procedures for the management and supervision of contractors or outsourced service providers</i>).</li> <li>- <b>Technology</b>: 5 KPIs (KPI7.2: <i>DMO has a technology plan</i>).</li> <li>- <b>Research and Marketing intelligence</b>: 2 KPIs (KPI8.1: <i>DMO demonstrates a commitment to customer research</i>).</li> <li>- <b>Brand management</b>: 5 KPIs (KPI 9.4: <i>DMO has developed a brand promise or commitment</i>).</li> <li>- <b>Marketing</b>: 6 KPIs (KPI10.6: <i>DMO provides destination information formatted for a mobile platform</i>).</li> </ul>

<sup>110</sup> Formato, R. (2006). *Ingegneria del turismo*. Edizioni scientifiche italiane.

<sup>111</sup> <https://www.discoverdurham.com/about/faqs/>

<sup>112</sup> <https://www.discoverdurham.com/media/new-developments/>

<sup>113</sup> <https://www.discoverdurham.com/about/research/>

<sup>114</sup> September 2022.

<sup>115</sup>An excel table reporting over 100 KPIs can be downloaded by the programme website.



	<ul style="list-style-type: none"> <li>- <b>Communications:</b> 6 KPIs (KPI11.2 : <i>DMO maintains an updated crisis communications plan</i>).</li> <li>- <b>Sales and services:</b> 13 KPIs (KPI12.12: <i>DMO solicits continual customer feedback on its sales process</i>).</li> <li>- <b>Visitor services/members and partnerships:</b> 4 KPIs assessing visitors services + 5 assessing members and partnerships (KPI13.1: <i>DMO has procedures to respond to visitor inquiries in a timely manner</i>).</li> <li>- <b>Destination development:</b> 1 KPI, KPI14.1: <i>DMO is actively engaged in leading and participating in the process to enhance the destination</i>).</li> <li>- <b>Volunteers relations:</b> 1 KPI, KPI15.1: <i>DMO provides training for volunteers</i>.</li> <li>- <b>DMO Aspirations:</b> 20 KPIs (A-19: <i>DMO has established a succession plan for its chief staff officer</i>).</li> </ul>
<b>Stakeholders involvement</b>	<p>The DMO has a very collaborative approach and involves operators in all its activities, managing also a focal point for sector development and as problem-solver.</p> <p>Some of the activities/projects implemented have indeed been co-designed with stakeholders during ongoing consultations and roundtables, which mostly (but not only) involve HO.RE.CA representatives.</p>

Table 20: Key features of Discover Durham DMO

#### 4.7.4. Lessons learned

- DMOs can foster large community participation, till residents, that can apply to be among representatives of the Board the DMO.
- DMO can operate both in consumer marketing and in business marketing, such as the case for Sport Commissions and Visitor Bureaus.
- DMO can act not only as a tourism development player but as an investment attraction agency.
- Such positioning requires the use of balanced budgeting techniques, based on self-revenue generation (e.g. commission on meetings attracted) and on business tourist taxes.

### 4.8. Graubünden, Switzerland (focused on Winter & Mountain Tourism)

#### 4.8.1. Motivation for choosing the practice

The Consultant selected this practice because the Swiss DMO system went through a deep reform in recent decades, shifting from small local DMOs to a **new structure based on regions and including several communities living in remote areas**. Such organizations are equipped with a budget large enough (roughly 4-6 million USD per year) to compete in international markets and represent a model for DMOs operating in mountain environment, particularly focused, among the others, on **experiential and adventure tourism**.



Figure 33: Graubünden logo

#### 4.8.2. Graubünden as a tourism destination

Graubünden is a **mature destination**, which is rejuvenating its tourism products by exploring new SITs and niches<sup>116</sup>.

Tourism accounts for around **30% of the canton GDP**. The almost 700 Graubünden hotels generate more than five million overnight stays every year. Around 75% are currently generated by domestic tourism, showing how also internal tourism can be important for destination development. More broadly, in Alpine regions<sup>117</sup> the share of employment in hospitality exceeds 10% of total employment, making the tourism industry the lead industry. Graubünden is therefore an example of widespread hospitality and inclusion.

<sup>116</sup> Bieger, T., Beritelli, P., & Laesser, C. (2009). Size matters!-Increasing DMO effectiveness and extending tourist destination boundaries. *Tourism: An International Interdisciplinary Journal*, 57(3), 309-327.

<sup>117</sup> <https://www.bfs.admin.ch/bfs/en/home/statistics/regional-statistics/regional-portraits-key-figures/cantons/graubuenden.html>

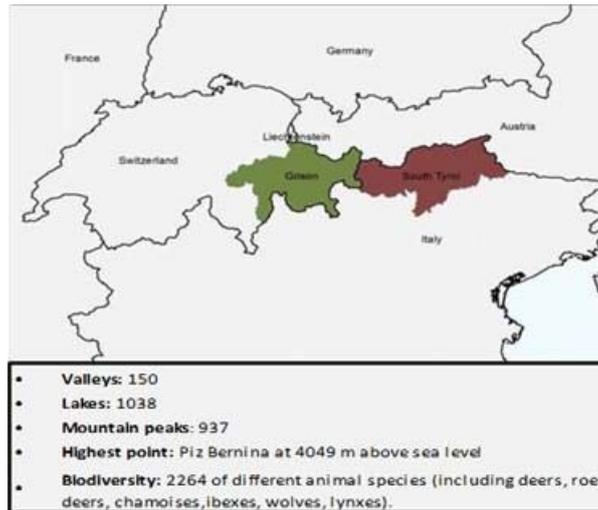


Figure 34: Map of Grisons

<b>Area of competence</b>	<p><b>Total area:</b> 7105 km<sup>2</sup>  <b>Total population:</b> 200'096 inhabitants</p> <p>Graubünden is the largest region in Switzerland (17.2 % of country's total land area) and the most sparsely populated with 200,096 inhabitants (27.9 people/km<sup>2</sup>). It contains 17 Municipalities with the biggest being Chur (37500 inhabitants). Most population lives in <i>Maiensäss</i>: cleared areas in the middle of the forest with a few huts and associated stables. Graubünden is rich in traditions still practiced and celebrated in its 150 valleys. The region has three WHS<sup>118</sup> and host several festivals connected to its rich intangible heritage and/or arts and exhibitions.</p>
<b>Niche tourism products</b>	<ul style="list-style-type: none"> <li>- Outdoor/Adventure tourism</li> <li>- Winter Tourism</li> <li>- Festivals connected to local culture</li> <li>- Wellness and spa</li> <li>- Scenic railway (Albula and Bernina Lines of the Rhaetian Railway)</li> </ul>
<b>Tourism data<sup>119</sup></b>	<ul style="list-style-type: none"> <li>- <b>Total Tourism arrivals:</b> 5,256,016 overnight stays in 2019</li> <li>- <b>N. Domestic Tourist:</b> 3,208, 122 in 2019</li> <li>- <b>Domestic tourism is the main source of tourism for Graubünden.</b> It also helps in deseasonalization of tourism demand<sup>120</sup></li> <li>- <b>N. of international visitors:</b> 5'153'155</li> <li>- <b>Country of origin:</b> 93,89% of total overnight stays at country level come from Benelux, Germany, Greater China, France, Italy, Switzerland, USA, UK.</li> <li>- <b>Average stay</b> is 2.7 nights/tourist<sup>121</sup>.</li> <li>- <b>Average daily tourism expenditure<sup>122:</sup></b> N/A</li> <li>- <b>Overall Tourism Revenues:</b> N/A</li> <li>- <b>ADR:</b> N/A</li> <li>- <b>AOR:</b> 49,7%<sup>123</sup></li> <li>- <b>N. of tourism businesses:</b> 700 hotels</li> <li>- <b>N. people directly employed in the tourism industry:</b> N/A.</li> </ul>

<sup>118</sup> UNESCO WHS: Tectonic Arena Sardona; Albula and Bernina Lines of the Rhaetian Railway; Monastery of St. Johann in Müstair)

<sup>119</sup> [https://www.stv-fst.ch/sites/default/files/2019-07/STiZ\\_2018\\_EN\\_Web.pdf](https://www.stv-fst.ch/sites/default/files/2019-07/STiZ_2018_EN_Web.pdf)

<sup>120</sup> Domestic tourism boosted the hotel stays in Autumn (+112,9 %) thanks to the launch of a foliage map (which also includes Grisons region).

<sup>121</sup> [https://www.stv-fst.ch/sites/default/files/2019-07/STiZ\\_2018\\_EN\\_Web.pdf](https://www.stv-fst.ch/sites/default/files/2019-07/STiZ_2018_EN_Web.pdf)

<sup>122</sup> Data collection on tourism expenditure is carried out by direct interviews of a representative sample of tourists in randomly selected formal hospitality establishments. Latest analysis has also been carried out in rented apartments and second-owned houses in order to verify the existence of discrepancies between these two accommodation types.

<sup>123</sup> [https://www.stv-fst.ch/sites/default/files/2019-07/STiZ\\_2018\\_EN\\_Web.pdf](https://www.stv-fst.ch/sites/default/files/2019-07/STiZ_2018_EN_Web.pdf);



Table 21: Graubünden as a tourism destination



Figure 35: Graubünden Landscapes

### 4.8.3. Graubünden as Regional DMO

Graubünden is the biggest tourism region of Switzerland, and it is considered a role model for community destination development and evolution, as here **the first DMO at community level** - the tourism promotion board of St. Moritz - was founded back in 1864 in form of an association.

The current DMO is a Public Company which is particularly focused on fostering product innovation as winter tourism is a very mature product which suffer high competition from new destinations.

<b>Organization</b>	<ul style="list-style-type: none"> <li>- <b>Legal Status: Public Company</b> established by Graubünden canton (Economic Development Act of 27 august 2015).</li> <li>- <b>Identity:</b> Sales-oriented marketing organisation of Switzerland's most important holiday destination.</li> <li>- <b>Mission:</b> The primary goal of Graubünden Tourism is to bring more guests to Graubünden by encouraging demand.</li> </ul> <p>The DMO has 8 partners, mostly federations and national associations as well as leading bus companies and public transport carriers.</p>
<b>Staff and Board</b>	<p>The DMO has <b>one chief executive and three management staff responsible for its three departments:</b> Innovation and development, marketing and shared services. It has <b>36 operative staff and 5 interns.</b></p>
<b>Physical location</b>	<p>The DMO has office space in Chur.</p>
<b>Financing</b>	<p><b>In 2022 the DMO financed its entrances 50% by public transfers and 50% by other revenues including marketing activities (40%) and other services provided to the tourism sector<sup>124</sup></b> Public funds are provided through a service agreement based on <b>performance budgeting mandate</b> by the <i>canton</i> (region) of Graubünden.</p> <p>In 2021, the total operating budget was 6,485,744 USD<sup>125</sup>:</p> <ul style="list-style-type: none"> <li>- <b>Equity ratio<sup>126</sup>:</b> 84, 46 %. Only 15.54 % of assets are used to pay liabilities and the business has therefore is financial sustainable.</li> <li>- <b>Cash Ratio<sup>127</sup>:</b> 115%. This means that the DMO is more than able to repay its debts in the short run.</li> <li>- <b>Gross Profit margin:</b> 4,678,000 CHF. The result is positive and growing year after year (+3,83% from 2020), which indicates DMO solidity.</li> </ul>
<b>Plan and Strategy</b>	<p>As defined in its Destination Strategy 2022, Graubünden DMO <b>strategic objectives</b> are:</p> <ul style="list-style-type: none"> <li>- Consolidate Graubünden positioning as a Year-Round Destination (e.g. branding as "Home of Trails").</li> <li>- Provide targeted advertising for the Graubünden holiday region.</li> <li>- Increase guest's length of stay.</li> <li>- Promote sustainable tourism development and growth throughout the region.</li> <li>- Play a leading role in tourism digital marketing and content distribution.</li> </ul> <p>From such objective descend <b>operative actions</b>, which include:</p>

<sup>124</sup> Source: Bilanz und Erfolgrechnung. - 2021 (foleon.com)

<sup>125</sup> Original data are published in 2021 Activity Report: <https://corporatefinanceinstitute.com/resources/knowledge/finance/cash-ratio-formula/>

<sup>126</sup> Cash ratio is calculated by cash and cash equivalents / current liabilities.

<sup>127</sup> Gross Profit Margin or EBITDA is calculated by subtracting operative costs (including personnel ones) to total revenues.



	<ul style="list-style-type: none"> <li>- Build new experiences that are cross-destination and have not yet been offered by individual partners.</li> <li>- <b>Setting up of Alpine Circle:</b> combining the most popular sights and excursion destinations in Graubünden in exciting alpine tours (with the participation of DMO Partners).</li> </ul> <p>In 2022, the DMO foresees to concentrate its efforts on attracting new guests and persuading existing one to return to Graubünden, through the following key areas of intervention:</p> <ul style="list-style-type: none"> <li>- <b>Analysing relevant innovative trends</b> (e.g. metaverse; travel behaviour of GenZ<sup>128</sup>) and studying how they can affect tourism so as to undertake proper initiatives to grow tourism in Graubünden.</li> <li>- Introducing <b>tourism innovative ideas</b>, to be assessed quickly and systematically, and soon developed.</li> <li>- Enhancing <b>competences</b> of workers and managers of the tourism sector, also through international cooperation projects.</li> <li>- <b>Expand the range of IT services</b> to enable destinations and service providers to benefit directly, easily and without great effort, from them.</li> </ul>
<b>Focus</b>	<p>The DMO currently focuses on:</p> <ul style="list-style-type: none"> <li>- Constant upgrading of its digital platform to display tourism offer of the region. The platform is used as <b>digital hub of numerous campaigns, services and information sources</b><sup>129</sup>.</li> <li>- <b>Other projects addressing tourism innovation.</b></li> <li>- <b>Topic-relevant studies</b> (e.g. Researches about the "Van Life" trend; topic of "workation"; needs assessment for specific needs of mountain bikers in Germany). Great relevance is committed to segment analysis, by which megatrends are highlighted and their implications for tourism in Graubünden are derived.</li> <li>- <b>Alpine Circle programme:</b> International programme involving 13 alpine destinations in product development and research.</li> <li>- <b>Shared services:</b> These include management of websites or marketing activities for destinations and hotels, carrying out pilot tests and offering digital devices such as WLAN hotspots or VR glasses.</li> </ul>
<b>KPIs</b>	<p>At a national level, Swiss DMOs have in place a performance monitoring system that refers to 3 key areas:</p> <p><b>1. Overall Swiss Tourism performance</b><sup>130</sup></p> <ul style="list-style-type: none"> <li>- <b>KPI 1:</b> % of growth of overnight stays with respect to nearby countries (20 years' time series)</li> <li>- <b>KPI 2:</b> % of growth in hotel beds (i.e. hotel capacity) with respect to nearby countries (20 years' time series)</li> <li>- <b>KPI3:</b> % of growth in jobs directly related to tourism with respect to nearby countries (20 years' time series)</li> </ul> <p><b>2. Mountain (Alpine) Tourism</b></p> <ul style="list-style-type: none"> <li>- <b>KPI 1:</b> N. of available beds in the alpine regions<sup>131</sup> in 2018</li> <li>- <b>KPI 2.1:</b> % of growth in demand for accommodation in winter season (time series: 1995-2018)</li> <li>- <b>KPI2.2:</b> % of growth in demand for accommodation in summer season (time series: 1995-2018)</li> </ul> <p>Graubünden Tourism has adopted also <b>specific targets</b><sup>132</sup>:</p> <ul style="list-style-type: none"> <li>- <b>Target 1:</b> Overnight stays &gt; 2 millions</li> <li>- <b>Target 2:</b> Marketing budget &gt; 7 millions</li> <li>- <b>Target 3:</b> Turnover &gt; 1 million SFr</li> <li>- <b>Target 4:</b> Maximum 7 members in the board</li> <li>- <b>Target 5:</b> Have in place a marketing strategy and plan with quality management and control measures</li> </ul>
<b>Stakeholders involvement</b>	<p>The value chain at Swiss Alpine tourism destinations is highly fragmented, therefore stakeholder engagement is challenging<sup>133</sup>. Graubünden Tourism works with the tourism organizations in the individual regions of Graubünden and with the Rhaetian Railway. There is also cooperation with industry associations, hotels, official offices and private partners, depending on the project.</p>

Table 22: Key features of Graubünden Tourism DMO

#### 4.8.4. Lessons learned

##### a) The DMO makes extensive use of strategic management and KPIs to guide tourism development.

<sup>128</sup> "GenZ" or "centennials" are travelers born between 1997 and 2012, daughters and sons of the last generation of baby boomers.

<sup>129</sup> <https://www.unic.com/en/projects/graubunden-tourism>

<sup>130</sup> From these KPIs it is possible to note that in the reference period (2000-2018) the industry was underperforming in respect to nearby countries and to investigate the reasons why.

<sup>131</sup> There are six national alpine regions: Austria, Italy, Switzerland, Germany, Slovenia, Liechtenstein.

<sup>132</sup> Boksberger, P., Anderegg, R., & Schuckert, M. (2011). Structural change and re-engineering in tourism: A chance for destination governance in Grisons, Switzerland. *Tourist Destination Governance. Practice, Theory and Issues*, 145-158.

<sup>133</sup> Jackli, U. (2019). *Stakeholder trust and efficiency at alpine destinations in Switzerland: the role of stakeholder integration and procedural justice* (Doctoral dissertation, University of Southern Queensland).

- b) At national level, the adoption of **common KPIs helps to monitor and compare performance** of different DMOs.
- c) It receives public funds based on a service contract which is built around a performance budgeting scheme;
- d) The DMO use extensively **web marketing** recurring to a **platform to be used as umbrella** for information and promotion of activities throughout the destination.
- e) **It chose to involve networks of operators** (e.g. hotel association) rather than single establishments/firms, **so as to both ensure presentation of tourism operators and limit the number of stakeholders** to engage.
- f) As it is a mature destination, it put much emphasis on **product innovation** as well as **training and education of tourism operators**.

## 5. CONCLUSIONS

The analysis has clearly shown that no single model of DMO exists, neither it is possible to establish which is a “best model”, as it depends, among the others on:

- The administrative regime;
- The functions carried out;
- The structures adopted;
- The degree of private operator involvement;
- The level of tourism development;
- A variety of local circumstances.

This is not surprising, as we set from the beginning that the DMO concept is very vague and cannot be defined. Moreover, it applies to the local (destination) level and we did not find any case of adoption as a national framework. Most advanced countries neither adopt it in their current legislation, as it is a new concept that must fit in well established institutional settings.

This does not mean that it cannot be adopted in the Armenia case, as the country has to develop from the beginning its tourism organization system, particularly at the regional and local level, but it would be naïve, besides being scientifically inconsistent, to infer one best solution from the cases we analyzed.

As the example of a small country such New Zealand clearly shows, it is impossible to draft conclusions for a single state, where a plethora of discretionary DMOs solutions is in place, let alone for the whole world. It would also be as well ingenuous to provide some quick-win management advices. As we already said, it is not difficult to find a simple solution for a complex problem, but the issue is that it will be probably wrong.

We can however learn some lessons from the cases we analyzed and try to use them to inform the construction of the DMO model for Armenia. A wise way to proceed is to draft key lessons using some well-established methodological tools. We will therefore apply (1) the good governance principles introduced at § 3.4. and (2) consider their transferability to Armenia using a well-known approach for inter-cultural transfers of organizational models<sup>134</sup>.

As a guide, will we also use key results from the case studies reported in the following synoptical schemes, which distinguish among:

- National DMO;
- Regional DMO;
- Local DMO.

*Please notice that we have considered DBC a national-level DMO due to the highly federal feature of the Canadian State and to the articulation of DBC in regional DMOs.*

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<sup>134</sup> We will refer to the Hofstede model, which was introduced by IBM in the '70s of last century to adapt its international approach to national circumstances – See Hofstede, G. (2011). Dimensionalizing cultures: The Hofstede model in context. *Online readings in psychology and culture*, 2(1), 2307-0919



Indicator	Country/DMO Level					
	Canada			Lithuania		
	National	Regional (e.g. DBC)	Local (e.g. NBC)	National	Regional	Local
<b>Legal Status</b>						
Public	■			■		■
Private (but Public-owned or controlled)						
PPP (Public-led)						
PPP (Private-led)						
NGO by public		■	■			
NGO by private						
<b>Management Board</b>						
Appointed	■	■ (from private sector)		■		
Elected			■ (from private sector)			■
<b>Funding sources</b>						
Public transfers	■	■ (Results based)	■ (Results based)	■		■
Tourist tax						■
Sales of services and merchandising		■	■			■
Membership fee						
Other						
<b>Main functions</b>						
Strategy formulation		■	■	■		
Tourism industry coordination		■	■	■		
Representing the interest of stakeholders		■	■			■
Management of the destination area/region		■	■	■		
Management of tourism products		■	■			■
Management of tourist attractions						
Training and capacity building		■	■	■		
Marketing and destination branding	■	■	■	■		
Digitalization and innovation		■	■	■		
Marketing intelligence		■	■	■		
Crisis Management		■		■		
Provision of tourism information		■	■			■



		(through Vancouver DMO)				
Funding and fostering investments		■		■		

Table 23: Synoptic scheme about features of examined National-level DMOs

Indicator	Regional/DMO Level								
	Italy					New Zealand		Switzerland	
	Trentino					Lake Taupo		Graubünden	
	Trentino Sviluppo (TS)	Trentino Marketing (TM)	Tourism Promotion Agencies (TPA)	Area Territorial Agencies (ATA)	Wine Route	Territorial Local Authority	Regional Tourism Organization (DLT)	Regional Canton	Graubünden DMO
<b>Legal Status</b>									
Public				■ (branches of TM)		■		■	
Private (but Public-owned or controlled)	■	■							■
PPP (Public-led)									
PPP (Private-led)			■		■				
NGO by public							■ (by District Council) <sup>135</sup>		
NGO by private									
<b>Management Board</b>									
Appointed	■	■	■ (by shareholders)	■ (by TPAs and TM)	■ (by shareholders)		■		■
Elected						■		■	
<b>Funding sources</b>									
Public transfers	■	■ (by TS)	■ (by municipalities)		■ (by TM)	■ (by State)	■	■ (by State)	■ (50% results based, by Canton)
Tourist tax	■	■ (at least 10% of the tax)	■ (up to 49% of their entrances)					■	
Sales of services and merchandising			■		■		■		(50%)
Membership fee			■		■				
Other			■ (EU-funded projects, etc.)	■ (EU-funded projects, etc.)	■ (EU-funded projects, etc.)		■		

<sup>135</sup> Other typologies are present including various forms of public partnership between territorial local authorities and the Economic Development Agency following local circumstances

Main functions									
Strategy formulation	■	■				■	■		■
Tourism industry coordination	■	■				■	■		■
Representing the interest of stakeholders			■	■	■		■		■
Management of the destination area/region	■		■				■		■
Management of tourism products		■		■	■		■		■
Management of tourist attractions			■						
Training and capacity building	■						■		■
Marketing and destination branding		■	■	■	■		■		■
Digitalization and innovation	■		■				■		■
Marketing intelligence	■		■				■		■
Crisis Management	■	■					■	■	
Provision of tourism information			■				■		■
Funding and fostering investments	■		■	■			■	■	

Table 24: Synoptic scheme about features of examined Regional-level DMOs



Indicator	Local DMO Level	
	United Kingdom Visit Aberdeen	United States of America Discover Durham
<b>Legal Status</b>		
Public		
Private (but Public-owned or controlled)		
PPP (Public-led)		
PPP (Private-led)		
NGO by public	■	
NGO by private		■
<b>Management Board</b>		
Appointed	■	■
Elected		
<b>Funding sources</b>		
Public transfers	■	
Tourist tax		■
Sales of services and merchandising	■	
Membership fee	■	
Other		
<b>Main functions</b>		
Strategy formulation	■	■
Tourism industry coordination	■	■
Representing the interest of stakeholders	■	■
Management of the destination area/region	■	■
Management of tourism products	■	■
Management of tourist attractions		
Training and capacity building	■	■
Marketing and destination branding	■	■
Digitalization and innovation	■	■
Marketing intelligence	■	■
Crisis Management	■	■
Provision of tourism information	■	■
Funding and fostering investments	■	■

Table 25: Synoptic scheme about features of examined Local-level DMOs

## 5.1. Application of good governance principles

### 5.1.1. Accountability and transparency

Accountability and transparency are a common feature of case studies analyzed<sup>136</sup>. We can indeed observe that:

- **Clear structure of decision-making bodies and rules of procedures are usually in place.** For instance, DBC adopts a model in which the law sets not only responsibilities of each national and regional level bodies, but also describes exactly the implementation, funding and reporting procedures.
- **Depending on their scope, some DMOs foresee formal community participation,** as it happens in Durham, where they can apply to be among representatives of the Board of Discover Durham DMO.

► The implementation of DMOs at regional and local level should be enforced by the provision of agreements that will clearly define expected KPIs. The use of reporting tools such as balanced scorecard will help to increase transparency and acceptance by stakeholders, fostering their involvement.

### 5.1.2. Participation

Most examined DMOs put great emphasis on stakeholder participation. Particularly:

- DBC founded the **Tourism Ecosystem** - a network of organizations and partners that collaborate at developing BC and are engaged in several projects extended to indigenous governments, local governments, tourism businesses, regional districts and different ministries;
- Trentino Marketing favors strategic and operative alliances among sectors, **also not provening from the tourism field.** More broadly, it **adopts PPP as a key principle**, using it for all key strategic actions, such as the case of Trentino Guest Card, booking platform and marketplace;
- Destination Great Lake Taupo uses a specific KPI (“Connect with residents”), which foresees to implement an Annual Community Sentiment Survey along with Brand and community workshops;
- Tight cooperation with stakeholders appears **very relevant for DMOs operating with tourism products such as:**
  - **cultural heritage**, as in the case of Aberdeenshire. In such a case is indeed necessary to involve broad stakeholder participation from the creative scene, including NGOs and volunteers;
  - **gastro and wine**, as it is for wine routes, where the key challenge is coordinating and steering the actions of actors operating in very different fields;
  - **city tourism and MICE**, as it happens at Discover Durham, where there are 12 authority members, representing **residents at large, neighborhoods, lodging properties, restaurants, retail stores, transportation companies.**

► DMOs’ establishment should be only a top-down government decision, but it should somehow involve – depending on the chosen model – key stakeholders. The degree and form of involvement may vary according to the key features of the destinations, including formal PPPs with private operators in the special case of convention bureaus, or softer involvement (such as a stakeholder committee) in case of a new destination. The typology of stakeholders also depends on key tourist products of the destination. For instance, in case of gastro and wine it is wise to involve private wineries as they will be interested in promoting their products, while for cultural destinations it would be positive to involve the creative scene.

### 5.1.3. Sound legislation<sup>137</sup>

All DMOs were created on the basis of **ad-hoc legislation, which includes different frameworks.** There is no one successful legal system, as this depends on features, culture and needs of local circumstances in which it is applied. **It must be highlighted that almost never the legislation foresaw the introduction of what we call “DMO”.** The DMO conceptualization from UNWTO took place much later than most systems were introduced and most countries neither uses such denomination when they innovate their tourism organization at national or regional level. **Moreover, the conceptualization is very broad and vague and therefore includes a variety of different legal typologies.**

<sup>136</sup> Adapted from Bokulić, S., & Ivantcheva, A. (2012, March). ODIHR and Civil Society: 20 Years of Promoting Human Rights in the OSCE Area. In OSCE Yearbook 2011 (pp. 359-379). Nomos Verlagsgesellschaft mbH & Co. KG.

<sup>137</sup> Đurašević, S. (2015). Op. cit.

The following table sums up legal status and source of each DMO.

DMO	Legal Status	Legal Source
<i>Destination British Columbia</i>	PPP (Provincial Crown Corporation)	State Law (Destination BC Act)
<i>Trentino Marketing</i>	Public-private special purpose company	Provincial law on tourism promotion was adopted: LP/08(2020).
<i>Lithuania Travel</i>	Public enterprise	Government tourism reform in 2019 <sup>138</sup>
<i>Visit Aberdeenshire</i>	NGO	Agreement among local government City Council, Region Council and Regional Development Agency (NGO Founders)
<i>Great Destination Taupo</i>	Council-controlled NGO	Local Government Act 2002
<i>The Route des Grands Crus (of Burgundy)</i>	Regional and local tourism department	No separate legal status
<i>Discover Durham</i>	Public department	Inter-local agreement, afterwards incorporated in Durham Tourism Development Authority
<i>Graubünden Tourism</i>	Public Company established by Graubünden canton	Regional Law (Economic Development Act of 27 august 2015)

Table 26: DMOs legal status and legal sources

The analysis brought to the following considerations:

- **Variety over time.** As set at § 2.4 DMOs' model change over time. Thus, the Lithuanian model, which foresees a large number of public visitor centres endorsed with information providing roles, is much different to that of Graubünden Tourism, which is rooted in an over 150 years of history.
- **As destination borders are created by the perception of visitors and cannot coincide with administrative ones, it is important to foresee governance mechanisms which allow for overcoming the rigidity of administrative frameworks.** The Trentino case study brings an example as a third layer of power (between regional and local bodies) was added. These are the ATAs, that have power to implement projects in wider areas, not corresponding to administrative boundaries.
- **Scope of DMO can be very broad.** The analysis of DMOs proves the assumption already set at § 2.5. As argued also at the following paragraph, **it can include only some marketing related functions or also extend to supply-development to the concrete management of tourism products and of specific attractions.** For instance:
  - o although not being directly responsible for the development of the supply-side, Destination Great Lake Taupo interacts with a range of national government departments that hold competences for aviation, roads, national parks, by providing crucial **internal consultancy**;
  - o although not fully explained in the report in mountain areas **ski-infrastructure operators** often behave as specialized DMOs for such niche tourism products;
  - o in the Italian experience, the Ministry of Culture recently pushed the establishment of **public-private NGOs (particularly foundations)** as governance tools to promote broad destination development starting from the management of specific high-potential cultural sites which are provided to such NGOs.

► The legal form can vary overtime and can allow for the inclusion of a variety of functions, with the number and scope depending also on the level of tourism development. Geographical scope should not necessarily overlap with administrative boundaries but might follow the destination perception of visitors.

#### 5.1.4. Clear future vision

**All the DMOs examined have a clear identity with vision set in the long-term.** Within the national / regional / local community in which the DMO operates there will always be discrepant opinions on how to promote tourism development. Trying to seek univocal agreement is important, but also standing by the adopted plan and on research results on what is the best way forward equally is.

The pursuit of a clear future vision is related to the **strategic capacity assigned to the DMO's board**, which brings legitimacy and power to the organization. DMOs can indeed be simply arms depending on upper-level decisions or be entrusted with concrete power. Usually effective bottom-level empowerment is a result of historical processes and depends also on the institutional and administrative tradition of the considered country.

<sup>138</sup> <https://eimin.lrv.lt/en/news/the-government-is-to-carry-out-dissolution-of-the-state-department-of-tourism-and-to-establish-lithuania-travel-instead>

For instance, in the Lithuania case, it is arguable the effective power released to local DMOs, which seem to operate more ad visitor centres, while it appears much higher in Graubünden Tourism.

Governance effectiveness depends also on the **capacity to include, in the Board actors and instances coming from different stakeholders, not only the public ones**. DBC, for instance, has a Board consisting of up to nine private-sector directors, who are appointed by the Minister for tourism, with up to four board members that may have direct investments in hospitality and/or tourism projects in the Region.

Most DMOs mix in their vision **attention for the development of the offer along with a focus on marketing**, belonging to the “balanced model”. We have however distinguished in the following table the ones that are more inclined to supply vs. marketing.

Tourism niche	Selected DMO	Typology			DMO's model		
		National	Regional	Local	Balanced DMO	Market-led DMO	Supply-oriented DMO
National DMO	Destination British Columbia	√			√		
Regional DMO	Trentino Marketing		√			√	
Case study from emerging economy	Lithuania Travel	√					√
Niche 1: Cultural Tourism	Visit Aberdeenshire			√		√	
Niche 2: Nature-based tourism	Destination Great Lake Taupo			√		√	
Niche 3 - 4: Gastro and Wine Tourism	The Route des Grands Crus (of Burgundy) and Taste Route (Trentino)		√		√	√	
Niche 5: Event-based tourism	Discover Durham			√		√	
Niche 6: Winter Tourism	Graubünden Tourism		√		√		

Table 27: DMOs strategic focus

DBC, which operates at the national level, is probably the most balanced, as it promotes BC tourism growth while paying attention to inducing sustainable social, cultural, environmental and economic benefits for all British Columbians. Such aspects are managed through **leaving to the national sphere the implementation of international marketing activities, while enforcing supply-side development to regional DMOs**.

Successful DMOs operating at the local level, moreover, adopt a **leadership role for/within the local community** while considering potential biases in expectations from stakeholders through including them in the decision-making process.

► The DMO structure should **follow the envisaged tourism strategy for the destination**, using a long-term perspective<sup>139</sup>. The structure should be **flexible enough to allow for modifications** of functions and partnerships over time<sup>140</sup>. Starting with the **establishment of network of efficient and effective regional visitor centers**, as in the Lithuanian case, run by market-oriented DMOs, eventually open to private partnership, might be a wise and useful starting point.

### 5.1.5. Responsiveness to change

Responsiveness to change is a value which is reached both through a flexible mindset and both thanks to the implementation of specific tools, which include permanent market research and adoption of crisis management

<sup>139</sup> The concept that structure should follow strategy (and not the opposite) is a longly established concept in management studies - see Chandler Jr, A. D. (1969). *Strategy and structure: Chapters in the history of the American industrial enterprise* (Vol. 120). MIT press. This is why we believe it is relevant to adapt local DMO structures, according for instance to stakeholder participation, to key tourism products to be developed.

<sup>140</sup> An example of flexible “DMO” structure is that of Italian **Participation Foundations**, whose adoption is endorsed by the Italian Ministry of Culture for destinations featured with heritage resources. The team leader of this project has been for various years Director of one of such innovative structure, whose results were recognized as a best practice by the Italian Government and the European Commission.

techniques which help to take immediate responses in case of dramatic and at least partially unexpected shocks, as it was the case of COVID-19 in 2020:

- Most examined DMOs pay **great attention to market research**, so has to adapt current products to maximize visitor satisfaction, monitor future trends, grasp opportunities and preventing possible threats. Thus, the majority of DMOs analysed in chapter 4 do have a Research Unit (DBC, Trentino Marketing, Lithuania Travel, Visit Aberdeenshire, Graubünden Tourism) or are actively collecting field data to inform their strategies (Destination Great Lake Taupo).
- All examined DMOs have also proved a great flexibility in adapting their work during the pandemics, using **crises management plans and techniques**. This included:
  - taking the role of focal point for operators (Trentino Marketing, Destination British Columbia);
  - launching training initiatives (Visit Aberdeenshire) and projects (Discover Durham), to sustain tourism operators;
- Most DMOs **adopt flexible strategies**, not assuming one way forward is the best, but taking time to collect evidence to prove it.

► Responsiveness to change can be reached by **involving private operators in decision-making** and focusing on quick and cheap-to-implement **digital marketing**.

### 5.1.6. Efficiency and effectiveness

Efficiency and effectiveness of the analysed DMOs is proven by the adoption of a set of governance and management techniques which are strictly related, that is:

- the use – declared or not – of the input-impact model of the “3 E” to link strategic objectives to final societal outcomes;
- the availability of funds, with most provided by the government or parental organizations, consistent with such scope;
- the adoption of service contract-agreements to link such government funds, and possible additional ones, to the performance concretely achieved.

**a) Implementation of the “3-E” model.** Although some of the functions carried out by DMOs are not easily measurable, setting **realistic objectives, integrated by a set of consistent SMART KPIs**, are a condition for the implementation of feasible DMO plans. This includes:

- setting **clear responsibilities and a system to measure, besides economy, efficiency and particularly effectiveness**:
  - Destination Great Lake Taupo strives to match stakeholder involvement with strategic effectiveness through adopting **clear KPIs** that help to pay constant attention to long-term vision;
  - Graubünden Tourism acts inside a normative Swiss framework, which foresees, at a national level, for DMOs to have in place a performance monitoring system that refers to common areas, including the (1) contribution to Swiss Tourism performance, (2) contribution to Mountain (Alpine) Tourism and (3) local-featured KPIs;
- out of all possible actions, **selecting priorities to make best use of limited resources**. DMOs work in a resource-limited environment. It is therefore important to select priority actions/projects and work on new ones just when the latter are accomplished. The emblematic example is given by Lithuania Travel NTA that divided the country in areas of interest, while prioritizing initiatives in key ones for tourism development.

**b) Funding.** All analysed DMOs receive regular financing from their members/funders, which allows to cover basic functioning of the organization and strategy implementation. **Such funds are in many cases integrated by other revenues**, such as tourist-taxes (e.g. Trentino Marketing, Vilnius), sales of service, commissions, or international donors (e.g. Lithuania). Such entrances however always represent a minor part of DMOs budgets. In the case of Lithuania it can also be argued, based on government appointed budget, that once international donor will be over, the municipalities might assume the burden to sustain the local visitor centres.

► **It is not possible to define a unique financing source, neither a fixed percentage for DMO financing.** It depends on the legal form, the national legislation about State Aids, the institutional level, the key tourist

products involved, the stage of destination life cycle, the strength of local private sector, the openness to international investments, etc.

Indicator	Degree of public finance	
	Low	High
<b>Legal form</b>	Private	Public
<b>National legislation about State Aids</b>	If present, like in EU, up to 49% of DMO yearly turnover	
<b>Institutional level</b>	Local DMOs	Regional or National DMOs
<b>Key tourist product involved</b>	MICE, Gastro & Wine, Event, Winter tourism	Cultural, Nature-based
<b>Stage of destination life cycle</b>	Mature destination	Young destination
<b>Strength of local private sector<sup>141</sup></b>	If the private sector is strong	If the private sector is weak
<b>Openness to international investments</b>	If policy and legislation are in favour of exogeneous investments <sup>142</sup>	

Table 28: Degree of public finance need for DMO establishment according to local circumstances

c) **Service contract agreements.** Many DMOs are funded on service contract agreements, based on **performance budgeting**, which means that they are provided extra-money if KPIs are met. In this model incentives, usually **extra funds, are provided if KPIs targets are met**. This is the case, for instance, of DBC, as it is well rooted in the Canadian tradition of government.

d) **Capacity of Human Resources.** Successful DMOs pay great attention to the capacity of human resources. In most virtuous cases (e.g. Discover Durham; Visit Aberdeen), additional resources - guaranteed by self-generated revenues - are used to implement trainings or buy new equipment. **Training and education** are however a key asset for all DMOs considered, as well as ensuring a **collaborative working environment** (among internal staff, but also with key stakeholders) so as to create trust:

- Trentino Marketing supports the development of **digital competences**, also through activation of platforms and communication systems for operators;
- Visit Aberdeenshire considers **employee satisfaction and the assurance of a positive and creative work environment**, built on education and training, both inside and outside the organization, as key assets.

The dimension of DMO staff can be very different, depending on competences assigned. It is however relevant to highlight that the DMO can also operate with a **thin organization but implementing extensive stakeholder engagement, as is the case of Destination Great Lake Taupo**, which employs only **5 employees in its headquarter**, covering General Management, Trade and marketing, MICE Digital strategy, besides **10** people in the two information centers that it directly manages.

e) **Digitization.** Developing a digital data infrastructure is a high priority, as information that is relevant for the customer is distributed throughout rating portals, blogs and social media. Destinations that want to be found online need to have a presence here. This means that The DMO's former role as an advertising medium is no longer as important. Nowadays, influencers and travelers provide information about the destination themselves. Therefore, the **DMO must become a source of authentic information and must proactively stimulate, distribute and influence online content<sup>143</sup>**. Thus:

- Trentino Marketing uses a customer-centric approach to tourism management in which products are easily accessible by a multimedia ICT platform, which allow **immediate commercialization of tourism products by involving local tour operators**;

<sup>141</sup> The key principle is subsidiarity. There is less reason for public sector intervention, but for monitoring and control, if the private sector can operate by itself  
<sup>142</sup> Although not discussed in the report, there are many international cases about DMOs run by international operators who invested in tourism infrastructures, managed them and promoted the destinations. Examples span from the Caribbean to the Mediterranean. In the Canary Islands, West German investment has been responsible for the development of one of the most distinctive leisure towns in Spain (Maspalomans – Playas del Ingles in Gran Canaria). Later West German capital spread throughout the archipelago. [Rodriguez Martin J.A. (1985) "El turismo en la economía canariadelimitación e impacto económico". IV Jornadas de Estudios Económicos Canarios]. In Italy, In 1962, the Arabic prince Aga Khan "discovered" Sardinia's north east coast as an ideal sailing and holiday resort for the international jet-set that was tired of the French Côte d'Azur. He not only invested in developing an area which is still one of the most prestigious tourist destinations in Italy, but started-up a successful airline (Meridiana) and a related tour operator to promote it [Hospers, G. J. (2006). CASE STUDY: COAST, CORK AND CULTURE: ECONOMIC DEVELOPMENT IN SARDINIA. *Regions Magazine*, 262(1), 13-15]

<sup>143</sup> GIZ (undated). Op. cit.



- Visit Aberdeen hosts a “**What’s on section**” on its official webpage, by which it informs tourists about cultural initiatives in town, fostering the reaching of new audiences;
- Graubünden DMO is much committed to **analysing relevant innovative trends** (e.g. metaverse; travel behaviour of GenZ<sup>144</sup>) and studying how they can affect tourism so as to undertake proper tourism development initiatives. It is also constantly upgrading its digital platform to display tourism offer of the region using its web platform as **digital hub of numerous campaigns, services and information sources**;
- Although not analyzed in the report, we can remind here the case of “Mekong Tourism” DMO, which implements a strong **social media strategy** which centers around the platform “Mekong Moments”. It collects pictures, short videos and stories from travelers that were posted on social media with the hashtag #mekongmoments. This in order to provide a wide range of authentic and credible impressions from the region that are distributed online via the communities of travelers<sup>145</sup>.

## 5.2. Considerations on transferability of models to Armenia

As mentioned in the introduction, the present study is intended to provide examples of international best practices in destination management, so as to inform, along with Local Context Analysis (Task 2) the models for DMO establishment in Armenia (Task 3).

It does not make much sense to provide strengths and weaknesses of analyzed best practices, as these are clearly related to each peculiar national situation. Moreover, results of the study have to be matched with those of the Local Context Analysis to provide feasible suggestions for the Armenian case.

In broad terms, from the analysis we can rather infer some general principles which include:

- a) DMO refers to **delegation of tourism competences** from the national level to the regional and local level so as to bring the tourism product construction and provision closer to the places where the tourism experience is provided;
- b) DMO is therefore about **subsidiarity**, which means that the public government should retain in its hands, at the national level, only those functions according to which it can add value (such as country’s image building and promotion) while leaving regional and local levels, including private operators, much of the tourism activity;
- c) DMO is about **transfer of power** from the central government to local government and other stakeholders, including private operators. This brings an issue of public choice<sup>146</sup>, as government officials, at various levels, might be reluctant to lose their current benefits, although these do not pursue the public interest;
- d) DMO is therefore about **accountability**, as the transfer of competences should be accompanied by application of results-based management techniques, so as funds are provided according to assessed performance;
- e) DMO is about **involving stakeholders**, particularly tourism operators, but also businesses from other sectors to add resources (capital, intelligence) to tourism planning, development and marketing;
- f) DMO, particularly at the local level, is about **entrepreneurship and risk-taking**, as DMOs are called to build, promote and sell competitive tourism products by cooperating with private operators.

The extent to which such principles apply to Armenia is not a merely administrative or technical issue, which can be easily faced, but much depends on the country’s history and cultural dimensions. It is therefore very interesting, to such extent, analyze how Armenia stands against such dimensions, as conceptualized in relevant works such as the Hofstede’s ones<sup>147</sup>.

<sup>144</sup> “GenZ” or “centennials” are travelers born between 1997 and 2012, daughters and sons of the last generation of baby boomers.

<sup>145</sup> GIZ (undated). Op. cit.

<sup>146</sup> Boyne, G. A. (1998). *Public choice theory and local government*. Macmillan, Basingstoke.

<sup>147</sup> Hofstede, G. (2011). Dimensionalizing cultures: The Hofstede model in context. *Online readings in psychology and culture*, 2(1), 2307-0919.

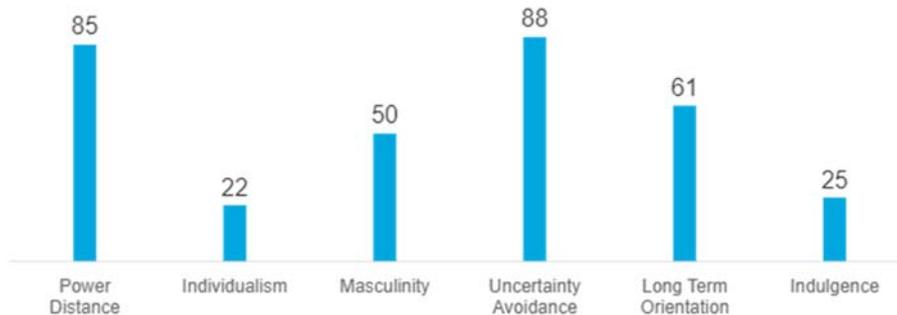


Figure 31: Hofstede's cultural dimensions in Armenia<sup>148</sup>

From this exercise we discovered that:

- Armenia is a nation where **power holders are very distant in society**. People accept a hierarchical order in which everybody has a place, and which needs no further justification. Hierarchy is seen as reflecting inherent inequalities, and the different distribution of power justifies the fact that power holders have more benefits than the less powerful in society. The discrepancy between the less and the more powerful people leads to a great importance of status symbols. **It will be therefore very difficult to accept a transfer of power from the national to the bottom level;**
- Armenia is a **collectivist culture**. This is evident in the early integration and close, long-term commitment to a strong, cohesive 'in-group'. These societies foster **strong relationships where everyone takes responsibility for and protects fellow members of their group**. Loyalty is paramount and overrides most other societal rules. In these societies, offence leads to shame and loss of face. This means at the local level, **associations work better if they replicate small communities, rather than merge distant ones;**
- Armenia scores very high on Uncertainty Avoidance, demonstrating that as a nation it searches mechanisms to avoid ambiguity. **People do not readily accept change and are very risk adverse**. They maintain rigid codes of belief and behavior and are intolerant of unorthodox behavior and ideas. **To minimize the level of uncertainty, there is an emotional need for strict rules, laws, policies, and regulations**. Such attitude clearly contrasts with many DMOs experiences that we have examined, where particularly at local level structure and strategies were kept flexible so as to adapt to market changes;
- Finally, the low score of "indulgence", shows that Armenia has a culture of restraint. Restrained societies have a **tendency toward cynicism and pessimism**. This in turn prevents the entrepreneurial spirit that is a pre-requisite of many local DMOs, particularly those open to partnership with private operators.

As an insight for the next tasks, we therefore infer:

- It is advisable to pursue a **gradual shift from the current institutional situation**, paying attention that innovation does not bring to drastically changes in institutional power assets, as they would likely receive a fierce opposition from bureaucrats in power;
- Although not fully consistent with international best practices, where the DMO's concept is declined with great flexibility also inside the same country, it is advised to **set a strict set of rules for DMOs creation**, so as to comply with Armenia's low tolerance of uncertainty and leave space for government's control;
- As entrepreneurship is a key requisite for Local DMO success, **possible DMO experiences ran by local operators, although they might be in an embryonic state, should be valued and protected**, as they contrast with the Armenian pessimistic cultural attitude;
- At the very local level **DMO's establishment, for instance visitors' center such as in the Lithuanian case, should preferably adhere to the geographical boundaries of local communities**, so as to replicate strong relationships that are already presents and represent an Armenia strength.

<sup>148</sup> Source: <https://www.hofstede-insights.com/country/armenia/>

## ANNEX 1 – FUNCTIONS IMPLEMENTED BY INSTITUTIONAL ACTORS IN TRENТИNO

### TRENTINO MARKETING

TM implements the following activities:

- a) Favor the development of **strategic and operational alliances between the various sectors, including non-economic ones**, in order to enhance the territory as a tourist destination and improve tourist proposals, also through the coordination of the planning of area and area activities;
- b) Favor tourism development and territorial promotion projects with tourism promotion bodies in the regions bordering Trentino;
- c) Monitor the trend of the tourism system to increase the effectiveness of the proposals through knowledge of tourism data and market dynamics;
- d) Coordinate and control the activities of the ATAs, in order to favor the innovation of the proposal and the improvement of the quality of the tourist experience;
- e) Evaluate the coherence between the activities aimed at guaranteeing the quality of hospitality and the tourist experience carried out by the APTs;
- f) Identify and supervise the national and international markets on which to propose the Trentino tourist offer, and carry out the consequent promotion and communication initiatives;
- g) Develop digital skills and manage communication systems and digital platforms functional to tourism marketing of the entire provincial territory;
- h) Conceive, program and manage events of high touristic importance promoted directly or assigned on the basis of the planning of the Provincial Government.

In compliance with such objectives, TM carries out actions with respect to the APTs aimed at:

1. Coordinate and optimize product policies;
2. Discuss ideas and proposals for product, market, promotion and marketing innovation;
3. Ensure coherence and cohesion between local tourism marketing policies and the general image of Trentino;
4. Support and facilitate strategic, planning and operational dialogue with other tourist destinations outside Trentino but geographically close and similar in terms of type of offer.

TM carries out guidance, coordination and decision-making activities relating to the development of new tourist products that emerge within the territorial areas and can coordinate and facilitate the development of inter-area tourism products.

### AREA TERRITORIAL AGENCIES (ATAs)

ATAs implements the following activities:

- a) Development of inter-sectoral tourism products, including the coordination of the various subjects involved, to be carried out with the collaboration of the APT;
- b) Involvement of TPAs in the proposal to tourists of the inter-scope product;
  1. Monitoring of the tourist products offered also through data analysis with a view to continuous improvement;
  2. Formulation and implementation of tourism product development projects through EU funds or other public and private funding channels;
  3. Stimulus to innovation as regards the conception and development of projects and digital solutions for territorial promotion and integrated and sustainable tourism;
- c) Analysis and proposals for tourist mobility through the improvement of accessibility in collaboration with the various entities involved.

### TOURISM PROMOTION AGENCIES (TPAs)

ATAs implements the following activities:



a) **Primary activities:**

1. Set up and carry out tourist information, assistance and reception services, with a view to building the tourist experience;
2. Organize and promote exhibitions and events as well as coordinate and promote those carried out by other entities in the area;
3. Implement, locally, provincial level projects and system tools as well as products developed by local area agencies;
4. Develop tourist products of interest in the related area;
5. Enhance the use of local products and local experiences;
6. Assist and support the tour operators in the area with reference to the following topics:
  - i. involvement in the definition and construction of the tourist product;
  - ii. definition of thematic and seasonal proposals;
  - iii. use of system digital platforms;
  - iv. consistency between the positioning of the structure and that of the locality;
7. participate in tourism product development projects by appointing their own representative at ATAs;
8. develop synergies with the municipalities and with the institutions present in the area so as to implement the necessary interventions for the tourist valorization.

b) **Other activities:**

9. Carry out marketing activities in one's own area with reference to proximity markets;
10. Promote each locality brands;
11. Contribute to the enhancement and promotion of the landscape, artistic, historical and environmental heritage, also with regard to initiatives relating to the circular economy, in line with the aims of territorial promotion;
12. **Promote and manage facilities, services and infrastructures of a local nature and not of economic importance and of prevalent tourist or sporting interest;**
13. Support initiatives to promote low environmental impact activities;
14. Promote the performance of mobility services of collective utility, supplementary to the tourist offer, which ensure better conditions for using the territory