

From destination management to destination governance

Introduction

The widespread growth of the tourism sector is receiving a strong attention from academic, private businesses as well as from government policy makers as one of the most remarkable economic and social phenomena of the past century.

Travel is much easier today, thanks to the innovations generated by new technologies, which are affecting tourism market both from the demand and supply side. From the demand side, tourism is no more a privilege of few but is considered a basic need, where time constraint is equal to the budget constraint. From supply side, tourism is a set of extremely various choice in terms of new destinations, services and activities. Nowadays, people can have ski holiday in Dubai and even enjoy a space travel.

The increasing complexity of the travel sector are forcing destinations to adopt and implement proactive strategy to survive and to maintain their position in the current competitive travel market, which is never been so high (Formica and Kothari, 2008).

One of the major challenges for destinations is to stay market driven, agile and closely attuned to matching the needs of travelers, because in order to survive, companies must be able to anticipate and adapt to change or face rapid, brutal extinction (Fine, 1998).

Before moving forward, it is important to address the issue of defining a tourist destination without any plan to contribute to the never ending debate on “what is really a destination?” While the term is not traditionally a supply side construct, we refer to the concept of destination as the place of production of the tourist experience. The idea is that a destination is based on grouping together organizations from different and complementary sectors, both public and private actors, which are dependent upon each other, generating a bundle of multiple products and services in a limited geographical area.

Destination bases its success according to its inter-organizational relationships, as well as for its attractions and critical factors. Researches on topic highlight how single players of a destination are not self-sufficient, implying a high level of interdependencies among the plurality of actors. Thus, in order to survive, destinations must be comprehensively governed, managed and coordinated through new form of collaborations.

Re-inventing the structure in terms of collaboration, cooperation and leadership can add value to a destination in terms of growth (arrivals, GDP, unemployment, level of intellectual development or technology diffusion), innovation and competitiveness, in order to be hardly reproducible in a short term from other competitors.

At this point, governance perspective, based on multidimensional approaches as network, cluster and partnership strategy, could play an important role in the development of a destination as an innovative alternative to traditional destination management perspective.

Governance in tourism perspective

Destinations are very difficult entities to manage due to the dynamic of interests and benefits sought by stakeholders: although they have numerous linkages and interdependencies, they do not cooperate and they often have radically different development visions but none of them is able to control the destination

(Buhalis, 2000; Fesenmaier, 2001; Rodriguez, 2008; Sainaghi, 2006;).

Literature in tourism management identified in the past years a shift towards the concept of governance, where responsibility for policy making extends to both public and private sectors in joint action (Dredge, 2006).

Currently, the theoretical foundations for destination governance present a rather indefinite picture. There are still many issues and questions of governance to be defined, from the attempt to define the term 'destination governance' to the identification of types of governance models to research based on theories relating to various forms and problems of governance (Pechlaner, Raich, & Beritelli, 2010).

One of the first contribution that explicitly used the concept of governance, pointed to the differences between institutional and individual level of analysis and to the control variables that must be analyzed for an effective destination management (Raich, 2006). It is also under the light of destination governance research that various theories increasingly gain importance and enrich the existing destination management literature with explanatory approaches. Particularly stakeholder theory (Freeman, 1984), transaction cost economics (Williamson, 1979), and resource dependence theory (Pfeffer & Salancik, 1978) are used as models and concepts for discussing the various empirical case studies (Beritelli, Bieger, & Laesser, 2007; Buteau-Duitschaever, McCutcheon, Eagles, Glover, & Havitz, 2010; d'Angella, De Carlo, & Sainaghi, 2010; Marzano & Scott, 2009; Raich, 2006; Ryan, 2002).

Based on Beritelli, Bieger and Laesser (1997), "introduce the concept of governance in tourism destination means setting and developing rules for a policy as well as business strategies involving together all the institutions (municipalities and government districts) and their products and services supplier in order to create an effective strategy at all levels (planning, promotion, monitoring and control)".

According to Nordin and Svensson (2007), governance in tourism "is an expression of the mutual dependency between governments and private tourism industry", suggesting that governments and private actors should accept that a common interest, such as the development of a competitive and innovative destination, cannot be achieved individually.

When this point is clear in mind and the actors are able to recognize their resource dependencies and their need of collaboration, it will be possible to set a mechanism and the successful strategy of development based on formal and informal networks of relationship between them: this will generate positive impacts on the level of growth of the destination and will avoid a loss of attractiveness and the following risk to struggle with a phases of stagnation or final decline.

In summary, governance research of tourist destinations looks at the norms and mechanism and consequently the conditions which help explain why events in tourist communities happen or not, in order to suggests concepts and models helpful for effective destination management and planning.

The case study: Bosco Gurin

Although the theoretical concepts in this nascent literature are appealing, little evidence exists as to the operational reality of governance (Beritelli et al, 2007) and reports of successful implementation of best practices are rare.

The question of who governs and which actors influence more the evolution of the destination is always debatable. At some level, all collective stakeholders do but no one unique approach is applicable in all

destination environments and it depends on institutions and goals. To bring more empirical evidence, an interesting case of implementation of the destination governance theory will be reported.

Guided by the “three lenses” of Ancona, et al (2004), Padurean L. (2010) undertook an action research approach in Bosco Gurin, a small Swiss resort in the Southern Canton of Ticino, which could offer a deeper understanding of both the theory and practice of destination governance.

The Swiss tourism industry has recognized the need for a more collaborative approach. Although destination governance is still a new phenomenon in many Swiss locations (Beritelli et al, 2007), some governmental authorities have begun to increase their efforts in collaborative destination governance with private tourist destination operators to have strong competitive effects in international and regional markets.

According to the author, Bosco Gurin was an excellent candidate for the analysis of destination governance processes. This small tourist destination was the node for various stakeholders torn by divergence of interests, inadequate communication and collective conflicts, set in a turbulent political environment. The prerequisite to promote the cause of collaboration was the combination of this background together with a destination crisis, political and entrepreneurial changes and a scientific interest.

To address the issue, the governance platform was created with explicit reference to the framework proposed by Ancona, et al (2004): the “three lenses”. Through this approach the behaviors and purposes of the actors are considered from a strategic design perspective, a political perspective and a cultural perspective. The strategic design perspective emphasizes the importance of organizational design and structure and focuses on formal roles, policies and procedures. The political perspective emphasizes the varying interests of multiple stakeholders in the struggle to control the organizational agenda. It deals with how resources are allocated and how networks and coalitions emerge and diverge in ongoing organizational functioning. The cultural perspective emphasizes the creation of meaning in organizations and how deeply held attitudes, values, beliefs and visions guide organizational behavior. Each of these perspectives provides unique insights into the design of organizations and the case study attempted to integrate the perspectives to provide a deeper understanding of organizations in the context of destination governance.

The study addressed also how governance structures can be actively managed, because they do have a significant impact on the destination’s development path (Beritelli et al 2007). Following classic ethnographic practice (Van Mannen, 1988), the author was relocated for a year to the alpine village of Bosco Gurin. The methodology proceeded with participatory observation and in depth interviews with stakeholders, community members and visitors.

The action research approach influenced some members of the community to start a communication process and encouraged increasing levels of dialog amongst members, even rebuilding a small bridge between the community representatives and the leading local entrepreneur. The increased trust supported improved communication of the interests of the various governance members of the platform, thus creating awareness and eventually alignment of the others’ perspectives.

Results

The case study reported suggested that the “three lenses” approach provided a critical instrument for aligning stakeholders from public and private sectors in a productive forum setting, making destination governance possible. Highlighting the multiple perspectives to each individual, gave each stakeholder a

richer sense to procure what each of them desires.

According to the results, educating the members in the challenges involved in governance and providing an understanding of the implications of individual decisions on the aggregate level played an important role in building a collaborative culture in the governance process. The “three lenses” also helped raise awareness of others’ perspectives and improve collective understanding. Moreover, it was possible to evince that the involvement of the private sector in destination management increases the competitiveness; in particular there are positive influences in the decision making process and in the strategic planning stage.

Conclusions

Many tourism destinations are currently reflecting on the issue of destination governance and proposing new alternative models to the traditional ones. Moreover, the roles and functions of the DMO are also under examination in many countries and need to be adapted.

Destination governance is produced through a process of collaboration, cooperation and leadership and through finding a common understanding. The governance process requires constant political negotiation, continuous learning and a business model with high tolerance for error. The target should be an integration of interests and alignment of goals.

There are a lot of possible cooperation mechanisms that can be introduced to increase the competitiveness and innovation of specific tourism destinations. This paper intends to represent an initial effort to provide theoretical organizational models for small and medium mature destinations in a stagnation phase of their lifecycle model.

Destination governance can be produced in an expedited manner when the “three lenses” approach is employed, setting the stage for successful destination renewal. In effecting change, action research can be an effective catalyst. The action research process adapts itself entirely to the reality of a given place and allows for the application of theory in a scientific manner, giving the researchers rich background information and the opportunity for complete implementation. Thus, the procedure adopted in Bosco Gurin could be particularly useful and effective also for other destinations that are requested to re-think their organizational structure.

Anyway, as destination governance is a recently emerged topic in tourism research, only few academic contributions have investigated until now the positive implications derivated by the application of governance concepts in tourism destination. The literature is concerned with the lack of empirical evidence (Nordin, 2007; Beritelli et al, 2009; Pechlaner, 2010) and knowledge about the impact of different forms of governance on the operational performance and on the organizational structure of a Destination Management Organization (UNWTO, 2010).

Although the case study reported attempted to “bridge the gap between theory, research and practice” it was limited to a single destination. Clearly further research is required to explore the replicability of the results observed here. Hence, one of the major challenges for tourism destinations remain to find and introduce the form of governance that best fits the internal organization structure and the external forces.

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