

The fine art of destination management 4.0

**Competitiveness, destination development,
sustainability, stakeholder management**

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Imprint

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Management Summary

The publication "The fine art of destination management 4.0" aims,

- to outline the current discussion on destination management and the variety of DMO structures and tasks with a focus on Switzerland,
- to derive an updated destination model as an orientation aid and
- to provide food for thought for the further development of DMO.

Part 1: Theories and concepts of destination management

The first part traces the development of theoretical concepts for destination management and the current state of the discussion based on ten approaches. The central conclusions are:

- Destination development along the guest flows: DMOs as experience area developers
- Key topics for strengthening competitiveness: sustainability, overtourism and acceptance of tourism among the population as well as resilience
- Increasing importance of stakeholder management: moderating the interests of stakeholders
- Monitoring of destination developments: Only rudimentary
- Resources: Insufficient resources for the fulfilment of tasks as an experience area developer despite an increase in the DMO budget

Studies in tourism science indicate that destination management has become more demanding, the tasks more varied and process moderation more difficult.

Part 2: Case studies from practice

In the second part, eight case studies illustrate the variety, the different levels and the division of roles:

- *Zurich* as a large urban DMO with strong self-financing and a clear sustainability strategy
- *Gstaad* as a premium Alpine destination with a broad-based destination development strategy for a cross-border experience area
- *Flims Laax* as an alpine corporate type of destination and digital pioneer
- *My Leukerbad* as an Alpine DMO with integrated management of service providers and infrastructures
- *Willisau* as a rural destination with many municipalities and a new strategy as a common compass
- *Central Switzerland* with Luzern Tourismus AG as DMO on three different levels: City, Canton, Lake Lucerne Region
- *Grisons* as a canton with a differentiated tourism policy and a pioneer in destination development
- *Tirol Werbung* as a provincial association of a strong tourism destination with a broad claim to be a developer of living space

Both destinations and destination management show great variety. Although there are many similarities, DMOs can only develop further depending on the context.

Part 3: Destination management 4.0 models

The DMO in destination management 4.0

- sees itself primarily as a network organisation, coordinates and represents the diverse interests of tourism and moderates project-related processes,
- focuses on the development of offers and destinations,
- is orientated towards the political situation, but expands the perspective to the entire experience of the important guest groups,
- clarifies the scope and quality of tasks in service contracts,
- includes the quality of life of the population wherever the experience and living spaces overlap and
- places a strong emphasis on stakeholder management.

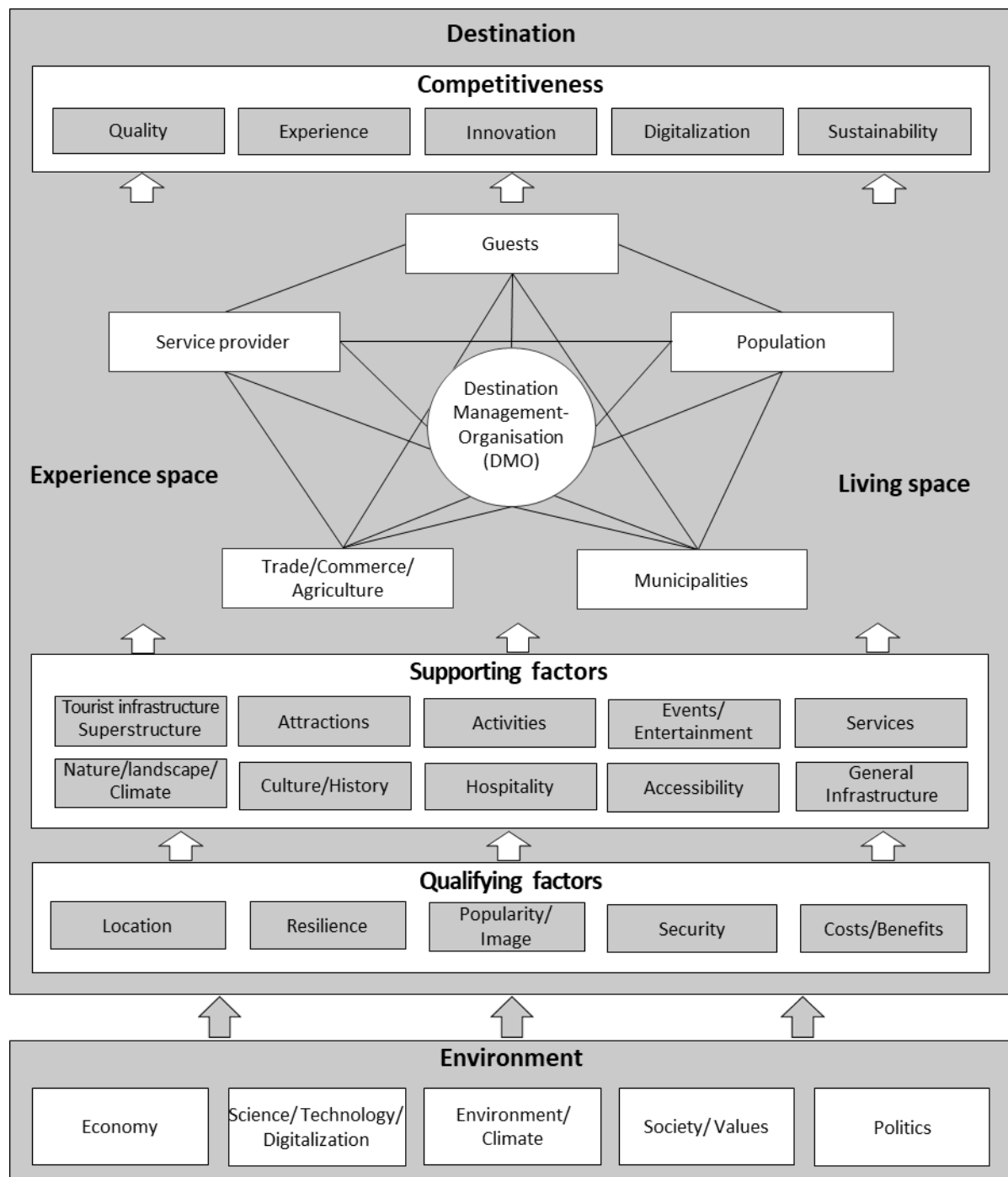
Destination management 4.0 requires skilful interaction between all stakeholders – managing destination development sustainably is a fine art.

Destination Management 4.0 is based on the following eight principles:

1. Strengthening the competitiveness of the destination: Consider economic as well as ecological and social aspects.
2. Make destination development sustainable: Pursue concrete implementation projects and involve stakeholders.
3. Strengthen acceptance of tourism among the population: Anticipate overtourism, take precautions and enhance the living environment.
4. Influence the entire experience area along the visitor flows: Networking, creating and marketing offers.
5. Becoming smarter: Expand IT expertise and make clever use of digital opportunities.
6. Focus on the needs of the stakeholders: Systematic and skilful stakeholder management.
7. Discuss and define the division of roles and responsibilities with stakeholders: Consider the specific context of the destination.
8. Take account of growing dynamics and complexity: Maintain an open communication and constructive conflict culture.

Two models are at the centre: the dynamic model, which illustrates the complexity of a destination and suggests the importance of networked thinking and agility, and the structural model 4.0, which is based on the destination model by Ritchie & Crouch (2003) and focuses on strengthening competitiveness and the sustainability of destination development. In addition to the environment, the qualifying and supporting factors, the success factors of competitiveness – quality, experience, innovation, digitalization and sustainability – as well as the DMO and its stakeholders are placed at the centre.

"Destination Management 4.0" structural model from the perspective of a DMO



Source: Own presentation

Part 4: Tasks of a DMO

Various management tools are available to strengthen the competitiveness of a destination:

- Quality management with the quality claim, quality development and quality assurance.
- Promoting innovation to create a destination-wide culture of innovation.
- Sustainability management with the aim of developing a destination in harmony with people and nature.
- Experience setting with the aim of creating an atmosphere that enables numerous experiences that will be positively remembered.
- Digitalization with convenience for guests, smart business processes, smart-enriched products and business models as well as smart resources and basic infrastructures.

The DMO has the following eight core tasks:

- Planning, governance and financing
- Offer and destination development
- Information and services (for third parties)
- Marketing and internal communication
- Stakeholder management and support
- Representation of interests
- Operation of infrastructures
- Data and monitoring

Each of these core tasks has very different characteristics depending on the context. It is crucial that the DMO puts together the right portfolio of tasks and does not get bogged down, strives for efficiency and effectiveness, does not lose focus and clarifies the division of roles.

Important: The perimeter of a destination is the experience space that corresponds to the main area where guests stay, and the flow of visitors triggered by attractions and tourist offers. The experience space overlaps with the *living space* of the population. This can lead to conflicts of interest and utilisation. To maintain or strengthen the acceptance of tourism, compatibility with the population is becoming increasingly important in any development project focusing on guests. The development of the experience area is primarily coordinated by the DMO, but the development of the living space is the primary responsibility of the municipalities.

Part 5: Governance in destination management 4.0

Based on the task portfolio of a DMO, Part 5 describes governance – meaning responsible corporate management – along with the important topics of role distribution, financing, and monitoring.

- *Management:* In addition to the appropriate management tools, such as a broad-based destination strategy, well-functioning management bodies are crucial prerequisites for the success of a DMO. The role of the DMO manager has changed continuously: From «host» to "marketer", "networker", "service provider", "system manager" to "enabler and cultural developer", who promotes a We-culture.
- *Division of roles and tasks:* To successfully develop a destination despite limited competences and a lack of resources, a clearly defined division of roles and tasks between the stakeholders is required. The DMO deals with all matters that primarily benefit guests, along the entire customer journey and throughout the entire experience. In doing so, it primarily plays a coordinating role between the tasks of the public sector and the tourism service providers.
- *Financing:* One of the biggest challenges is financing the diverse tasks of a DMO. At local, regional, cantonal and national level, there is a wide variety of funding sources that need to be utilised for specific tasks and defined in agreements.
- *Monitoring:* Monitoring is part of a DMO's portfolio of tasks. It forms the basis for serious decision-making and meaningful reporting. Secondary data from the overnight stay statistics and the Tourism Monitor Switzerland (TMS) to the large amounts of data from booking and rating platforms and social media should be used, or primary data should be collected and analysed with a high level of methodological expertise.

Part 6: Recommendations for action

To further develop as a DMO or to initiate a continuous change process, 10 steps "from word to deed" are suggested in conclusion:

1. Orientate yourself on the principles of Destination Management 4.0 and make a clear commitment.
2. Strengthen your management team by combining the right skills and diversifying your organisation.
3. Develop or update the destination strategy together with the most important stakeholders and ensure a high level of commitment.
4. Analyse the task fulfilment self-critically, look for the "adjusting screws" and derive the potential for improvement.
5. Identify the areas in which the division of roles needs to be clarified, optimised or specified.
6. Implement improvement measures on an ongoing basis and prepare the DMO for future development at the same time.
7. Specify the optimisation plans, determine the KPIs, discuss the plans with the stakeholders, successfully implement initial measures and keep the energy flow positive.
8. Clarify the scope and quality of the services to be provided and the corresponding financing.
9. Review the structures regarding their suitability for task fulfilment and adapt the management resources accordingly.
10. Measure progress (monitoring), use digital data, set up effective reporting, remain agile and communicate with the population.

Destination development is networking: jointly defined rules of cooperation are necessary!

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Foreword

The management of tourist destinations is constantly changing: Originally, they were beautification associations, later tourist or spa associations, which first joined together nationally in Switzerland in 1893. Only since the 1990s have they been referred to as destination management organisations (DMOs) in German-speaking countries. However, the size, equipment, professionalisation, legal form, portfolio of tasks, financing, division of roles, etc. have remained very different. Although the definition of a destination and the central tasks and effects of a DMO are repeatedly called into question, destinations have become firmly established. They have, however, become more and more closely linked to the guest experience and important reference values in the fluid tourism space. DMOs have established themselves as network organisations to coordinate, support, position and market the attractions and service providers in this experience space and to offer guests a point of contact, but also to consider the diverse concerns of the local population, and it is impossible to imagine the complex tourism system without them.

It is well known that DMOs can only manage a destination with great skill and can only partially meet the expectations of stakeholders because, while they bear significant responsibility, they have limited authority and insufficient financial resources of their own. Therefore, they must generally act in a consensus-oriented manner and focus on their core tasks as well as on specific projects along the value chain to avoid getting sidetracked.

The aim of this publication is to outline the current situation surrounding destination management, to illustrate the variety of destinations and DMO models using individual case studies and to derive an updated model of Destination Management 4.0 as an orientation grid in a complex and dynamic environment. In addition, proposals for strategic orientation, governance, the portfolio of tasks, the division of roles and financing are presented for discussion. The primary focus is on Switzerland, with a secondary focus on the Alpine region.

This publication is primarily aimed at the boards and management of DMOs and other tourism organizations, as well as municipal, cantonal, and national authorities involved in tourism, and tourism service providers. It is not a broad-based field study, nor is it the authors' intention to present Destination Management 4.0 as a manual or practical guide. Instead, the aim is to provide food for thought on how existing destination management could be further developed. And this is in the context of insights gained from numerous investigations and studies, discussions and workshops, as well as personal experience from years of involvement on the boards and management committees of various DMOs.

The publication consists of six parts. Parts 1 and 2 with the theoretical overview and case studies can easily be skipped and you can jump straight into Part 3. Part 3 presents the two newly developed models for Destination Management 4.0. Parts 4 and 5 outline the areas of responsibility of a DMO and the governance of a destination, and Part 6 proposes ten recommendations for the further development of a DMO.

As we do not assume that the document will be read from A to Z, there are individual topics that are dealt with from different perspectives in different places.

In the knowledge that destination developments are heavily dependent on the given context, one-size-fits-all solutions are not very expedient. Nevertheless, recommendations of both a generic and specific nature are formulated for all areas of sustainable destination management 4.0. However, they are not to be understood as a guide or even a checklist but are intended to provide food for thought for the further development of existing destination management.

We would like to thank the numerous tourism experts who supported us in preparing the case studies, as well as our colleagues at the Institute for Tourism and Mobility at Lucerne University of Applied Sciences and Arts (HSLU-ITM), Nicole Stuber, Urs Wagenseil, Fabian Weber and Roland Lymann, for the numerous pieces of feedback during the internal consultation process. Many thanks also to the participants of the workshop at which the draft of this publication was discussed and checked for practical suitability, as well as for the bilateral feedback:

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We hope you enjoy reading this publication!

Jürg Stettler and Hansruedi Müller

1 Theories and concepts of destination management

1.1 Destination management concepts from a Swiss perspective

1.1.1 Destination management 1.0

Until the 1990s, there was hardly any talk of destination management in German-speaking countries. The study "Marketing work of tourist offices" in Switzerland (Müller/Stettler 1993) concluded that local tourism organisations were characterised by

- too small business units for effective work,
- cumbersome structures,
- too short length of stay of tourism directors,
- too large share of the budget for administration,
- too much emphasis on brochures, but too little money for modern communication tools,
- a critical assessment of the current division of labour.

Kreilkamp (2014) also characterises Destination Management 1.0 in Germany as a "total fragmentation of activities by a large number of organisations, most of which are radically underfunded."

Müller/Stettler suggest, among other things, entering co-operations with neighbouring tourist associations with similar inclinations, streamlining structures within the tourist associations, replacing commissions with project groups and much more. Bieger (1996) also came to similar conclusions.

1.1.2 Destination management 2.0

If we consider the complexity of the tourism offer on the one hand and the variety of the service bundle desired by guests on the other, the question arises as to how supply and demand can be optimally harmonised and coordinated. The theory of "destination management" (cf. Bieger, Müller 1997) has attempted to provide an answer to this question. At the same time, the aim was to utilise the available marketing resources in such a way as to achieve the greatest possible market impact. Depending on the target markets envisaged, a minimum size of destination and a minimum budget are assumed. Accordingly, we speak of national, international or global destinations. Anyone who does not have at least one million overnight stays should not see themselves as a globally active DMO.

The tasks of a DMO in Destination Management 2.0 were already very diverse and were categorised into six broad fields:

- Planning
- Information
- Offer design
- Marketing/Communication
- Sales
- Representation of interests

This list shows how comprehensive the remit of a DMO is. It makes it clear that professional work in the core areas can only be carried out in destinations with sufficient resources.

Since the end of the 1990s, consolidation in tourism has accelerated both at the level of businesses and destinations. According to Bieger/Beritelli (2013, p. 257), these consolidations are characterised by four developments:

- the emergence of new destinations (e.g. Dubai)
- the differentiation of services (e.g. comprehensive rental and service offer for skiers or bikers)
- the strengthening of multi-channelling and the increasing importance of social networks (e.g. Booking.com and Facebook)
- declining customer loyalty

In many DMOs, these developments led to a strengthening of brand, reputation or customer relationship management (CRM). Bieger/Beritelli (2013, p. 258) write that only a few large destinations have developed in the direction of direct marketing and integrated offers and thus new destination marketing.

The 2nd generation destination concepts (cf. Bieger/Laesser/Weinert 2006) call for larger destination areas with corresponding organisational structures and budgets on the one hand, and a separation between territorial tasks and sales tasks on the other.

According to Kreilkamp (2014), "the bundling of forces and concentration of resources" were also at the centre of Destination Management 2.0 in Germany. DMOs were founded to coordinate marketing and make it more effective, and tourism consortia were founded to bundle local activities by merging small tourism organisations.

The different starting points for creating marketable destinations already called for adapted strategies in the 2nd generation. DMOs and their transition processes were categorised into five basic types, which are still valid today (cf. Bieger/Müller 1997):

Alpha:

- Local/regional tourism organisations that are already destinations
- Strategy: Expansion

Beta:

- Local tourism organisations in the vicinity of existing, strong destinations
- Strategy: Connection

Gamma:

- Regions with a network of small tourism organisations
- Strategy: Merger

Delta:

- Individual tourism organisations and businesses in largely non-tourist regions
- Strategy: Inclination tourism co-operations

Epsilon:

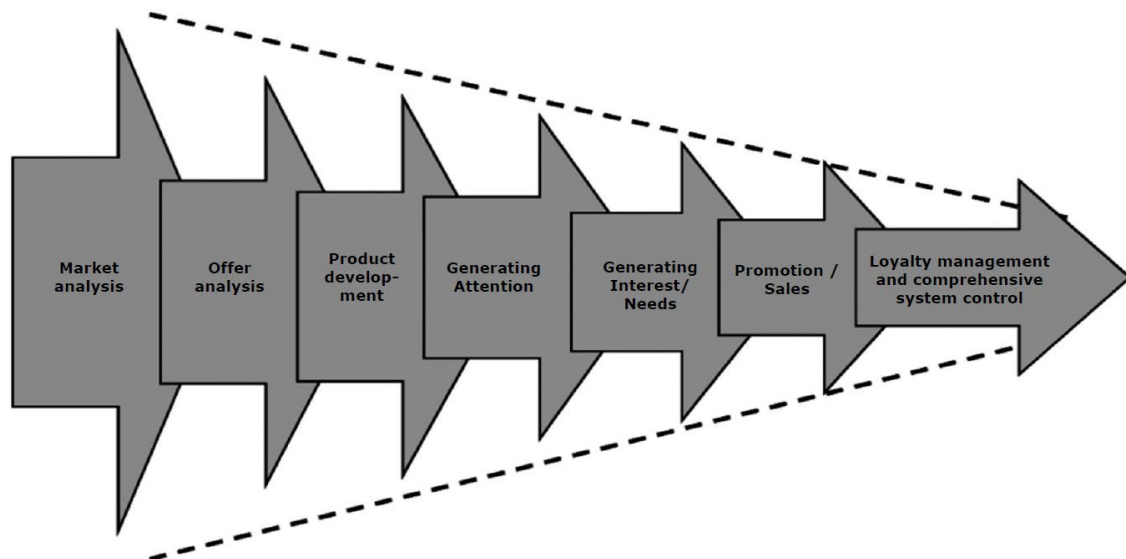
- Independent medium-sized tourism organisations within strong destinations
- Strategy: Merger for market development in distant target markets, but independent brand management and market development in nearby target markets

The formation of destination structures was driven both top-down and bottom-up: Following the theoretical and political top-down requirements of the cantons, it was up to the local tourism associations to join forces to form destinations and find suitable forms of cooperation. (Cf. Bandi/Müller 2021, p. 155ff.)

1.1.3 Destination management 3.0

As a result, Bieger/Laesser/Beritelli (2013, p. 259ff.) postulated an increased and stronger prioritisation of visitor flows in their "3rd generation St. Gallen destination management model". It calls for a far-reaching departure from the territorial principle and thus a move away from a structurally characterised approach towards a process-oriented approach. The focus should increasingly be placed on functional and continuous marketing impact processes. These processes are based on the marketing funnel: product development, generation of attention and interest through to sales, but also the provision of the service chain and the customer relationship should be coordinated throughout.

Figure 1: Marketing tunnel



Source: Bieger/Laesser/Beritelli (2013), p. 13

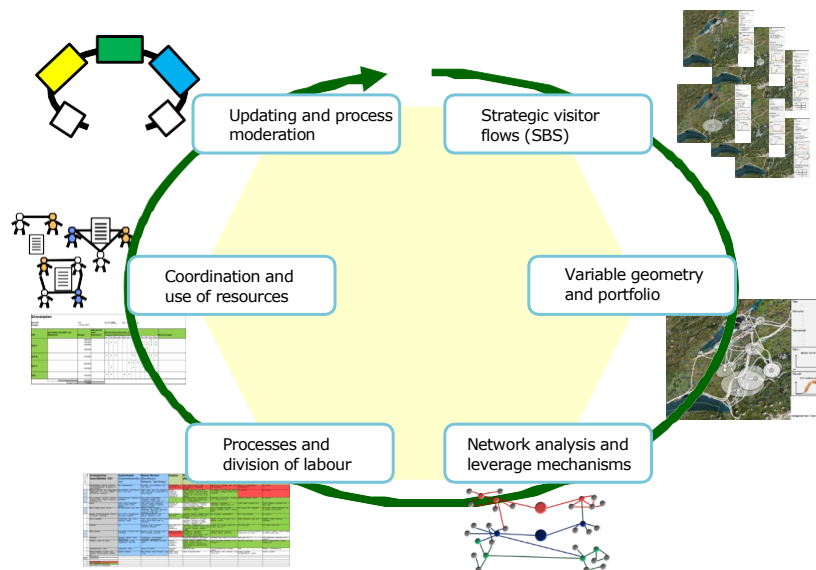
According to the authors, the tasks of the individual marketing partners must be clarified and harmonised in the process from product development to attention generation, sales, booking, service provision and customer relationship management (CRM). It is therefore increasingly necessary to think in terms of flexible, process-orientated network structures.

According to Bieger/Laesser/Beritelli (2013, p. 261), three important roles can be distinguished in each network:

- *System heads in the supply network*: Control and drive the marketing process, e.g. hotel group in the stay tourism or attraction in excursion tourism
- *Market experts in the demand network*: Use their knowledge advantage to control or influence the distribution of information and, if necessary, the decision-making process of potential guests, e.g. influencers or travel agents
- *Portals that connect system heads and market experts*: If system heads have only established weak links to market experts due to a lack of resources and/or expertise (or vice versa), the virtual sales portals on the Internet expand to operational units equipped with coordination and sales competences

The procedure is divided into six steps: In the first step, the strategic visitor flows (SBS) are identified. This results in a variable geometry and a portfolio in a second step. The third step involves a network analysis and the identification of leverage mechanisms. In the fourth step, the processes and division of tasks are defined. The fifth step involves coordinating and determining the use of resources and the sixth step involves updating and process moderation.

Figure 2: St. Gallen destination management model: heuristics with six steps



Source: Bieger/Laesser/Beritelli (2013)

The St. Gallen 3rd generation destination management model focuses less on the optimisation of structures and more on possible transformation directions and the necessary development processes (1), less on territories and more on tasks within marketing processes (2), and less on budgets and more on demand markets (3), to develop targeted markets within "reach" even with small budgets.

1.1.4 Tourism destinations: Structures and tasks (Seco study)

On behalf of SECO, the University of St. Gallen and Hanser Consulting analysed the current structures and tasks as well as the challenges and prospects of tourism destinations (cf. Laesser et al. 2023).

The initial situation states that

- in the current understanding of destination management, the idea is to manage any geographical area (tourism destination) like a company and to market it like a consumer good or commodity,
- the traditional tasks have hardly changed, although they are subject to great dynamism and therefore pressure to change, and adaptability to the new conditions would be more important,
- although the structures have professionalised, the desire for strategic controllability of a destination must be questioned for various reasons, because DMO
 - have a responsibility without competence and in particular no influence on the service providers; they can only motivate, stimulate, coordinate and support,
 - have hardly any financial resources of their own that they can use freely,
 - tend to be consensus-orientated, are committed to at least one majority and often must settle for the lowest common denominator,
 - cannot usually control destinations as a complex construct with different stakeholders and interest groups.

Post-pandemic developments

The report states (cf. Laesser et al. 2023, p. 97ff.) that pandemic-induced changes were only short-lived, and that the development of demand is on the original development path. The pandemic has hardly initiated any new trends, but has accelerated existing trends:

- Structural change through digitalization,
- Higher costs of the resources labour and capital,
- Convergence of work and leisure (bleisure, workation, digital nomads).

The increases in productivity would lead to an improvement in the competitiveness of Swiss tourism. The basic demand is given thanks to Switzerland's good infrastructure and superstructure for tourism as well as the wide range of offers, good accessibility, international networking, high level of security, digitalization and demographic development. Switzerland is therefore an ideal destination for independent travellers (Free Independent Traveller FIT).

Special topics

The report contains four special topics as challenges for the destinations (cf. Laesser et al. 2023, p. 121ff.):

- *Positioning*: The authors state that, in principle, destinations cannot be positioned. A possible positioning is the result of the specialisation and differentiation of points of attraction, i.e. natural or created conditions, infrastructures and services. A primary data analysis with 175 service providers and DMOs revealed four positioning clusters for Switzerland based on attributes:
 - Cluster 1: Internationally recognised and developed destinations (13%)
 - Cluster 2: Nationally recognised and developed destinations (36%)
 - Cluster 3: Unknown and underdeveloped destinations (29%)
 - Cluster 4: Non-destinations, i.e. excursion destinations (21%)
- *Labour shortage*: The shortage of labour caused by the demographic crisis is hitting tourism particularly hard. The individual companies and industry associations are being forced to improve the attractiveness of tourism professions and the housing situation for employees. Cross-company benefits for employees and convenience when looking for a job or accommodation are cited as new tasks for DMOs.

- *Climate change*: Due to long investment cycles and path dependencies, the development of offers plays a central role. The corresponding strategies depend on the location and snow reliability of the destinations: Positive prospects for higher-lying ski resorts, but high pressure to change for lower-lying ski resorts (year-round tourism, culture, cuisine, health, workation).
- *Sustainability*: Sustainability still plays a subordinate role in the choice of destination, but it is gaining in importance among service providers. However, sustainability is a typical joint task: DMOs can support and coordinate, e.g. on the CO₂ reduction path.

DMO financing

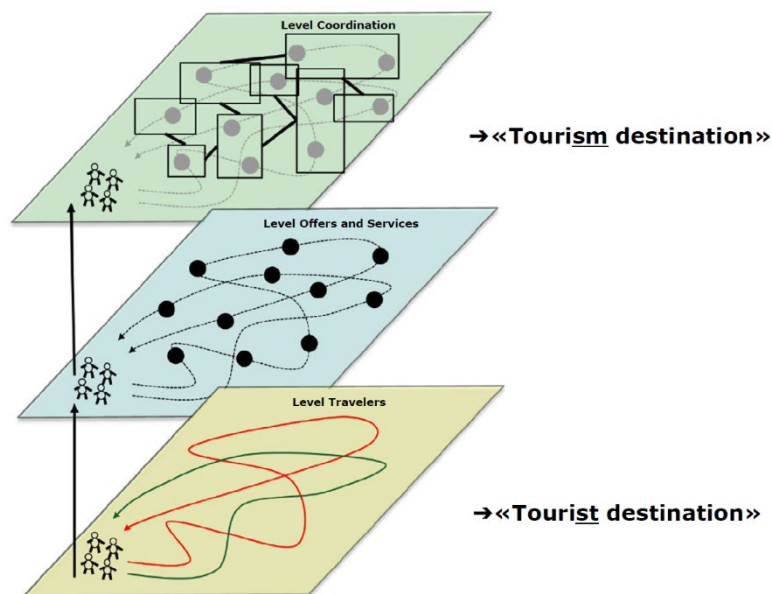
Based on the survey of 47 DMOs, the financing of DMOs shows the following rough structure: around two thirds of income come directly from guests or indirectly from the public sector. The remaining sources of income (commission income, income from third parties, membership fees and other income) account for around 40%.

Conceptual foundations

According to the study, the future of destinations should be outlined against the background of the following central principles (cf. Laesser et al. 2023, p. 49ff.):

- Destinations as travel destinations and places to stay are a network of points (attractions) and lines (streams of visitors), not an area: tourism destinations must be understood as tourist destinations.

Figure 3: "Tourist destination" as the basis of the "tourism destination"



Source: Laesser, C., et al. 2023, p. 59

- Travellers make destinations – tourism products are unique and cannot be repeated.
- Places are potential stages for visitor services/performance: visitors shape their experiences through their decisions and actions and require selected resources to do so.
- Service providers and DMOs have an influence on travellers' decisions on site.

- Providers' offers and services must be tailored to visitor flows and make up tourism destinations. This creates plannable supply-demand systems.
- The more different visitor flows in an area, the more viable and crisis-resistant tourism is: the decisive factor is the portfolio of visitor flows at different times in different places with different visitors.
- Tourism providers offer travellers wonderful experiences and solve problems.
- Providers and DMOs should coordinate well along the service chain. This is how tourism destinations are created and develop over a longer period.
- Leadership, management and governance in tourism destinations are distributed across communities and are dynamic.
- DMOs are not companies that can lead the community, but there are many organisations that make different contributions to further development.

The authors of the study state that strategies, structures and leadership only have limited effectiveness and are often only presented in a reductive way. There is a lack of measurability and comparability. The development of tourist destinations cannot be based on long-term planning based on the vision of a small number of players.

Status quo destinations

Regarding the status quo of destinations, the authors state (cf. Laesser et al. 2023, p. 79ff.) that destinations today are understood as functional and territorial spaces and that DMOs are strongly orientated towards territorial borders due to their clients and their financing. Essentially, two types of DMO can be distinguished:

- *Community type destination*: No one player can control or steer the entire destination alone. The DMO is tasked with representing the interests of the service providers.
- *Corporate type destination*: The destination is dominated – comparable to a resort – by a strong company that covers and controls a significant part of the value chain.

The roles and tasks of DMOs are varied and range from guest information and support, marketing, the operation of tourism infrastructures, the organisation of events, stakeholder management and location development.

The main sources of funding for a DMO are membership fees, tourism promotion and visitor taxes, municipal contributions, cantonal contributions, commercial income and partnerships.

The authors of the study conclude that DMOs can hardly control a destination and can only fulfil the expectations of service providers to a limited extent. DMOs must therefore focus on individual measures and projects along the value chain.

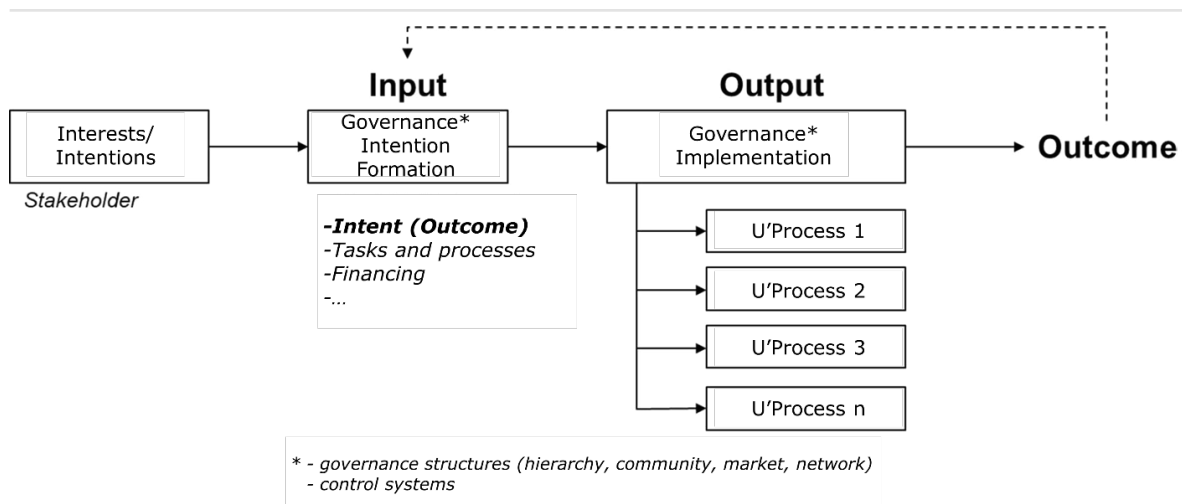
The future of destinations

Regarding the future of destinations, the authors of the study come to the conclusion (see Laesser et al. 2023, p. 163ff.) that DMOs must move away from the collective illusion of the controllability of destinations and instead focus on individual measures or projects along different value chains. A one-size-fits-all solution would not be very effective, as destination developments are heavily dependent on the given context.

The authors only provide generic recommendations (cf. Laesser et al. 2023, p. 171ff.):

- Since common interests between the actors can lead to (collaborative) work processes, it is proposed to focus 1. on the identification of common intentions (intention formation) and 2. to focus on the realisation of joint projects.
- The variety of potential tasks to be carried out and financed requires a differentiation in the formation of intentions as input, their realisation as output and the corresponding governance.

Figure 4: Destination development: formation of intentions and realisation



Source: Laesser, C., et al. (2023), p. 171

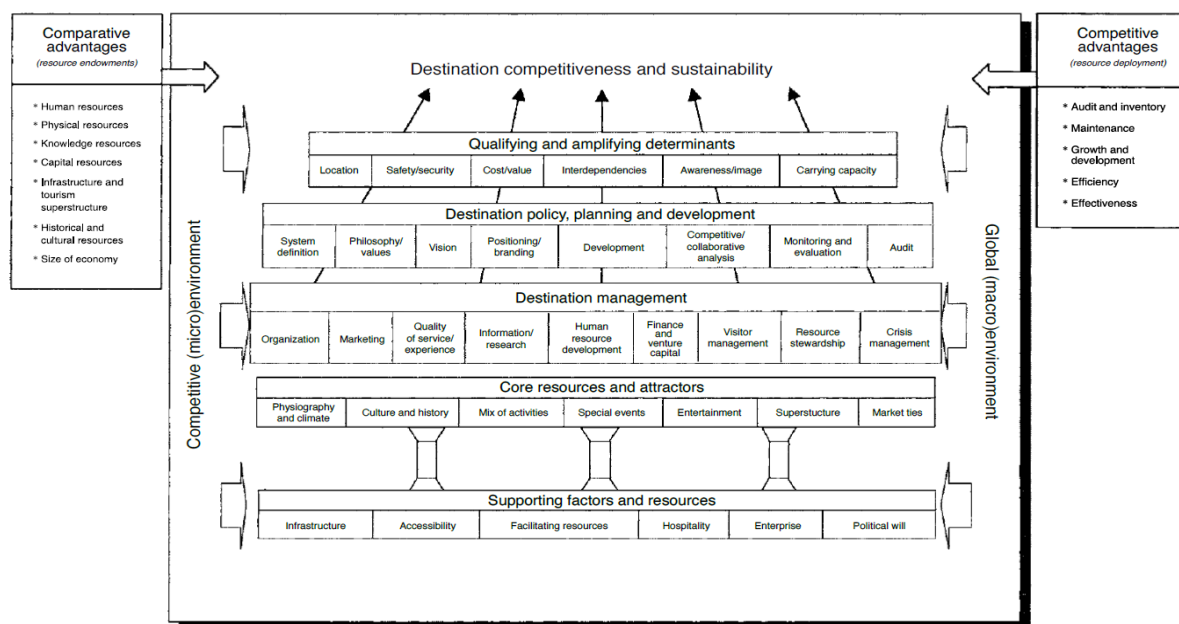
From this, the authors of the study conclude that DMOs should focus on individual measures or projects relating to the core processes in the various value chains of a destination. Their central task is process moderation with agreement on joint planning and implementation of specific measures or projects: They should be orientated towards a project logic (input, output, outcome) with common steering structures and control systems and see themselves as a "community of practice".

1.2 Development of destination management from an international perspective

1.2.1 Competitiveness and sustainability of destinations

The book "The Competitive Destination: A Sustainable Tourism Perspective" by Ritchie/Crouch (2003) provides a good overview of the principles and practices relating to sustainability and the effects on the competitiveness of destinations. The model assumes that a destination's competitiveness is based on its resource endowment (comparative advantage) and its ability to utilise resources (competitive advantage). The effects of global macro-environmental forces (global economy, terrorism, demographic change, etc.) and micro-environmental conditions relevant to competition are also considered. The competitiveness factors of a destination are categorised into five main groups with a total of 36 attributes.

Figure 5: Conceptual model of destination management



Source: Ritchie/Crouch (2003): The Competitive Destination: A Sustainable Tourism Perspective, page 63

For the authors, sustainability in tourism development is essential for the success of destinations and their long-term viability. They analysed the challenges and opportunities of sustainable development, including the need for effective destination management, the importance of cooperation and the inclusion of stakeholders in decision-making processes. They emphasise the importance of striking a balance between economic, social and environmental sustainability to create competitive destinations that remain attractive to both visitors and local communities in the long term.

The holistic model of Ritchie/Crouch is groundbreaking in terms of aligning the competitiveness of the destination with sustainability. It also corresponds to the more recent findings of scientific discussions on destination management.

1.2.2 Scientific conferences "Advances in Destination Management ADM": Results

The scientific conference on "Advances in Destination Management ADM" takes place every two years and is organised by the University of St. Gallen in cooperation with other universities. The most important findings are published in consensus papers (see Laesser & Beritelli 2013 and Reinhold et al. 2015, 2018, 2023). To summarise, the following eight topics can be distinguished, which were discussed at the ADM conferences between 2013 and 2022:

1. Definition and delimitation of destinations

- Destinations are complex and can be understood as geographical units, as clusters or as a (latent) network of providers that is activated by visitor demand.
- The spatial behaviour of visitors often does not coincide with the political boundaries of the destination, because tourism develops along visitor flows that are initiated naturally or artificially.

2. Purpose, legitimisation, role, policy, leadership and governance of the DMO

- Due to online platforms and changes in travellers' information and booking behaviour, the previously important role of DMOs in terms of marketing has been called into question. In addition, impact measurements are largely lacking.
- The future role of the DMO is primarily seen in the following areas:
 - Development and design of experiences along the customer journey: DMO as moderator and facilitator of co-producing experience systems by designing the processes.
 - Promotion and support of cooperation between service providers: cooperation and network management.
 - Competence centre in certain areas: Events/MICE, back-of-care processes such as HRM or finance.
- Adaptation of structures and tasks: More flexibility, fewer (hierarchical) structures along political boundaries, more project and network management, changing portfolio of activities to optimise the experience setting.
- Development of new destinations:
 - The instruments of destination management must be adapted to the local legal framework, the governance structures and the skills of those involved.
 - Sustainability aspects must be included from the outset. The participation of the population is important.

3. Competitiveness as a strategic success factor

- The prerequisite for high competitiveness is the differentiation (competitive advantage) of a destination.
- Achieving differentiation is challenging and only possible for those destinations that primarily have unique natural and/or cultural attractions (comparative advantages).
- The development of competitive advantages, whether through new processes or products, quality or comfort standards, etc., expands the basis of differentiation and requires complex collaborative innovations.

4. The role of experiences

- Experiences are the key to understanding guest behaviour.
- Destinations can potentially offer many different experience-based stories for a variety of visitor groups.
- Marketing measures should therefore focus on providing a stage for stories and identifying people who multiply stories.
- Destinations must therefore ask themselves the questions:
 - How can a positive framework for experiences ("storyscape") be created? (Rickly-Boyd 2009).
 - How can experience-based stories develop and change in peer-to-peer environments from the initial impetus to subsequent retelling?

5. Destination branding

- Destination branding is increasingly reaching its limits, primarily for the following reasons:
 - The increasing loss of control over communication.
 - The lack of a causal link between the desired brand of a destination and the behaviour of guests.
 - The political nature of destination branding processes and their misuse.
 - The lack of the product or experience character of a destination.

6. Sustainable development of destinations, overtourism and resilience

- Skills required for sustainable destination management:
 - Defining and implementing a common vision, shared values and priorities and considering the interests of the various stakeholder groups.
 - Anchoring long-term sustainability values and finding a balance between the economy, environment and society.
- Although sustainable products and services have potential, guests' willingness to pay is considered to be relatively low.
- There is a consensus that long-distance travel in particular is less sustainable than local travel, both in terms of environmental and social costs.
- The problem of overtourism:
 - Qualitative development considering the long-term consequences instead of continuing the growth paradigm.
 - Tourism for the development of the living space with the aim of a high quality of life for local residents and guests.
 - Balanced discourse between users and protectors of public resources and strengthening of participatory processes as a prerequisite.
 - Thinking in dynamic functional spaces as a supplement to static political spaces.
- In order to strengthen resilience, a greater variety of guest types, traveller motives and source markets is needed, instead of tourism monocultures with a concentration on a few guest groups.

7. Measurement, big data, tracking and visitor management

- The potential of big data lies in a better understanding of travel decisions and travel behaviour, better management of visitor flows and better decisions in terms of strategy, product development and marketing.
- The expertise and resources to utilise this potential are insufficient.
- Successful data management requires a strategic approach and a clear analytical purpose.
- Visualisations of visitor frequencies could be an interesting first step.
- Good decisions require answers not only to the question of what the visitors are doing, but also to the question of why and how important it is.
- The availability, control and governance of the data are a prerequisite. Tourism stakeholders in destinations have hardly any sovereignty over visitor data.

8. Taxation and regulation

- The tax systems and fees vary greatly between the different tourism destinations with regard to (1) the taxed object, (2) the tax and reporting obligations, (3) the intended use of the tax revenues, (4) the benefit for tourism and (5) the verification of the taxed subjects.
- Three principles for tourism-related taxation:
 - Tourism activities (if not public services or places) should be self-sustaining without transfer payments and subsidies wherever possible.
 - If funds are collected for tourism purposes, state intervention should be limited in terms of time and purpose.
 - If state intervention is necessary, the taxes levied should be earmarked for a specific purpose.

Research into destination management is currently focussing in particular on resilience, sustainability, politics and governance, the role of the DMO and big data in connection with visitor management. However, there is a considerable need for clarification, particularly regarding

- the lack of control along the entire customer journey beyond geo-administrative borders,
- the contextual nature of theorising, i.e. the unique characteristics of both emerging and mature destinations,
- the increasingly important consideration of other disciplines such as resilience, transformation, social justice and ecosystems in destination management research.

1.2.3 Destination Marketing and Management – State of the Art Review

Reinhold et al. wrote a review report on the current state of destination management in an article in 2023. In the conclusions, the authors present six topics for discussion:

The *first topic* concerns the nature of destinations as a phenomenon. The unit of analysis and the object of research have increasingly changed from an area that was previously usually territorially delimited to a network of interconnected points and routes along which travellers move. This means a *shift towards visitor flows*. Linked to this is a change of perspective: while traditional approaches use an inside-out perspective with a strong focus on the territory and institutions, more recent work emphasises the complementary consequences of an outside-in perspective. Spaces provide both travellers and the local population with the basis for living and doing business. In the future, the consequences of this change should be analysed.

A *second topic* calls for the focus to be placed on processes and actions rather than structures and institutions. The literature speaks of a high development dynamic in conjunction with an increasing fragmentation and variety of visitor flows and service providers. In order to do justice to this dynamic variety in destination management and marketing, agile cooperation processes and adaptable networks that enable players to adapt to rapidly changing conditions are advantageous. Universal institutions are increasingly being replaced by specific project organisations equipped with resources. The effects of the proposed process and action focus on the design of the administration and the interaction with the associated regulation for areas such as land use, transport or public infrastructure must be analysed.

In the *third topic*, the authors argue in favour of cooperation and responsibility over controlling. The focus on guest flows requires collaboration in the tourism system to proactively address issues such as overtourism and pressure on cultural and natural resources. Digital media has shifted the power to consumers who are inspired by peers and influencers. Their recommendations are often trusted more than service providers or DMOs. In addition, the fragmentation of supply and demand has led to a meta-design. Guests must be involved in the design process. It needs to be investigated how an alternative framework for a DMO can enable shared responsibility and cooperation, focus on processes, activities and variable spaces and how they can be linked.

The *fourth topic* deals with the conceptualisation of a destination as a space of guest flows, combined with the great complexity of its management. It is also about the ability of a DMO to transition from a growth paradigm to a resilience-oriented paradigm. Destinations that are unable to adapt to sustainable forms of tourism are unlikely to be successful in the long term. This requires more flexible and intensive forms of cooperation. Research should focus on the resilience and adaptability of destinations that see themselves as ecosystems or portfolios of different guest flows in an "experience landscape", as well as on more flexible and holistic forms of governance required to steer and successfully manage the destinations of the future.

The *fifth topic* focuses on temporary and permanent residents. In contrast to the permanent resident population, guests mainly engage in leisure and supplementary activities. However, permanent residents use the same leisure facilities in their free time and engage in similar activities. Together with guests, they make up the total number of visitors. It is becoming increasingly difficult to differentiate between these groups, especially when visiting friends and relatives are included. Traditional classifications are becoming increasingly difficult to maintain. Future research should therefore investigate how a shift to different types of visitors can influence destination management and administration processes.

The *sixth theme* is about digital transformation and the shift from physical to hybrid and augmented experiences. New technologies make it possible to change the way we interact with visitors and gain new insights into guests' preferences, behaviour and expectations. There is talk of "smart" offers, but technologies such as virtual reality (VR), extended reality (XR) or augmented reality (AR) are associated with considerable risks. It needs to be investigated how virtualisation and augmentation change guest flows, the associated behaviours and the understanding of destinations.

1.3 Further destination management concepts from a tourism consultancy perspective

1.3.1 Destination Monitor – Success factors in destination management

BAK Basel Economics has been carrying out international benchmarking of destinations for around 20 years.

The following seven endogenous success factors were assessed (BAK Basel Economics (2018)):

1. *Uniqueness* of a destination through differentiation strategies and enforcement of higher prices on the market
2. Variety and breadth of the *product range* and offering added value
3. Strong and well-known *brand* as a distinguishing feature
4. "Economies of scale with external *economies of scale* – attractive labour market
5. Market-orientated *price/attractiveness ratio*
6. Outstanding *personalities* and innovation dynamics
7. *Professional destination management* – strategic leadership, effective implementation, efficient management

BAK Basel has embedded these mouldable success factors in three exogenous success factors: (1) the regional and national framework conditions, (2) the competitive advantages based on important destination assets such as accessibility, climate, landscape, etc. and (3) the tourism intensity with its network and cluster advantages, which can only be influenced in the long term at most.

Figure 6: Success factors of the destination system



Source: BAK Basel Economics (2018): Destinationsmonitor, 2018

1.3.2 Destination 2030: The future of tourism organisations

In 2016, Kohl & Partner published a brochure with eight theses on the future of tourism organisations (Kohl & Partner 2016, p. 11ff.):

1. "The DMO is evolving from a marketing organisation to a destination developer and is organising itself as a network of networks": Moving away from the dominance of marketing.
2. "The minimum size of the DMO is growing in order to meet the increasing demands": Destination identity before size.
3. "The DMO needs at least 3-5 strong drivers/performers in the destination": DMOs need strong "horses".
4. "The DMO is being given a completely new management structure with three equal "divisional heads" (topic managers)": Marketing (Minister of Foreign Affairs), Service & Integration (Minister of the Interior) and Product Development (Experience Design), with Marketing now only a sub-division.
5. "The DMO is becoming a competence centre and innovation driver": for selected topics and in collaboration with experts from research institutions.
6. "The DMO becomes a support centre for member companies (internal support)": Support for small businesses in particular.
7. "The DMO becomes a "leisure hub" with "personal support" (external support)": Comprehensive support for guests.
8. "The DMO initiates its own private-sector companies as investors and operators of infrastructure and businesses": Do not leave location development to external players.

As part of a follow-up study by Kohl & Partner entitled "Approaches to successfully managing increasing complexity in destinations" (Zorn 2022), 14 destination managers from the Alpine region were asked which methods and tools they use to provide effective leadership and work effectively with the relevant interest groups.

Twelve recommendations for action were derived from this, including (Zorn 2022):

- *"Utilise the holistic perspective of the DMO:* Due to their cross-regional and cross-company position in tourism networks, DMOs play a special role. This allows them to think beyond individual interests and political boundaries and thus identify solutions that remain hidden from other players."
- *"Strengthen the destination brand as a shared identity both internally and externally:* a strong brand promise helps to make the shared vision more tangible for all stakeholders and to pool resources. The more the destination's products correspond to the brand essence, the more visible and tangible it becomes for the guest."
- *"Consciously organise decision-making processes:* Actively involving those stakeholders from the outset in decisions that are later directly necessary for their implementation. It is also about the balancing act between centralised control and largely autonomous groups."
- *"Work on a constructive conflict culture:* Conflicts are inevitable in destinations. It is crucial not to view them as faults in the system, but as important learning areas and sources of inspiration. This requires a high level of social competence throughout the entire DMO team."
- *"A targeted change of perspective:* Destination developments are only possible if a common understanding and trust is established between stakeholders. The prerequisite is to put yourself in the shoes of others and look at problems from different angles."

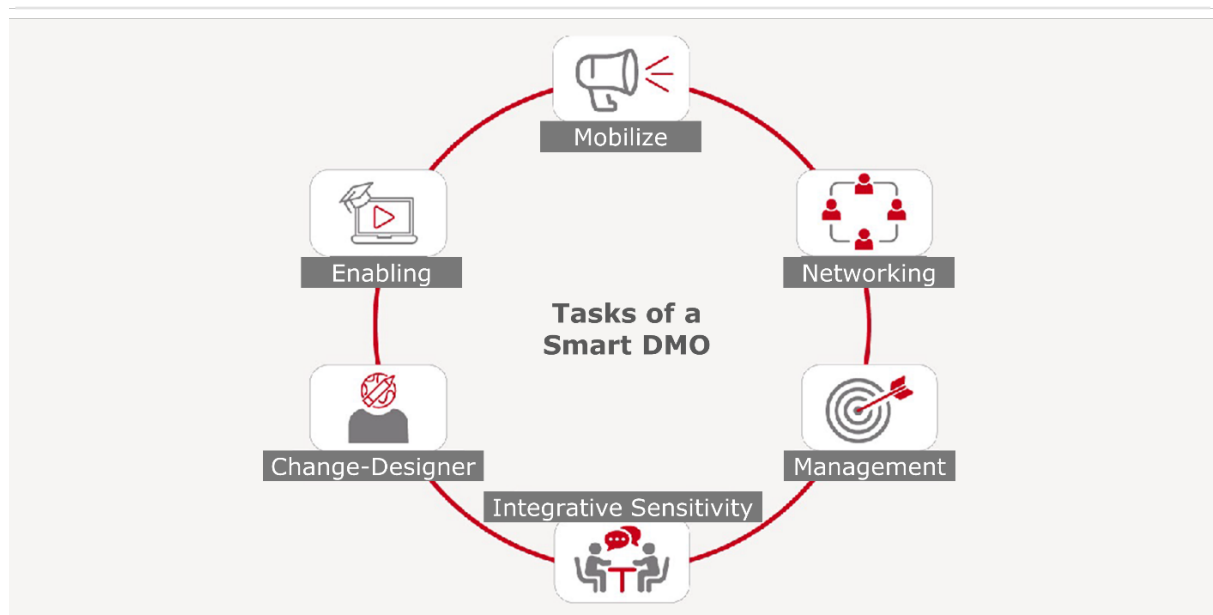
The authors note that tourism organisations will still be needed after 2030, but that the DMO strategy is moving towards destination and location development.

1.3.3 Smart Destination: A guide

The two megatrends of digitalization and sustainability are forcing destinations to adopt "smart" and sustainable management both internally and externally. The aim of the "Smart Destination" guideline (see Horster et al. 2022) is to recognise the relevance of tourism and thus increase the acceptance of tourism and improve the experience for guests in the entire living space. The focus of destination management is on the service experience and less on the service promise in the form of advertising measures, because the guest experience, which is recommended via social media channels, is increasingly becoming an important and credible communication channel.

Due to the complexity of the tasks, a smart DMO should keep an eye on everything, but not implement everything itself. Instead, it should see itself as a central authority that networks different stakeholders and partners, identifies projects and coordinates interests in a moderating role (Horster et al. 2022, p. 5).

Figure 7: Tasks of a smart destination



Source: Horster et al. 2022: Leitfaden Smart Destination, p. 6

Tasks of a smart DMO (Horster et al. 2022, p. 5f.):

- *Management – the comprehensive bracket*: coordination of various interest groups in the entire living space and their technological systems. Smart DMOs thus become central control bodies that are responsible for an orientation framework in the destination.
- *Integrative sensitivity – taking interests into account*: pursuing goals in a focussed manner while simultaneously taking the various interests and needs into account. Smart DMOs put out their "feelers" in all directions in order to identify relevant stakeholders and initiatives and influence them at an early stage.
- *Change organisers – inspiring change*: Promote innovation. Smart DMOs become a liquid organisation, quickly provide resources that they can deploy as needed, operate central database systems, have agile and competent employees and thus bring a sense of fluidity to the ecosystem.
- *Enabling – empowering stakeholders*: Knowledge and skills transfer to enable change. Smart DMOs not only drive change themselves, but also support stakeholders. They see themselves as compass needles that also anchor values by imparting expertise and thus pursue sustainability goals.
- *Mobilisation – active involvement of stakeholders*: Commitment of internal and external stakeholders to common goals. Smart DMOs become the central development authority that knows which stakeholders can contribute to a strong destination and in what form, and how they can be actively involved.
- *Networking – bringing stakeholders together*: Linking networks and promoting cooperation between stakeholders. Smart DMOs see themselves as "relationship brokers", promote specific connections, utilise open innovation approaches with operational levels such as hackathons, service jams or OpenWeek and pursue the goal of integrating resources.

The guide contains numerous implementation proposals for the individual fields of action, for example:

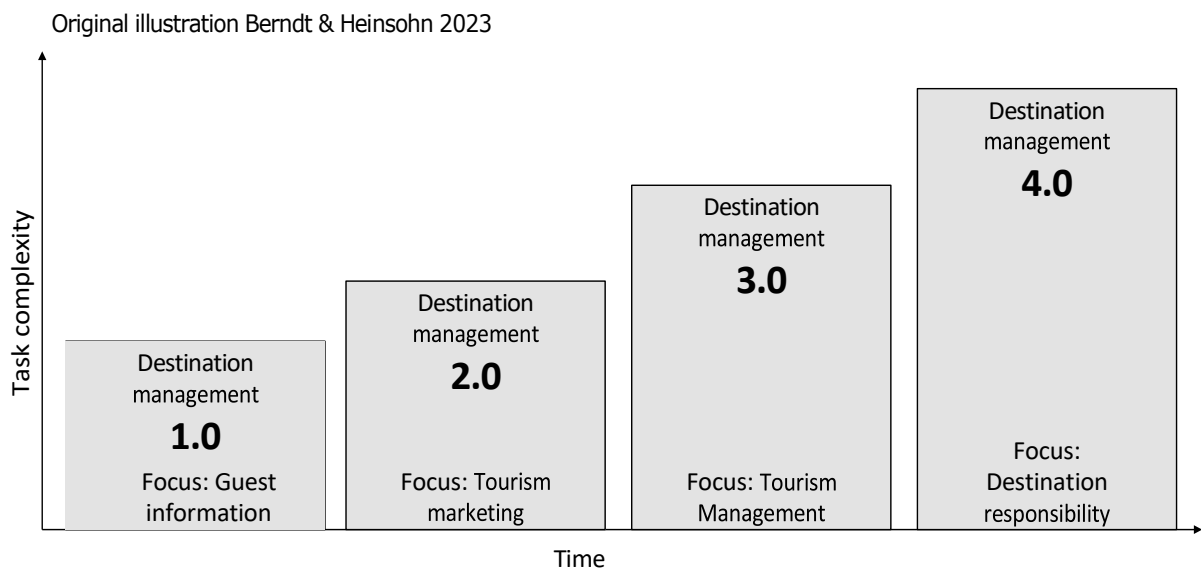
- *Tourist information of the future*: In addition to technological possibilities such as the use of service robots, touchscreens or other digital applications, an open and personalised advisory situation is also becoming increasingly relevant. (Horster et al. 2022, p. 14ff.)
- *Online bookability of leisure offers*: Channel manager systems support coordinated, automated and centralised booking on all booking channels (online and offline). (Horster et al. 2022, p. 20ff.)
- *Digital visitor management*: Transmission of information on current capacity utilisation. Influencing behaviour (nudging) and/or planning prohibitions (e.g. closing paths) are possible ways of preventing temporary overloads. (Horster et al. 2022, p. 25ff.)

The guidelines state that on the way to a smart DMO, traditional approaches must be questioned, stakeholder management must be intensified and new management skills, competences and networks with corresponding financial and human resources must be developed.

1.3.4 Destination management 4.0: From living space management to destination responsibility

In an article, Berndt/Heinsohn (2023) from the German Economic Institute for Tourism DWIF (2023) describe the evolution of destination management as follows:

Figure 8: Evolution of destination management



Source: Berndt/Heinsohn (2023), p. 38

Berndt/Heinsohn (2023) describe in their article that a new term is making a career in destination management: "living space". The term suggests that tourism has to become the designer of the living space. They point out that this sounds understandable at first glance but leads to a "hopeless overstraining of the already scarce resources of most DMOs".

It has long been known that tourism organisations are more than just marketing agencies. With increasing competitive pressure and more demanding guest expectations, the need to focus on the product and work more within the network and internally has increased. And at the latest since the first overtourism debates, the focus has increasingly shifted to the population. As a result, the complexity of the DMO's tasks has increased once again – and only rarely in proportion to the development of resources.

Digitalization and sustainability as the primary drivers of transformation have increased the pressure to work together on an interdisciplinary basis. This is the starting point from which "habitat design" is crystallised. However, the claim is controversial, especially because of the unrealistic claim of universal responsibility that can be read from it. In international discourse, however, the term "destination stewardship" is used, including by the Global Sustainable Tourism Council (GSTC). The term refers to a holistic assumption of responsibility for the further development of tourism in a destination without the overburdening task of assuming a leading (management) role in all areas of the living space. The authors therefore advocate speaking of "destination responsibility".

They concretise this destination responsibility in nine attitudes (Berndt/Heinsohn 2023, p. 39): – The tourism system needs an expanded perspective, as it is an essential component of the habitat.

- Tourism promotes the common good and thrives on a healthy balance.
- Tourism generates resonance and can create innovative connections between quality of life and quality of experience.
- Tourism creates a "Great Place to Work" for employees and as an environment for all sectors.
- Tourism managers cannot do everything (alone) and need to focus.
- Tourism is a co-designer and initiator of attractive leisure and adventure areas.
- Attractive destinations emerge from strong and agile networks in new co-operation structures.
- Tourism concepts remain important but must focus even more on aspects of habitat development and define interfaces with other areas.

The DMO can make a valuable contribution to the development of the living space – regional development, spatial planning, location marketing, economic development, mobility, housing, the labour market, culture, education, health, safety, etc. – and proactively bring the tourism perspective to all these "tables" and thus help (!) shape the living space.

1.4 Conclusions

The list of theoretical models and reflections on destination management could have been extended by numerous approaches (cf. Vanhove 2022), e.g. with the:

- Poon concept, which emphasises innovation, quality and tourism as the lead sector (Poon 1993).
- Dwyer-et-al approach, which emphasises price as a competitive advantage (Dwyer et al. 2000).
- Dwyer-Kim model with a special focus on demand conditions (Dwyer/Kim 2003).

However, the overview of theoretical reflections on destination management shows that the topic is still developing dynamically and is leading to new insights. They can be summarised as follows:

- *Tasks and role of a DMO*
 - DMO tasks have become more demanding and complex
 - Weighting has changed: Marketing has become less important – destination development, network management and cross-cutting issues became more important
 - Central role of the DMO as process moderator: project logic with joint steering structures and control systems
- *Division of roles*
 - DMO as a network organisation with too few skills and resources
 - Central: Sharing roles with the leading stakeholders
 - As a process facilitator, it is crucial to agree on joint planning and define the "lead"
- *Destination size, living space and guest flows*
 - Trend towards larger destinations and more professional DMOs
 - Destination development along guest flows and less along political borders
 - Focus DMO: Experience space developer (guest perspective) and living space developer from a tourism perspective
- *Competitiveness, sustainability, overtourism and resilience*
 - Primary objective: strengthening competitiveness
 - Three key topics as success factors:
 - Sustainability because of the great importance of an attractive environment, climate change and a satisfied population,
 - overtourism to maintain acceptance among the population, and
 - Resilience, especially with good diversification in terms of target groups
- *Offer development and experience staging*
 - Unutilised potential of cooperative offers
 - Cooperative offer development together with service providers as an increasingly important task, aligned with the destination strategy and the entire customer journey

- *Marketing*
 - With the central importance of the internet and digitalization, the role and significance of DMOs in marketing and sales has changed
 - Challenges, especially in destinations with strong service providers (e.g. mountain railways, congress centres) with large marketing budgets
- *Stakeholder management*
 - Moderation of stakeholder interests central to long-term competitiveness
 - Only little practice-oriented literature on tourism-specific stakeholder management (mostly scientific articles on specific aspects)
- *Digitalization and data*
 - Today, there are hardly any projects in which digitalization and data do not play a central role
 - Many DMOs and service providers are overwhelmed by this
 - Data improves understanding of travel decisions and behaviour
 - Networks and shared expertise, including human and financial resources, as a prerequisite for success
- *Measurability and monitoring*
 - (Hotel) overnight stays remain the most important basis
 - Broad-based monitoring or performance measurement is only in its infancy (mainly due to a lack of or inaccessible data).
- *Financing*
 - Despite an increase in the budget, there was a lack of freely available funds for the fulfilment of tasks as an experience space developer
 - Differences in the structure of tax systems regarding taxed properties, intended use or utilisation as well as municipal and cantonal financing systems
 - Growing problem: Linking financing with political interests – dominance of the politically feasible instead of the guest optics

2 Destination management examples from practice

2.1 Introduction

The selected destination management examples are intended to illustrate the variety of destinations and the different roles and tasks of DMOs. This is a snapshot in time, as destinations are constantly changing. The selection includes case studies of urban, alpine and rural destinations, of destinations with a large and small importance of tourism, of "corporate type destinations" with a strong service provider and of "community type destinations" with a very comprehensive portfolio of tasks for the DMO as well as case studies at the cantonal or country level with specifications for regional destinations.

The selection of case studies is based on specific characteristics of destinations or DMOs:

- Zurich as an urban destination with a clear focus on sustainability and comprehensive partnerships
- Gstaad as a premium alpine destination with a cross-border experience area
- Flims Laax as a corporate type destination with the claim of a smart avant-garde
- Leukerbad as an alpine destination and a DMO with integrated management of service providers
- Willisau as a rural destination with many municipalities and a new strategy as a compass
- Lucerne as a cross-cantonal destination and a DMO with service mandates at three levels
- Grisons as a cantonal destination with a dynamic, pioneering claim
- Tyrol as a countrywide destination with a comprehensive living space approach

2.2 Zurich: Urban DMO with a clear sustainability strategy and comprehensive cooperation model¹

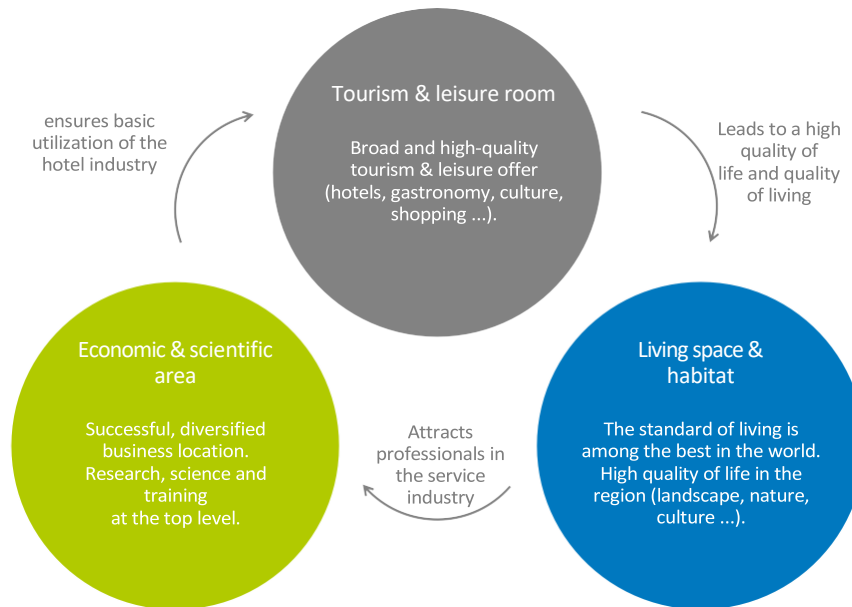
Zurich's destination strategy

The Zurich tourism region includes the Zurich sub-region (the city of Zurich, the airport region, the Limmat Valley and the Knonaueramt) as well as the sub-regions of Lake Zurich, Zug, Winterthur and Zurich Oberland.

According to Vision 2030, guests and the population should perceive Zurich as a sustainable and liveable premium destination with holiday quality. Against this backdrop, the new destination strategy of Zürich Tourismus strives for quality tourism that is compatible with the population and the environment. The further development into a premium destination with a focus on high-quality services and offers aims to optimise the travel experience of visitors and generate long-term added value for the Zurich sub-region and the tourism industry. This approach emphasises the importance of excellence, hospitality, innovation and cultural authenticity.

¹ Sources: Zürich Tourismus (2023): <https://zt.zuerich.com/de/ueber-zt>; Zürich Tourismus, (2021/2022): Nachhaltigkeitsbericht

Figure 9: Characteristics of the destination Zurich: triangle of location development



Source: Zürich Tourismus (n.d.) (not published)

Strategic goals

- Zurich is positioning itself as a premium destination.
- Zurich is considered one of the most sustainable city destinations in the world.
- The local population is proud of their tourist town and takes part in it.
- The proportion of guests from local markets is growing.
- The quality of the tourist experience in Zurich and the surrounding area is improving for guests.
- The proportion of leisure guests continues to increase.

Mission

- We market the destination at home and abroad on the basis of the brand promise (leisure and MICE).
- We enrich the experience on site with various services of our own.
- We provide guests with convenient access to the local tourist offer through information, measures and support.
- We initiate destination development projects in coordination with the city, canton and service providers.
 - We support the hotel industry in dealing with the shortage of skilled labour.
- We motivate top performers to actively participate in the strategy's objectives.

It is important that both the tourism service providers and the population are behind tourism. Another prerequisite is close cooperation with politicians, which is to be further strengthened.

Sustainability strategy

The sustainability strategy comprises ten focus topics with quantitative multi-year targets up to 2030, which are aligned with the Sustainable Development Goals (SDGs) and consider the criteria of the Global Sustainable Tourism Council (GSTC) for destinations. Zürich Tourism publishes an annual sustainability report based on the standards of the Global Reporting Initiative (GRI). To ensure the effectiveness and credibility of its goals and measures, Zürich Tourism relies on internationally recognised sustainability standards and guidelines. The strategic priorities are reviewed annually and, if necessary, new topics are included in the next target-setting process. At the operational level, Zürich Tourism implements the ISO 9001 and 14001 standards (since 2010) and works together with the City of Zurich on EarthCheck certification at the destination level.

Organisation and financing

Zürich Tourism (ZT) is an association. It develops, maintains and strengthens the tourism brand of the Zurich tourism destination. The focus is on the areas of leisure and MICE tourism in a total of 19 markets worldwide. The aim is to position Zurich as one of the most desirable travel destinations in the markets in which it operates and thus encourage people to travel to Zurich. Locally, Tourist Information offers a wide range of travel services at the counter in Zurich's main railway station or in the call centre. The Board of Directors consists of nine members. Zürich Tourism employs more than 60 staff and 50 tour guides.

The total budget for 2022 was CHF 20.4 million, almost 75% of which was invested in marketing. In the years before the pandemic, ZT was 93% privately financed and therefore unique in Swiss tourism. The pandemic changed this situation. The share of public funding (city and canton of Zurich) increased significantly and stood at 18% in 2022. The other sources of funding are the city tax (53%), commercial turnover (15%) and membership fees, cooperations, etc. (14%). From 2023, public funding will return to pre-pandemic levels.

Cooperation and network

ZT has long-standing partnerships with regional service providers such as hotels, catering businesses and other tourism companies as well as associations and clubs. The cooperation is based on the following membership model:

- There are four membership levels for tourism companies: Basic, Silver, Gold Members and Key Partners.
- Patron or Patron Plus membership is available for private individuals and companies without a tourism-related offer.
- Patron Plus members have access to the Spirit Club network.
- There are the following offer categories: "Patronages", "Hotel industry", "MICE industry" and "Tourist partnerships".
- The services and costs vary depending on the offer category and membership level.

At the end of 2022, ZT had a total of 772 members with around 1,200 businesses. 55% have a basic or patron membership and 45% are part of the Spirit Club network due to their Silver, Gold, Key or Patron Plus membership. Around 150 of all partnerships relate to the hotel industry, including the parahotel industry. In line with the hub strategy pursued by ZT, there has been close cooperation with the Lake Zurich, Winterthur, Zug and Zurich Oberland regions and the canton of Schwyz for a number of years. ZT also concludes event cooperation agreements with major tourism-related events (e.g. one-off events such as the 2024 World Cycling Championships or regular highlights such as Weltklasse Zürich, Street Parade, Food Zurich or Zurich Film Festival). There are also collaborations with associations and organisations such as the Zurich Hoteliers Association, Gastro Zurich, City Association Zurich, Congress City Zurich Interest Group, Silvesterzauber, Zurich Folk Festival, Film Commission Zurich, Food Zurich, Regional Directors' Conference, Switzerland Tourism, Grand Tour of Switzerland, Grand Train Tour of Switzerland, European Cities Marketing, myclimate Foundation, etc.

2.3 Gstaad: a pioneer in destination development with a cross-border experience²

The destination of Gstaad is regarded as a pioneer in destination development, as the six tourist associations from the three municipalities of Saanen, Gsteig and Lauenen were merged to form Gstaad Saanenland Tourismus GST in the early 1990s. However, the former tourist associations remained as "village organisations" with the task of organising local activities and maintaining contact with the local population and second home residents. The municipality of Zweisimmen was added in 2023. The destination of Gstaad is managed by GST as a DMO. The nine village organisations still form the membership base today.

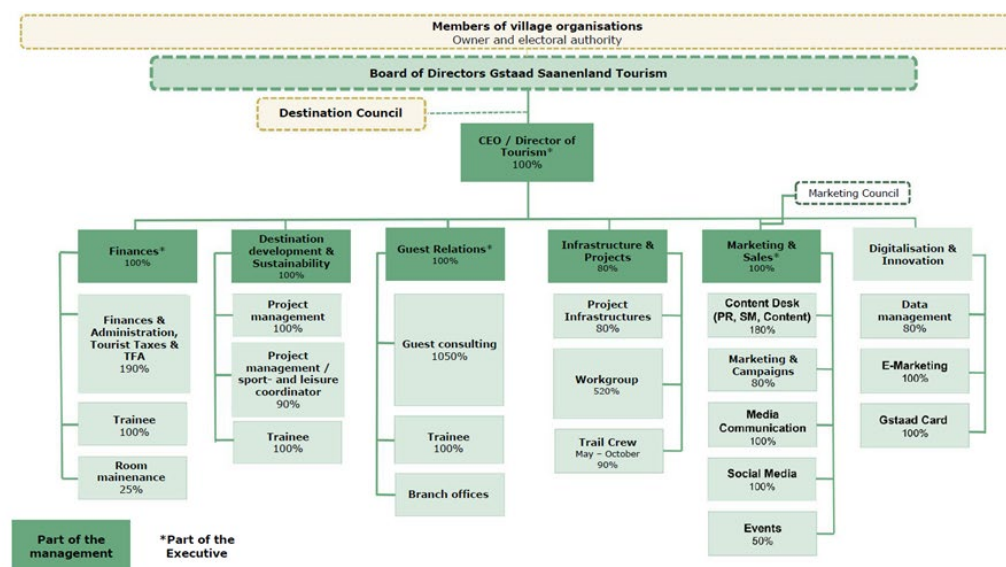
The tasks of the DMO Gstaad-Saanenland-Tourismus (GST) can be described as follows:

- Tourism management and development of the destination Gstaad
- Internal and external communication *)
- Develop offers, implement strategy-relevant projects
- Inform and advise guests, locals, second home residents and service providers from a single source
- Coordinate, develop and operate public tourism infrastructure

*) External communication was outsourced to Gstaad Marketing GmbH from 2016 to 2022. In 2022, it was reintegrated into GST following a negative vote at the Saanen municipal assembly.

The GST employs around 50 people, spread across 41 full-time equivalents. The Executive Board comprised 3 people and the management team 7. The 2023 annual financial statements showed costs and income of around CHF 13 million, of which personnel costs totalled around CHF 3.4 million.

Figure 10: Organisational chart 2023 of Gstaad Saanenland Tourismus GST



Source: Gstaad-Saanenland-Tourismus GST (2023)

² Sources: Gstaad Saanenland Tourismus, (2022), Betriebskonzept; Gstaad Saanenland Tourismus (2021): Strategie Destination Gstaad 2021-2024

The destination of Gstaad is not orientated towards municipal or cantonal borders, but towards the guests' experience area and extends from the Simmental, up to the Glacier 3,000 (VD) and as far as the Pays-d'Enhaut (VD) or Gruyère (FR). The DMO places the development of offers at the centre of its activities, sees itself as a destination developer for the entire experience area and provides services for guests, second home visitors and the local population. With the expansion of digitalization, it is also developing more and more into a smart DMO, shaping change, empowering stakeholders with the Gstaad Academy, networking them as a "relationship broker" and expanding the database system.

In 2021, the Destination Gstaad 2021-2024 strategy was adopted and signed by 31 stakeholders, from the four municipalities to the nine village organisations and the most important tourism associations to the key service providers such as the mountain railways, top events and Gstaad Airport.

The destination strategy for the entire experience area can be summarised as follows:

- Vision: The destination of Gstaad is the leading Alpine pleasure destination.
- Mission: In the destination of Gstaad, guests enjoy courteous hospitality, an Alpine lifestyle, active relaxation and discretion.
- Positioning: Alpine authenticity – pleasure – culture – deceleration – value.
- Claim: Come up – slow down.
- Objectives: Qualitative and quantitative goals, targeted guest segments and markets.
- Strategic fields of action (9), development strategies (28), key projects (106):
 - General tourist infrastructure/offers
 - Renovate/expand sports/cultural/conference infrastructure
 - Supplement family infrastructure
 - Optimise hiking trail network
 - Expand cross-country skiing offer
 - Improve (e-)mountain bike offer
 - Expand experience programmes
 - Mountain railways
 - Staging and positioning mountains
 - Expand and modernise infrastructure (mountain railways, technical snowmaking, mountain restaurants)
 - Accommodation/catering
 - Ensure and further develop the quality of catering establishments
 - Further develop accommodation offer (including hybrid forms)
 - Expand positioning as a wellness destination
 - Improve capacity utilisation of accommodation establishments in the low season
 - Top events/MICE
 - Strengthen and further develop (top) events
 - Create and coordinate MICE offers
 - Guest Relation
 - Sensitively looking after guests and expanding convenience
 - Deepen guest relationships and promote guest loyalty
 - Market development
 - Clearly position the destination and make it desirable
 - Further develop and intensify market cultivation
 - Mobility/Transport
 - Expand public transport services
 - Optimise traffic routing and solve parking problems
 - Making slow traffic more attractive and safer

- Sustainability
 - Promoting sustainability and driving projects forward
 - Strengthening local cycles – promoting authenticity
- Digitalization/cooperation/organisation
 - Continuous implementation of the digitalization concept
 - Deepen market observation
 - Enter into co-operations
 - Promoting tourism sensitisation
 - Optimise and consolidate organisational structures

A destination council, to which all 31 signatories of the destination strategy belong and which meets twice a year, monitors the achievement of objectives and progress in the implementation of key projects.

2.4 Flims Laax: corporate type destination and digitalization avant-garde³

In the destination of Flims Laax, the Weisse Arena (mountain railways and various accommodation providers) is a strong service provider. One can therefore speak of a partially integrated corporate type destination. As a regional tourism organisation, Flims Laax Falera Management AG (FLFM AG) works together with the political municipalities of Flims, Laax and Falera, the tourism service providers (including Weisse Arena) and the hoteliers' association to develop the destination. Investments, product management, direct reservations, events, guest information and marketing are jointly promoted under the Flims and Laax brands.

The vision emphasises that FLFM AG wants to ensure a valuable leisure environment with modern infrastructure, services, products and offers for guests and locals alike and thus contribute to an attractive place to stay, live and work, with the aim of making an important contribution to securing and promoting location-based added value and material assets in the long term.

Three aspects are emphasised in the *mission*:

- Close cooperation with partners, particularly with regard to cross-municipal issues such as the construction and operation of infrastructure, cross-destination services and the design of offers in line with the market and values.
- FLFM AG sees itself as a central and coordinating organisation that evaluates, coordinates, steers, implements and, if necessary, finances.
- Preservation of municipal autonomy.

The destination of Flims Laax pursues a year-round strategy and is marketed using a *two-brand strategy*.

- The Flims brand should be perceived as "quiet", as calm and convey a sense of home.
- It stands for hiking, culture and nature.
- Laax, on the other hand, is associated with "loud", stands for "freestyle, greenstyle and lifestyle", offers action, adventure and community and is original and radical.
- The focus is on activities such as snowboarding and skiing in winter and biking in summer.

³ Source: FLF Management (2024): <https://flfmanagement.ch>

With the corresponding products and offers as well as the authentic brand names, this positioning responds to the constantly changing guest behaviour and enables year-round marketing. Within the destination, the guest can decide agilely, and individually which area of interest is favoured. In this way, the destination's potential can be fully utilised.

The destination is based on four principles:

- Protecting key assets: nature, strategic locations and services
- Promoting local added value: lifestyle destination and regional cycles
- Enhancing the guest experience: Valuable leisure environment for guests, locals and employees
- Coexistence between locals and guests: encounters at eye level

With the mindset and campaign "Keep it calm and beautiful", the destination is an early advocate of a mindful approach to nature, flora and fauna. This also applies to sustainability and the Greenstyle initiative.

The cooperation between FLFM AG and its partners is set out in various service agreements. The responsibilities for the maintenance and preparation of the hiking and footpaths as well as the home runs are clearly divided into areas.

The destination Flims Laax generated 605,567 overnight hotel stays in 2021/22, 56% of which were in winter and 44% in summer. 70% of guests came from Switzerland, 11% from Germany, around 17% from other European countries and only a few from long-distance markets. In the 2021/22 financial year, FLFM AG had a total budget of around CHF 6.7 million at its disposal to fulfil its tasks. Income was largely made up of contributions from guest and tourism taxes, the general tax budget of the municipalities and income from services.

The destination of Flims Laax is considered avant-garde in *digitalization*. The "INSIDE LAAX" app was launched early on. The digital guest card was introduced in the 2019/20 winter season. Since then, it has been continuously developed, enriched with new experiences and made easier to use. In terms of communication, experiments are being carried out on all online and social media channels.

Note: This presentation corresponds to the status in spring 2023. The destination strategy is currently being adapted. In a publication report in the Hotel Revue (htr) in November 2023, the course was set for a "sustainable destination model" is described as follows:

- Realisation: abandon the illusion of the controllability of a destination and its service providers
- Intention: Ambitious transformation process
- Goal: Ensuring competitiveness and strengthening the resilience of the destination through transparency, open dialogue and a joint development process
- Key: Destination governance
- DMO areas of responsibility: communication (strengthening market positioning), information management, project management (product management with service providers)
- Reorganisation: redefinition of required specialist skills (tourism, entrepreneurial thinking, digitalization) – employees and the population as ambassadors – demonstrating the benefits of tourism infrastructure for the population
- Success criterion: Activation of existing networks and increased involvement of local service providers and stakeholders

2.5 My Leukerbad AG: Destination management organisation with integrated management of service providers⁴

The operating organisation My Leukerbad AG was founded in 2016. It brings together some of the largest tourism service providers in the destination of Leukerbad. Thanks to the synergies created, the corresponding infrastructures can be operated efficiently and the core advantages of the destination – the thermal water, the unique mountain world and the sporting activities – can be operated and marketed efficiently.

My Leukerbad AG now manages five tourism companies on behalf of the owners: Torrent-Bahnen (CHF 6.5 million turnover), Leukerbad Therme (CHF 7 million), Sportarena (CHF 2 million), Snowpark (CHF 0.5 million) and Leukerbad Tourismus (CHF 4 million). In addition, My Leukerbad AG has taken over the management of Verkehrs-Betriebe Leuk-Leukerbad AG (CHF 6 million) on a mandate basis. This innovative organisational form enabled a turnaround of the financially ailing service providers and serves as a model for integrated tourism service providers. The company, based in Leukerbad, offers 130 employees a year-round position and a further 60 employees a seasonal position.

Vision and mission of My Lakebed AG

- *Vision:* My Leukerbad AG is a decisive, efficient and accessible co-operation partner. As a destination management organisation, we are one of the leading integrated and sustainable tourism companies in Switzerland. We are a model of success for the destination.
- *Mission:* We develop our core products – natural thermal water, skiing, hiking and biking – into an attractive, unique mix of offers. From this we create, advertise and sell with We are passionate about creating unforgettable, inspiring and sustainable experiences for our guests. We are innovative hosts and reliable realisers. We want our work to have a positive impact in all dimensions of sustainability.

The roles of My Leukerbad AG can be summarised as follows:

- Operation of tourist infrastructures (see above) according to the motto "One of many"
- Intercommunal DMO (municipalities of Leukerbad, Albinen, Inden and Varen) according to the motto "One for all": running the tourist office, marketing the destination, designing the guest card, organising events and entertainment
- Marketing AG according to the motto "One for several": Marketing orders from third-party partners

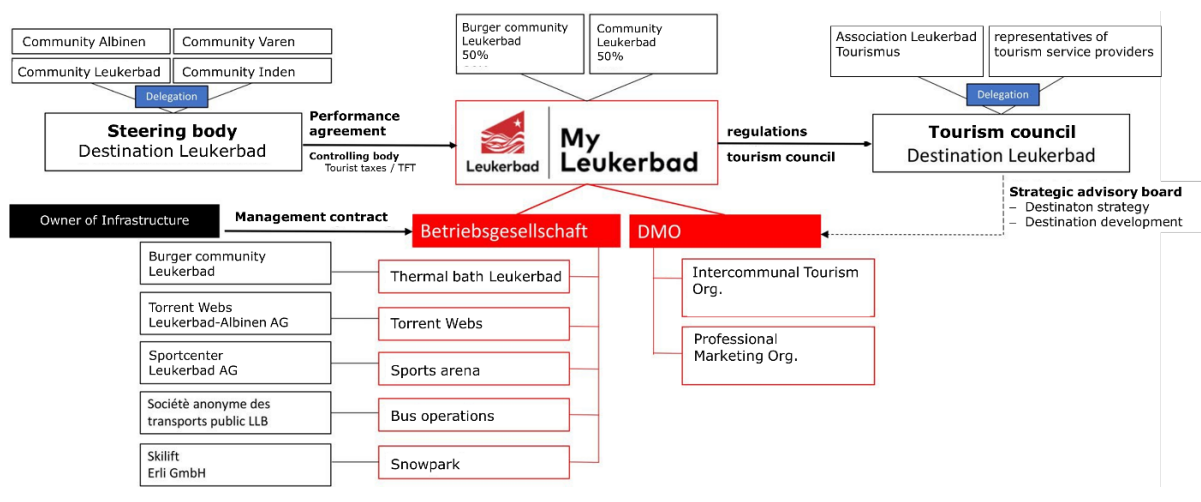
This company organisation has many advantages, but also some disadvantages.

Advantages:

- Cost savings (approx. CHF 1 million)
- Maintaining the ownership structure
- Risk mitigation through various pillars (railways, swimming pools, etc.)
- Short operational decision-making channels
- Product development and marketing from a single source
- Attractive employer
- Expertise and redundancies among employees

⁴ Sources: Zurbruggen, U. (2022): My Leukerbad AG – ein Modell für Tourismusdestinationen?, Referat Tourismusforum Schweiz (TFS) vom 24.11.2022; My Leukerbad AG, Geschäftsberichte 2021/22 und 2022/23, <https://leukerbad.ch/ueber-uns#tourismus-organisation>

Figure 11: Governance structure of the destination Leukerbad



Source: Zurbruggen, U. (2022): My Leukerbad AG – ein Modell für Tourismusdestinationen?, Referat Tourismusforum Schweiz (TFS) vom 24.11.2022

Disadvantages:

- Dependence on owners for investments
- Understanding the roles of DMO versus operation
- Complex requirements for management and staff
- Demanding stakeholder management

Extracts from the My Leukerbad AG annual reports 2021/22 and 2022/23

A master plan with seven strategic thrusts was developed in collaboration with the infrastructure companies. New products and investments in infrastructure are intended to focus on the guest experience, but also reinforce the commitment to digitalization and sustainability. In order to make products even more sustainable, a sustainability fund was set up together with "Cause We Care".

The marketing strategy was developed in collaboration with the Tourism Council on the basis of the Destination Strategy 2026. The four strategic fields of action – health, (thermal) water, nature and experience – are at the centre of the strategy. A new upgrade for the bathing experience was launched as part of the Magic Pass fare network: Guests can add the baths option for an additional charge and relax in 13 thermal baths and swimming pools, three of which are in the destination of Leukerbad.

In the 2022/23 financial year, My Leukerbad AG set a new sales record for the third time in a row. This is confirmation of the success of the integrative tourism model, which is entering the next phase of implementing the destination strategy with the completion of the "Leukerbad Master Plan". With 751,000 overnight stays, it is only just below the 10-year record of 2021/22 at -3.5%. In addition to the stabilisation of overnight stays at a high level, the length of stay of guests also increased slightly to 4.07 overnight stays. At the annual Infrastructure Day, My Leukerbad plans various projects together with the infrastructure companies to enhance the tourist offer. Plans for 2023/24 include the renovation of the Leukerbad Therme indoor pool with a new pool bar, the opening of the first indoor padel tennis court in Valais, the renovation of the Rinderhütte ski depot with heated ski lockers and the opening of the new bike trail from Torrentalp to Flaschen.

2.6 Willisau: Small DMO with many municipalities but a new strategy as a compass⁵

The Willisau Tourism Association is developing into a sustainable habitat management organisation (LRMO). The credo is: Willisau Tourism works for guests and the population and thus contributes to the quality of life and recreation in the region.

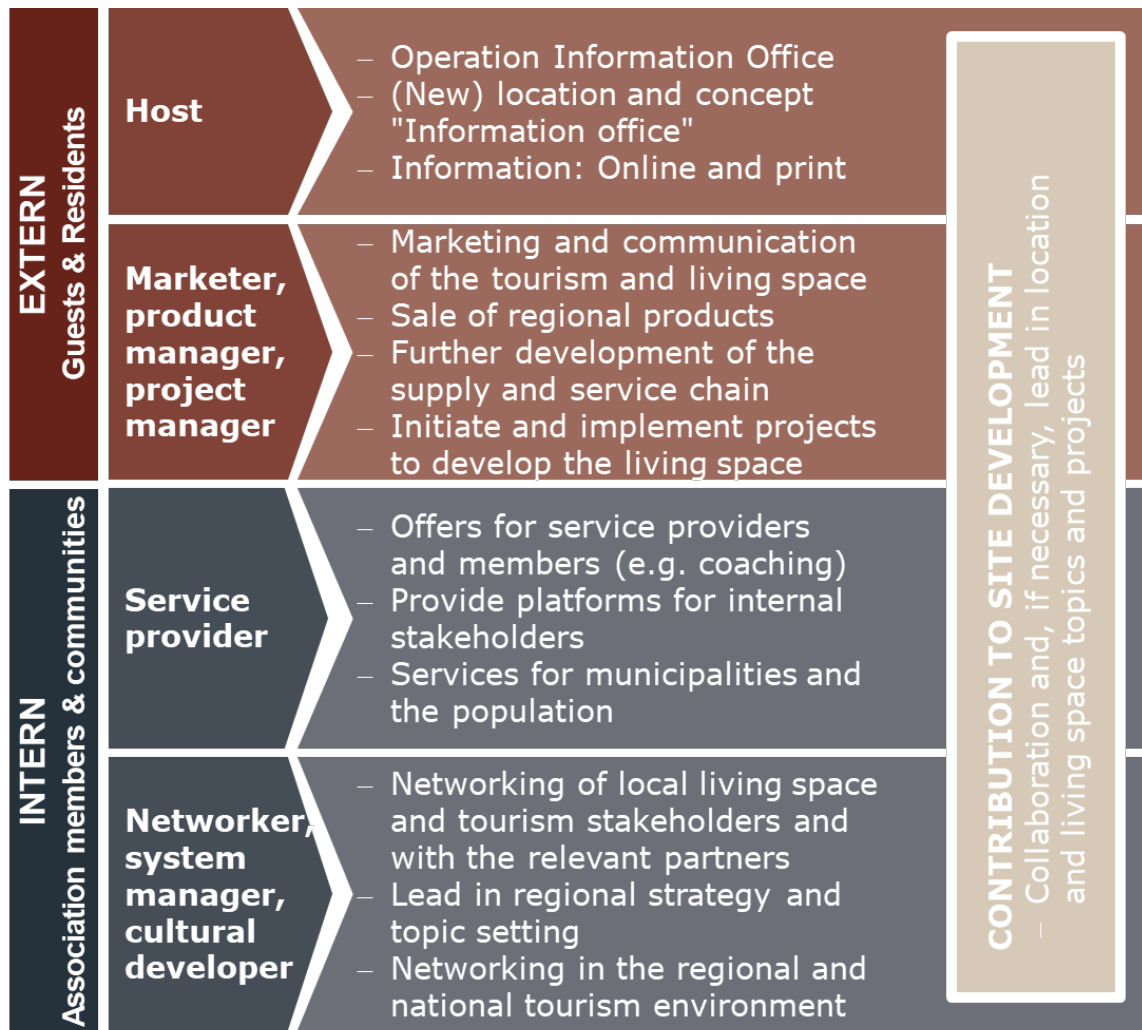
The destination of Willisau comprises 16 municipalities, generates around 65,000 overnight stays (2023), 70% of which in the parahotel industry, a gross value added of around CHF 95 million, CHF 57 million of which directly, which triggers direct employment of around 620 full-time equivalents (value creation study Canton of Lucerne, Hanser & Partner, 2015). Willisau Tourism's small team of 6 employees (2.9 FTEs) and 10 guest guides has a comprehensive portfolio of tasks: Hosts as operators of the analogue and online information office, marketers, product and project managers for the further development of the living space, service providers for service providers, the population and municipalities, networkers, system managers and cultural developers for the entire living space, location developers with targeted projects. A budget of around CHF 0.5 million is available to fulfil these diverse tasks, 30% of which is financed by municipal contributions.

In 2022/23, a destination strategy was developed with the support of Daniel Fischer & Partner, in which the following development perspectives for the destination of Willisau as a place to live and experience were set out:

- Claim:
 - Increased attractiveness incl. contribution to quality of life
 - Switzerland-wide awareness
 - Strengthening value creation
- Strategic success positions:
 - Nature and landscape: Napf area, exercise and recreation potential
 - Cultural elements: Willisau old town, events and customs
 - Identity/authenticity: authenticity of the landscape and the people
 - Regional products: Willisauer Ringli, Kafi Luz, Original Willisauer, and Erlebnishof Burgrain
 - Central location: reachable in less than 1 hour from Zurich, Basel, Bern and Lucerne
- Positioning or strategic business areas:
 - Nature and movement
 - Culture and enjoyment
 - Agritourism
- Supporting business areas:
 - Sustainability, regionality, digitalization, mobility and health
- Supporting processes:
 - Co-operations: Thematic cooperation Napf region, local cooperation, cooperation with the surrounding destinations Biosphäre Entlebuch, Seetal and Sempachersee within the framework of Lucerne Region, Lucerne Tourism and the canton
 - Role model of LRMO Willisau Tourism (see illustration)

⁵ Source: Willisau Tourismus, (2024). Willisau Tourismus Strategie 2023-2027

Figure 12: Role model of Willisau Tourism



Source Willisau Tourismus (2023): Willisau Tourismus Strategie 2023-2027, p. 4

Realisation is set out in detail in the 2023-2027 implementation agenda and is reviewed annually by the Willisau Tourism Board.

2.7 Central Switzerland: Luzern Tourismus AG at three different levels⁶

Lucerne Tourism AG (LTAG)

LTAG is the leading destination management organisation in Central Switzerland and the Lucerne-Lake Lucerne Region with the five cantons of Lucerne, Schwyz, Uri, Obwalden and Nidwalden and with Lake Lucerne as the connecting element. LTAG is the competence centre for positioning, market development, public relations and guest services in the interests of numerous partners. Its core tasks also include brand positioning, brand management and brand maintenance. LTAG's strategic goals are Destination development, digital leadership, offer and product development, increasing tourism value creation, promoting sustainability in tourism and enhancing the image of tourism.

LTAG is a public limited company with 32 shareholders. The core shareholders are Luzern Hotels (the industry association of Lucerne hotels) and the Lucerne Tourism Forum (TFL), which together own 50% of the share capital. In addition, there are three co-operation shareholders, six principal shareholders and twenty-one basic shareholders. Other key partners of LTAG are the city and canton of Lucerne and the four other partner cantons of the Lucerne-Lake Lucerne Region. Apart from the City of Lucerne, they are not shareholders. The city of Lucerne and all partner cantons have a service agreement with LTAG.

City of Lucerne⁷

As part of a two-year participatory process with the most important stakeholder groups, the City of Lucerne has developed the "Vision Tourism Lucerne 2030" (VTL2030), which was adopted by the city council in January 2022. LTAG is an important partner of the city of Lucerne for the implementation of VTL2030. Its main mandate is the sustainable promotion of tourism and the successful marketing of the tourism offering in the city of Lucerne.

The service agreement between the city of Lucerne and LTAG sets out the objectives of VTL2030, the services to be provided by LTAG and the corresponding state contribution. A focus is placed on increasing the length of stay of guests. LTAG should focus its resources even more strongly on attracting overnight guests and place an even greater emphasis on increasing the quality of stay and quality of life.

The performance targets in the new performance agreement are based on the three sustainability dimensions and the requirements of VTL2030, taking into account the demands of the Grand City Council as part of the parliamentary debate. For this reason, the increase in the proportion of multi-day congress tourism and the renunciation of advertising activities in long-distance markets were explicitly included in the service agreement. LTAG has been a partner of the Global Destination Sustainability Index (GDS Index) since 2021.

Canton of Lucerne⁸

In 2009, the Lucerne cantonal government adopted the cantonal tourism mission statement. One area of action was the adaptation of tourism structures. From 2012, the "DMO Lucerne" was implemented with LTAG as the DMO centre and the four regional tourism organisations (RTO) in rural areas as well as Weggis Vitznau Rigi Tourism (WVRT) on Lake Lucerne.

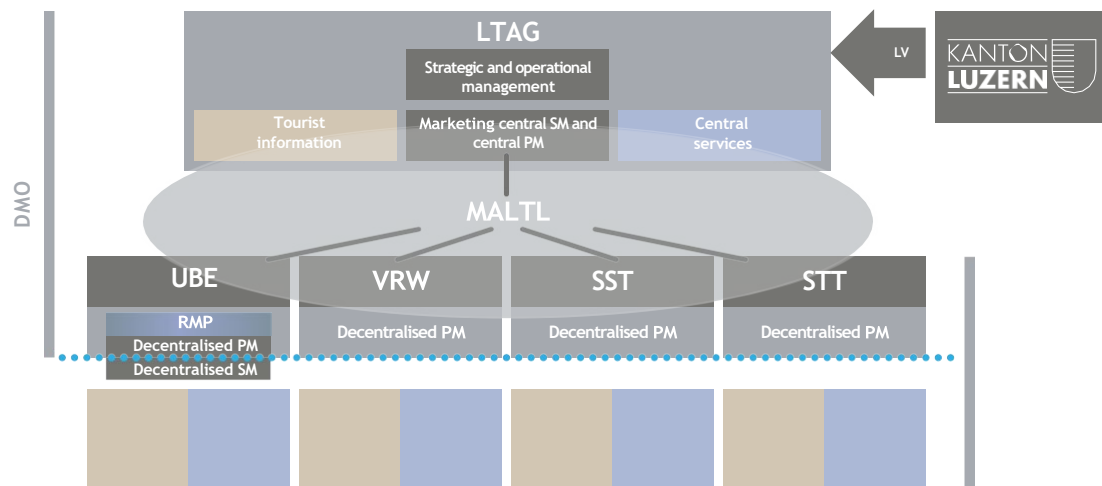
⁶ Source: LTAG: <https://www.luzern.com/de/ueber-uns/ueber-luzern-tourismus/> (29.04.2023)

⁷ Source: Stadt Luzern (2023): Neue Leistungsvereinbarung mit Luzern Tourismus AG und Teilrevision Kurtaxenreglement, <https://www.stadt Luzern.ch/aktuelles/newslist/1669085> (29.04.2023)

⁸ Source: Raum und Wirtschaft Kanton Luzern 2009: Tourismusleitbild
Kanton Luzern 2023: Neues Tourismusleitbild Kanton Luzern, Vernehmlassungsentwurf vom Mai 2023, Planungsbericht des Regierungsrates an den Kantonsrat, Luzern 2023 Kanton Luzern:
<https://rawi.lu.ch/themen/tourismusfoerderung/Tourismusleitbild> (29.04.2023)

The Lucerne Rural Tourism Marketing Committee (MALTL), consisting of LTAG (as lead DMO) and the four rural RTOs, manages the marketing of rural tourism offers and serves as a platform for strategic dialogue between LTAG and the RTOs. This is intended to strengthen the integration of rural tourism in the LTAG at a strategic level.

Figure 13: Structures and tasks in rural tourism in the canton of Lucerne: organisation chart of the DMO Lucerne



Source: Raum und Wirtschaft Kanton Luzern (rawi) (2012): DMO Luzern, Das konsolidierte Tourismusmarketing im Kanton Luzern, p. 3

Figure 14 shows the specific tasks of central sales management (marketing by LTAG) and central and decentralised product management.

In 2021, the canton of Lucerne launched a process to develop a new tourism mission statement. A consultation draft of the new mission statement with four development perspectives for responsible and competitive tourism development is currently available. The following goals are to be achieved:

- Diversified value creation
- Positioning as a year-round destination
- Extension of the length of stay
- Strengthening the positioning as a climate-adapted destination
- Tourism in harmony with the needs of Lucerne's population

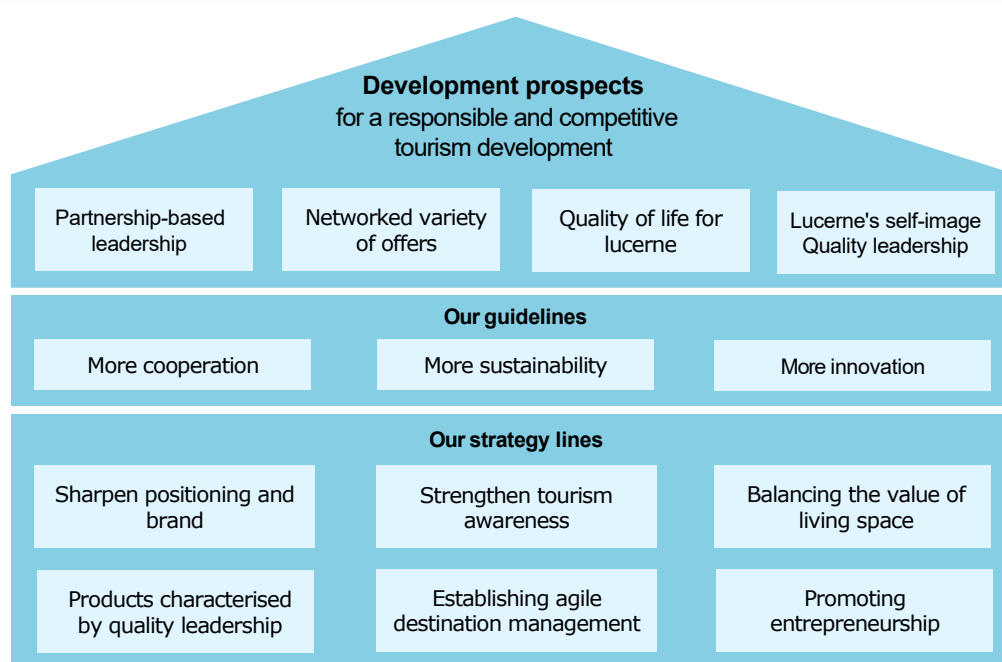
Figure 15 provides an overview of the organisation and structure of the new tourism mission statement of the Canton of Lucerne.

Figure 14: The tasks and division of tasks between LTAG as the DMO centre and the RTOs



Source: Raum und Wirtschaft Kanton Luzern (rawi) (2012): DMO Luzern, Das konsolidierte Tourismusmarketing im Kanton Luzern, p. 5

Figure 15: Tourism mission statement of the Canton of Lucerne: organisation and structure



Source: Kanton Luzern 2023: Neues Tourismusleitbild Kanton Luzern, Vernehmlassungsentwurf vom Mai 2023, Planungsbericht des Regierungsrates an den Kantonsrat, Luzern 2023

The mission statement pursues three guidelines (more cooperation, more sustainability and more innovation) and focuses on the following areas:

- Supra-regional product development to strengthen the networking of the individual tourism sub-regions, to unbundle the flow of visitors and to valorise the variety of tourism.
- Active declaration of conflicts of interest and conflicts of use and support of service providers by tourism organisations as central links.
- Closer involvement of the population in tourism development as users and stakeholders.
- Promotion of regional economic cycles, particularly in rural areas, to generate income and development potential.
- Joint implementation of digital transformations to save resources and support smaller companies.

Lucerne-Lake Lucerne Region⁹

At the level of the Lucerne-Lake Lucerne Region, there are the five cantons of Central Switzerland, all of which have their own tourism strategies and structures as well as their own tourism laws. From 2019 to 2022, a joint vision and Strategy 2030 were developed as part of a participatory process and the structures and tasks were reviewed and adapted.

A newly developed cooperation model serves as the basis for collaboration in the Lucerne-Lake Lucerne Region and comprises three bodies:

- *Control board:*
 - Consisting of the 7 managing directors of the regional tourism organisations, 1 representative of Lucerne Province with decision-making powers and 1 managing director of the transport companies of Central Switzerland (TUZ).
 - Responsible for strategic orientation with regard to the joint development of services in the LUV region (3-year strategy), management of the nine strategic business areas, support for the operational competence network, management of all supra-regional projects, financing and reporting.
 - LTAG coordinates four meetings, one of which is organised together with the Strategic Advisory Board.
- *Strategic Advisory Board:*
 - Consisting of the presidents of the regional TO and the transport companies of Central Switzerland TUZ as well as the representatives of the cantonal NRP offices.
 - Interim evaluation of the strategy developed by the steering board and its review as the main tasks.
 - Meets once a year together with the steering board.
- *Regional Innovation Competence Network Tourism Central Switzerland:*
 - Development of joint intercantonal products and implementation of the products approved by the steering board as the main tasks.
 - These products are developed and implemented by working groups consisting of representatives of the regional TO.

The cooperation model is *financed* via basic financing and product financing.

⁹ Sources: Region Luzern-Vierwaldstättersee (17.11.2022): Kooperationsmodell zur gemeinsamen Produktentwicklung und -betrieb in der Erlebnisregion Luzern-Vierwaldstättersee
Region Luzern-Vierwaldstättersee: Kooperations- und Leistungsvereinbarung (Mustervorlage LTAG mit Kanton XY)

LTAG has concluded cooperation and service agreements with the five cantons. LTAG's services to the partner cantons are divided into five areas:

- Strategic leadership & destination management
- Online marketing
- Active marketing of the Lucerne-Lake Lucerne Region
- Strategic project management
- MICE/business tourism

Conclusion: The case study of Lucerne clearly shows the problems of controlling tourism across cantons, as the ideas of the cantons are sometimes quite different and are characterised by political interests. The development of common ideas is still more possible at a strategic level. It is much more difficult to develop a jointly supported solution with regard to the structures, roles and responsibilities of tourism organisations and, in particular, their financing. In general, it can be stated that the trend is moving towards more specific political influence on the LTAG via the service agreements.

2.8 Grisons: The dynamic pioneering role¹⁰

The canton of Grisons was and still is regarded as a Swiss pioneer in destination management. Back in 2006, the cantonal parliament approved a commitment credit of CHF 18 million for the "Competitive structures and division of tasks in Grisons tourism" project for the period 2006-2012. At the heart of the project was a structural reform of tourism with the main objectives of creating more competitive structures in the canton of Grisons and clarifying the division of tasks between different levels and tourism stakeholders.

Various accompanying measures were also initiated:

- Realignment of Graubünden Ferien, the cantonal marketing organisation
- Creation of an electronic tourism platform for the Grisons
- Establishment of a management and monitoring system using a balanced scorecard
- Further development of the use of the Grisons regional brand
- Preparation of the law on tourism taxes to reorganise the financing of tourism marketing
- Implementation of a quality programme for the Grisons
- Promotion of nature and culture-based tourism

Thanks to the structural reform, great progress was made in the formation and stabilisation of destinations between 2006 and 2013. Nevertheless, the canton of Grisons has been confronted with the following challenges in recent years:

- The vote on the reorganisation of the TAG tourism financing failed in 2012 due to a "no" vote.
- Even after the structural reform, individual destination structures are still unstable, which is why structural optimisation is still necessary.

¹⁰ Source: Graubünden (2006), Wettbewerbsfähige Strukturen und Aufgabenteilung im Bündner Tourismus

In 2013, the canton of Grisons developed a basis as an orientation framework for the players in Grisons tourism. The so-called Grisons Tourism Programme 2014-2023 was implemented as part of the New Regional Policy NRP. A total of CHF 21 million was available (CHF 10.5 million each from the federal government and the canton):

- *Areas of action of the tourism programme:* governance, product/market development, location development, knowledge management (know-how), system innovations, prospects for tourism destinations
- *Position of the tourism organisations:* Enabling of service providers, implementation of own NRP projects, participation in the "Meetings of Tourism Directors"

Organisational structures in Grisons tourism

The following organisational structures currently exist in Grisons tourism:

- 4 Destination Management Organisations (DMO)
- 11 Regional tourism organisations
- 3 Local tourism organisations
- Graubünden Tourism as a cantonal marketing organisation with a budget of around CHF 10 million (cantonal contribution of CHF 7.5 million as part of a performance mandate, at least 20% from partners)

The Office for Economy and Tourism (AWT) sees its primary role within the cooperation programme as the creation, coordination and communication of the programme. The canton is not only the legislator and funder, but also provides advice and support. The canton brings tourism stakeholders together on overarching topics such as digitalization, sustainability, skills shortages, etc.

The tourism programme focuses on closer cooperation between tourism stakeholders and the implementation of cross-destination NRP projects. The further development of destination structures and municipal tourism funding is the responsibility of the municipalities and tourism organisations. New committees have been established for the implementation of the programme:

- **Tourism Council:** A body of external experts appointed by the government with the task of advising the tourism programme on strategic issues, but without decision-making powers.
- **Meeting of the tourism directors together with Graubünden Tourism:** Operational monitoring of the tourism programme and exchange of experiences, lessons learned in cooperation management and best practices.

The Office for Economy and Tourism is responsible for implementing the tourism programme (NRP promotion). In addition, the promotion of tourism in the Canton of Grisons includes various other areas of promotion such as events, infrastructure, regional brand, brand campaign, Graubünden Tourism, etc. The AWT maintains contacts with the DMOs in various forms and supports the destinations via various instruments (Economic Development Act, New Regional Policy, Digital Transformation Act, etc.).

2.9 Tyrol: Destination as living space¹¹

As a frequently cited example of good practice, "The Tyrolean Way" is presented with the perspectives for responsible tourism development. The focus is on the destination as a living space. The Tyrolean Way is introduced with reflections on "walking and pausing", the "benefits of the positive power of tourism", the "link between sustainability, quality and quantity", the "quality of life of the locals" and the "importance of leadership".

The self-image of Tyrolean tourism:

- *Sustainability*: In addition to the economic aspects, social and ecological aspects are also considered equally and brought into a sustainable balance.
- *Connection*: Nature and landscape experiences, activity and sport, but also enjoyment and alpine idyll are combined.
- *Lifestyle*: The aim is to become the epitome of the Alpine lifestyle, i.e. to value, promote and pass on one's own identity.

Four broad lines represent the basic principles of tourism development. They form the basis for the guiding measures, which are constantly being updated.

- *Living & recreational space*
 - Regional and supra-regional stakeholder dialogue forums in the living space
 - Quantitative growth limits in the accommodation sector
 - Respectful land use in harmony with nature and Alpine agriculture and forestry
 - Design quality and revitalisation of town centres
- *Sustainability & regionality*
 - Implementation of a multidimensional sustainability strategy in destinations¹²
 - Mobility offensive and climate neutrality, including 100% use of regenerative drive systems in local mobility and climate-neutral ski resorts by 2035 – increase in the proportion of public transport from 5 to 10% by 2035
 - Strengthening regional economic cycles, especially between tourism and agriculture
- *Family business & host quality*
 - Strengthening resilience, increasing the equity ratio, enhancing expertise in business management, digitalization and succession planning for family businesses
 - Promotion and support of tourism businesses in sustainability issues
 - Strengthening employer brands and top training quality
 - Adaptation of private room rental and farm holidays to the new Private Room Rental Act
- *Expertise & innovation leadership*
 - Leadership in alpine year-round tourism in terms of quality, innovation and valorisation of offers with and without snow
 - Strengthening the management of tourism associations and active habitat management
 - Local markets will remain core tourism markets in the future
 - Promotion of research-led innovations for tourism
 - Driving force and pioneer of digitalization (smart destination) in the Alpine region

¹¹ Source: Wirtschaftskammer Tirol & Verband der Tiroler Tourismusverbände (2021): Der Tiroler Weg – Perspektiven für eine verantwortungsvolle Tourismusentwicklung

¹² With reference to the "Tyrolean Way", the mandatory installation of a coordination centre for sustainability was enshrined in the Tyrolean Tourism Act in 2022 (§17a Nachhaltigkeitskoordinator)

A multidimensional measurement of success in Tyrolean tourism is proposed:

- *Key economic figures*: Arrivals, length of stay, bed occupancy, revenue per bed and overnight stay
- *Social indicators*: Tourism intensity, tourism awareness, year-round jobs
- *Ecological key figures*: CO² footprint, share of public transport in local mobility, share of renewable energy in total energy consumption
- *Satisfaction indicators*: Guest and employee satisfaction, recommendation rate

Finally, it is pointed out that the search for the best way forward is never complete. A prerequisite is the continuation of dialogues with central core service providers and stakeholders, expert discussions and surveys.

2.10 Conclusions

The prepared case studies at the various levels show that the destinations and thus the DMOs are developing dynamically. During the research, new guidelines and basic principles have repeatedly emerged. Despite the variety of tasks and roles of the DMO, an attempt is made to summarise important findings:

- *Tasks*: Tasks became more complex and demanding.
- *Role*: The role as process moderator and the co-operative development of offers and product design became more important.
- *Role sharing*: Role sharing with leading stakeholders and strong performers as a success factor.
- *Destination size*: Trend towards larger destinations is stagnating, the territorial approach will continue to be maintained, but there will be an increased focus on guest flows in the entire experience area.
- *Living space*: Greater consideration of the interests and quality of life of the population in their living space, but often unclear responsibilities.
- *Sustainability*: Increasing importance of sustainability.
- *Resilience*: Pandemic as a driver for greater consideration of resilience; diversification of target groups and strengthening of local markets.
- *Offer development*: Experience staging along the customer journey as an increasingly important task for a DMO.
- *Social media*: Experience setting and thus "earned media" in social media are replacing traditional communication.
- *Marketing*: Still important despite major changes, particularly in the areas of website optimisation (SEO), online advertising (SEA) and use of social media (use of influencers if necessary).
- *Stakeholder management*: interests of stakeholder groups not systematically recorded; key importance of a clear division of roles and credible communication.
- *Digitalization*: "Smart destinations" not in sight – smaller DMOs are overwhelmed due to a lack of expertise and resources; (smaller) service providers expect support and empowerment from the DMO.
- *Data*: More and more data are available but is often not accessible or can only be processed with great effort.
- *Monitoring*: Widespread desire for multidimensional and transparent performance measurement of destination development – successful implementation as an exception.
- *Funding*: Despite the increased budgets of most DMOs, there is a lack of sufficient funds to fulfil tasks as a network organisation or experience area developer; a wide variety of funding structures and financial dependence on the public sector.

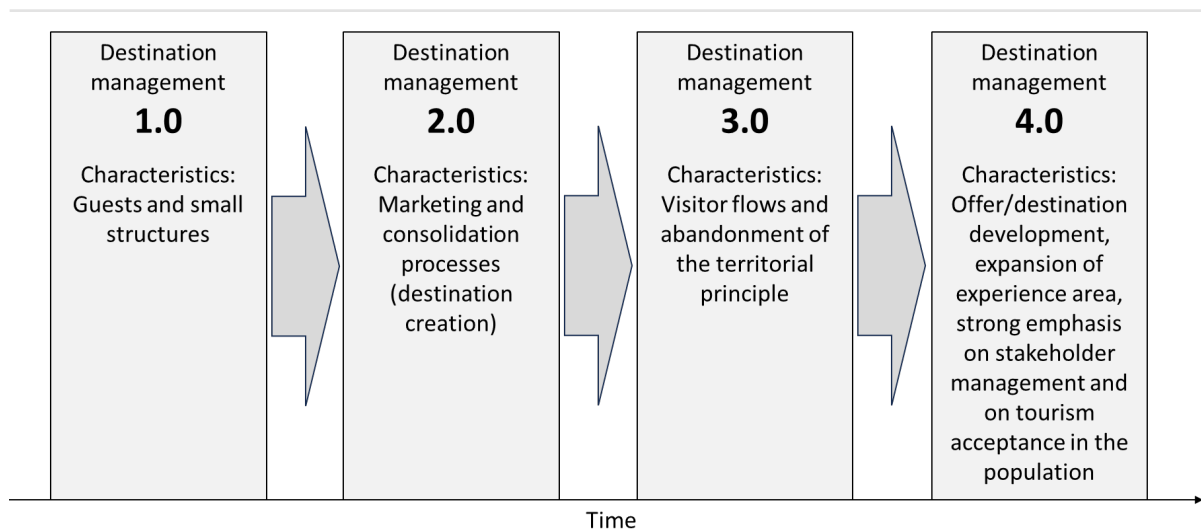
Overall, it appears that the political influence of the public sector on DMOs via performance agreements has increased. Political demands for competitive structures (governance) and cooperation, efficiency and entrepreneurship, offer and market development, sustainability and digitalization, knowledge management and empowerment of service providers are clearly present in almost all destinations.

3 Principles and models of destination management 4.0

3.1 Introduction

Destination management 4.0 can be characterised by the key features of offer and destination development, expansion of the focus along the guest flows to the entire experience area, expanded stakeholder management and a stronger emphasis on the quality of life of the population.

Figure 16: Development of destination management with a different focus



Source: Own presentation

The DMO in destination management 4.0

- sees itself primarily as a network organisation, coordinates and represents the diverse interests of tourism and moderates project-related processes,
- focuses on the development of offers and destinations,
- is orientated towards the political situation, but extends the perspective to the entire experience of the important guest groups,
- clarifies the scope and quality of tasks in service contracts,
- places a strong emphasis on stakeholder management and
- includes the quality of life of the population wherever the experience and living spaces overlap.

Destination Management 4.0 differs from previous generations in particular:

- an integral and holistic approach to the management and development of a destination,
- a systemic view of complexity and dynamics in a destination, which require a high degree of flexibility and agility,
- the focus on a future-oriented and thus sustainable strengthening of competitiveness,
- an attempt to outline the governance and the division of roles and responsibilities between the various players,

- the comprehensive description of eight task areas of the DMO, from which a context-dependent task portfolio can be compiled, and
- the practice-orientated recommendations for action as the basis for a continuous and targeted change process.

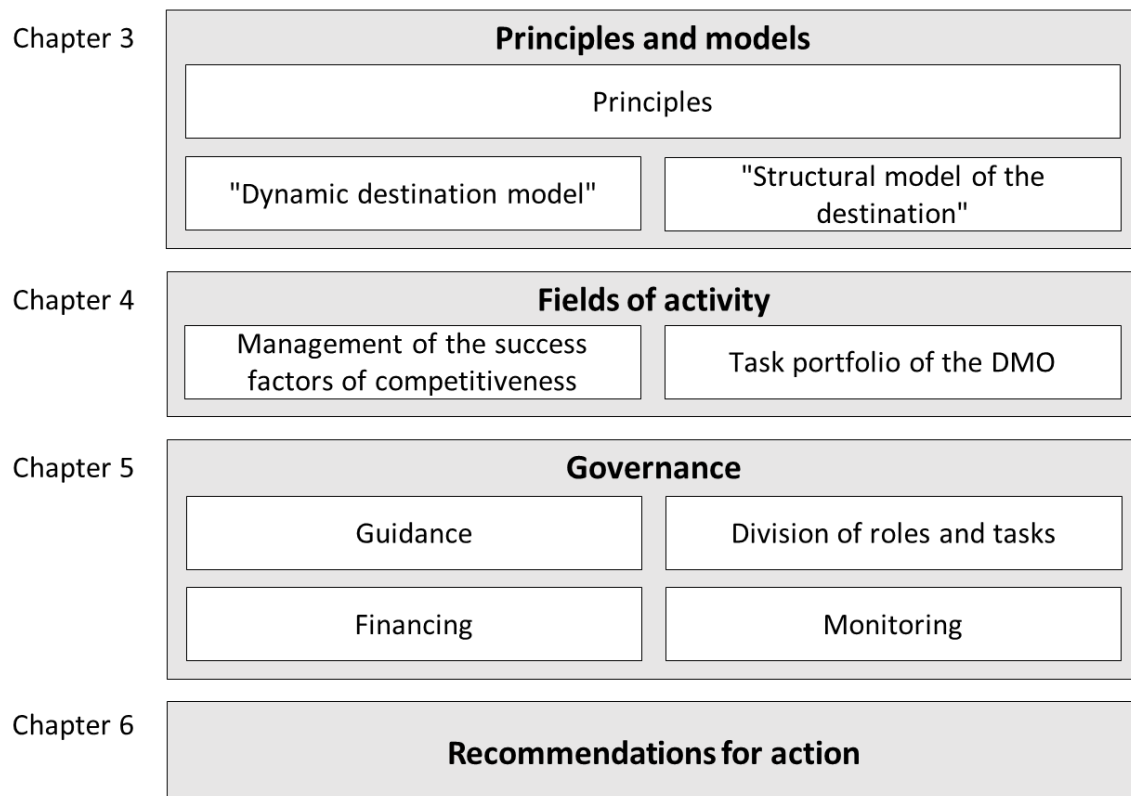
While Destination Management 3.0 focusses primarily on visitor flows between the system heads, strategic segmentation and the resulting fluid tourism destination with a marginal role for a DMO, Destination Management 4.0 attempts to cover all relevant aspects in the experience space. This gives the DMO a strong, coordinating, networking, guiding and supporting role in Destination Management 4.0.

As it is hardly possible to present the various aspects, fields of action and players in one conceptual model and to take regard on the dynamics and complexity, we have opted for two presentations:

- The first model illustrates the dynamics and interactions of a destination as well as the complex environment of the DMO (section 3.3).
- The second model is an ideal-typical structural model of a destination from the perspective of the DMO (section 3.4).

Based on the structural model, the task portfolio of a DMO is then explained and recommendations are made on governance, the division of roles and tasks and financing. In all these considerations, we are guided by eight overarching principles (section 3.2).

Figure 17: Overview of destination management 4.0



Source: Own presentation

3.2 Principles of destination management 4.0

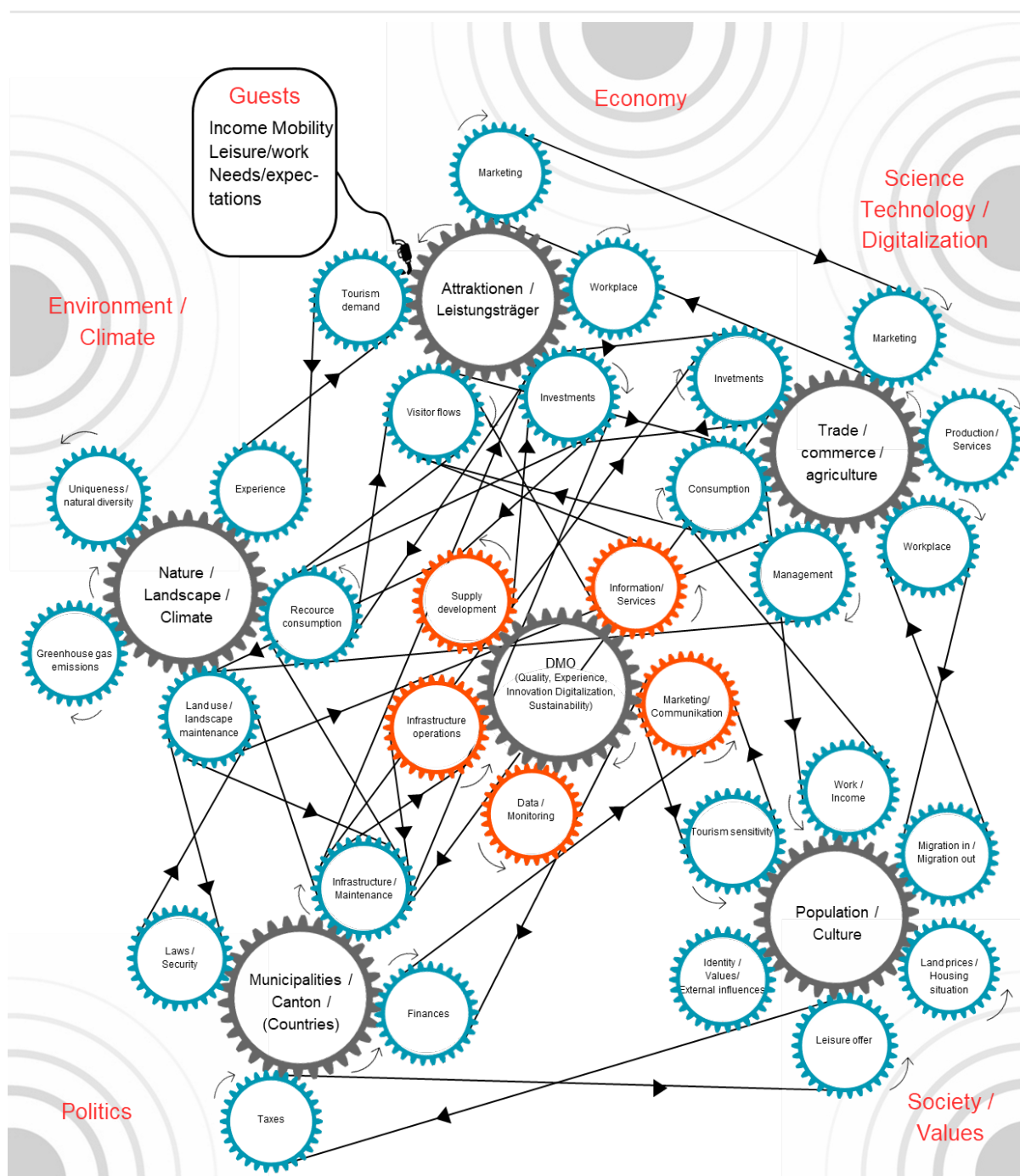
When further developing destinations, decision-makers would do well to be guided by eight overarching principles:

1. *Competitiveness*: Destinations are in competition with each other to a certain extent. The primary goal of a DMO must therefore be to increase or at least maintain the long-term competitiveness of the destination. In addition to economic aspects, ecological and social aspects are playing an increasingly decisive role.
2. *Sustainability*: To remain fit for the future, tourist destinations must strive for economically productive, socially acceptable and environmentally responsible development in equal measure. How strongly the individual aspects are weighted and what role sustainability plays in the positioning of the destination must be jointly determined in a stakeholder process and lead to concrete implementation projects.
3. *Living space*: In order to develop a destination sustainably, the attitudes and needs of the local population must be prioritised. Overtourism phenomena must be anticipated, and precautions taken. The acceptance of tourism can only be strengthened through the strong participation of the population and by upgrading the living environment. However, DMOs are only responsible for the touristic aspects of the living environment but must be well networked.
4. *Experience space*: Guests are looking for experiences and move between attractions without considering political boundaries. Their behaviour generates guest flows that determine the experience space of a destination. DMOs must therefore orientate themselves to the needs of the most important guest groups and influence the design of the offering in the entire experience space.
5. *Digitalization*: tourist destinations need to become "smarter". Digitalization affects all areas of a DMO to a greater or lesser extent. The front and back office, administrative processes, communication (convenience) and marketing, experiences and monitoring all need to be digitally supported or upgraded. This requires digital expertise, constant evaluation of digital innovations and the ability to leap-frog developments.
6. *Stakeholders and cooperation*: The role and tasks of a DMO must be orientated towards the needs and expectations of its stakeholders. However, they can be very different and therefore represent a major challenge. Skilful and systematic stakeholder management and the active cultivation of cooperation are decisive for the success of a DMO.
7. *Context dependency of roles and tasks*: The roles and tasks of a DMO must correspond to the specific context of a destination, particularly the economic importance of tourism, the size and structure of the tourism service providers, the role of the public sector, the historical development or the available resources. These contexts and the specific dependencies must be reflected in the characteristics of the roles and tasks.
8. *Complexity and dynamism*: The tasks of a DMO and the management of a destination are characterised by a high degree of complexity and dynamism. Digitalization, sustainability and signs of saturation have increased the complexity and dynamism even further and made the fulfilment of tasks more challenging. The key to success lies in an open communication and constructive conflict culture. They require strong social skills in the DMO management bodies.

3.3 Dynamics of a destination: DMO in a complex environment

The environment of a DMO is very multi-layered, complex and dynamic. A DMO must therefore see itself as an adaptable network organisation. Based on the tourism growth machine by Krippendorf/Müller (1986, p. 54ff.), the following figure aims to illustrate this multi-layered, complex and dynamic environment of a DMO. Only a few important interactions are listed as examples, as a destination in reality is much more complex than the model suggests.

Figure 18: DMO in a dynamic and complex environment



Source: Own illustration based on Krippendorf/Müller (1986), p. 61

The "fuel" for this dynamic is first and foremost all those factors that trigger tourism demand. They are also known as drivers or *boom factors of tourism demand*: rising income, mobility, the working environment, the growing importance of leisure time or changing needs and expectations, to name just the most important. The main attractions of the growing tourism demand are the tourist *attractions* with their *activities* and the *tourism service providers*. They are the triggers for the flow of guests throughout the entire guest experience. Managing them is becoming an increasingly important task. Tourism demand triggers investment and creates jobs. With the help of a skilful marketing mix, attempts are being made to increase and steer tourism demand.

The dynamics of guest flows have an impact on *trade, commerce and agriculture*: guest flows trigger consumption and investment, from which commerce benefits. The creation of jobs in tourism also leads to additional services and consumption. Marketing activities must be well coordinated in a destination. All of this has an influence – particularly in mountain destinations – on agriculture as a producer and on the way in which the landscape, which is so important for tourism, is managed.

These direct and indirect effects of tourism development and its dynamics have an impact on *nature, the landscape and the climate*: guests and their activities, the investments and also the infrastructure have an influence on resource consumption, land use and nature. Greenhouse gases are emitted as a result of the mobility triggered but also through the operation of the facilities, with longer-term effects on the climate. Changes in agriculture influence land use and landscape management. All of this has an impact on the natural variety and character of a destination, which is important for its experiential value. And this experiential value has direct feedback effects on tourism demand and thus the flow of visitors.

All the networks and dynamics have an influence on the *local population and their culture* in the entire living space: guests with their demands and behaviour, land prices and the housing situation, immigration and emigration, which are primarily triggered by the labour market, the changing importance of agriculture, etc. Although tourism directly and indirectly creates jobs and income and increases prosperity, it also brings with it external influences. This changes the independence, identity and values of a destination. All of this influences the way in which tourism development is perceived and is reflected in tourism sensitivity.

The *municipalities* and the *canton or state* are key players in a destination's network. They provide and maintain the infrastructure. They guarantee security and can ensure sustainable development through legislation. They generate tax revenues and support the development of tourism offers, services and the marketing of the destination with financial contributions. The wide-ranging activities of the public sector are interlinked with developments in the population, the economy and the natural environment.

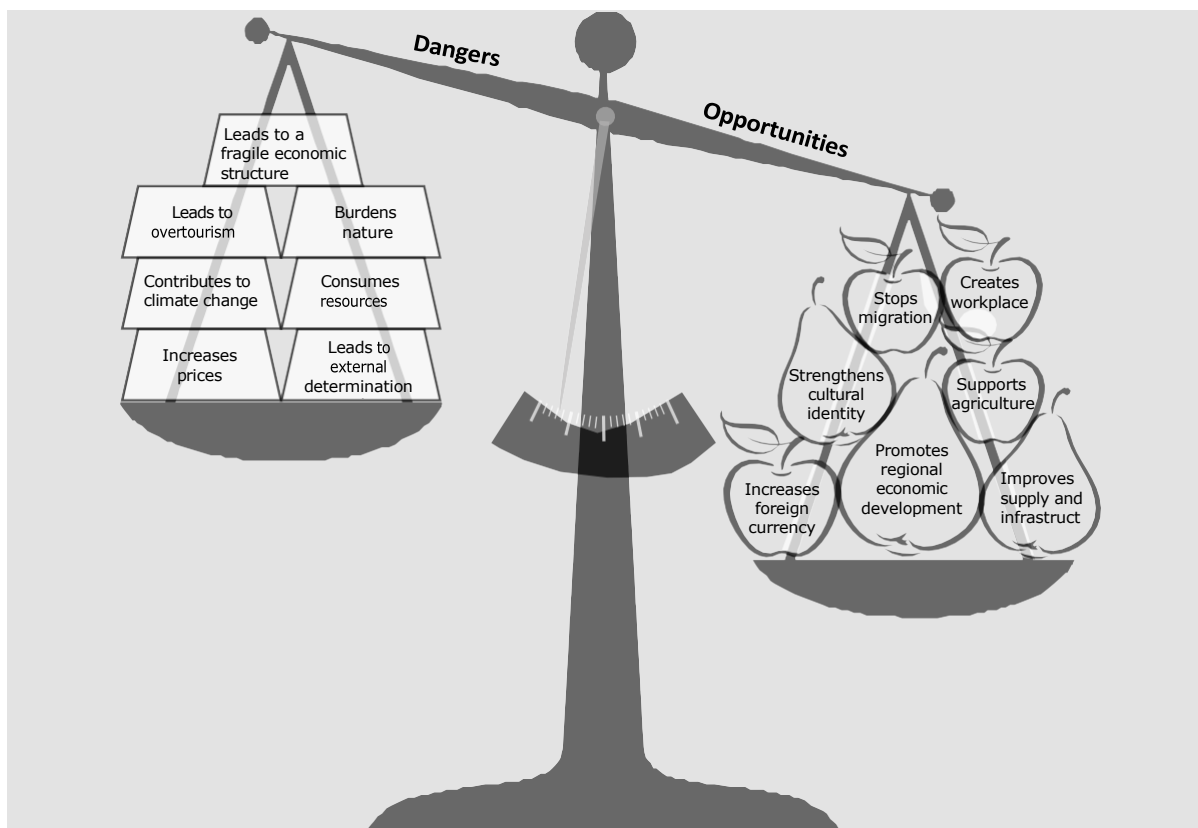
The *destination management organisation (DMO)* is at the heart of these complex and dynamic structures of a destination. It coordinates the most diverse demands, be it those of guests, tourism service providers, the rest of the economy, the population and the natural environment. It coordinates destination development, provides information and services, operates infrastructures, communicates in all directions, carries out marketing and commercialises the destination, analyses data and monitors the development of the destination. The aim is to strengthen competitiveness with the help of quality, innovation and sustainability management, experience setting and digitalization. The overall presentation makes it clear why planning and organisation, stakeholder management and support as well as the representation of interests in various committees are central to a DMO.

However, a destination is not a self-contained world in itself. Rather, it is strongly influenced by global developments and changing framework conditions. In particular, the economy and science, technological developments and digitalization, society with its changing values, politics at all levels, the natural environment and the climate play a central role that permeates all areas.

Conclusion: The picture of mutual influences and interlocking networks provides an overview of the most important elements and forces that determine the development of a tourism destination. The simplified model illustrates where the various starting points of a DMO lie for process control and makes it clear how important networked thinking is for a DMO. But be careful: the depiction of influencing factors and interactions with the help of cogwheels and V-belts must not lead to the mutual dependencies being understood as determinant.

The dynamic and interlinked model also indicates that there are many opportunities as well as dangers lurking in the development of tourism. The image of the scales illustrates this: On one side are the potential fruits or opportunities, on the other the burdens or dangers of tourism development. And in the centre, the tip of the scales, which shows which outweighs the other. It is not the individual benefit or cost factor that is important, but the balance, i.e. the relationship between opportunities and threats.

Figure 19: Opportunities and threats of tourism development

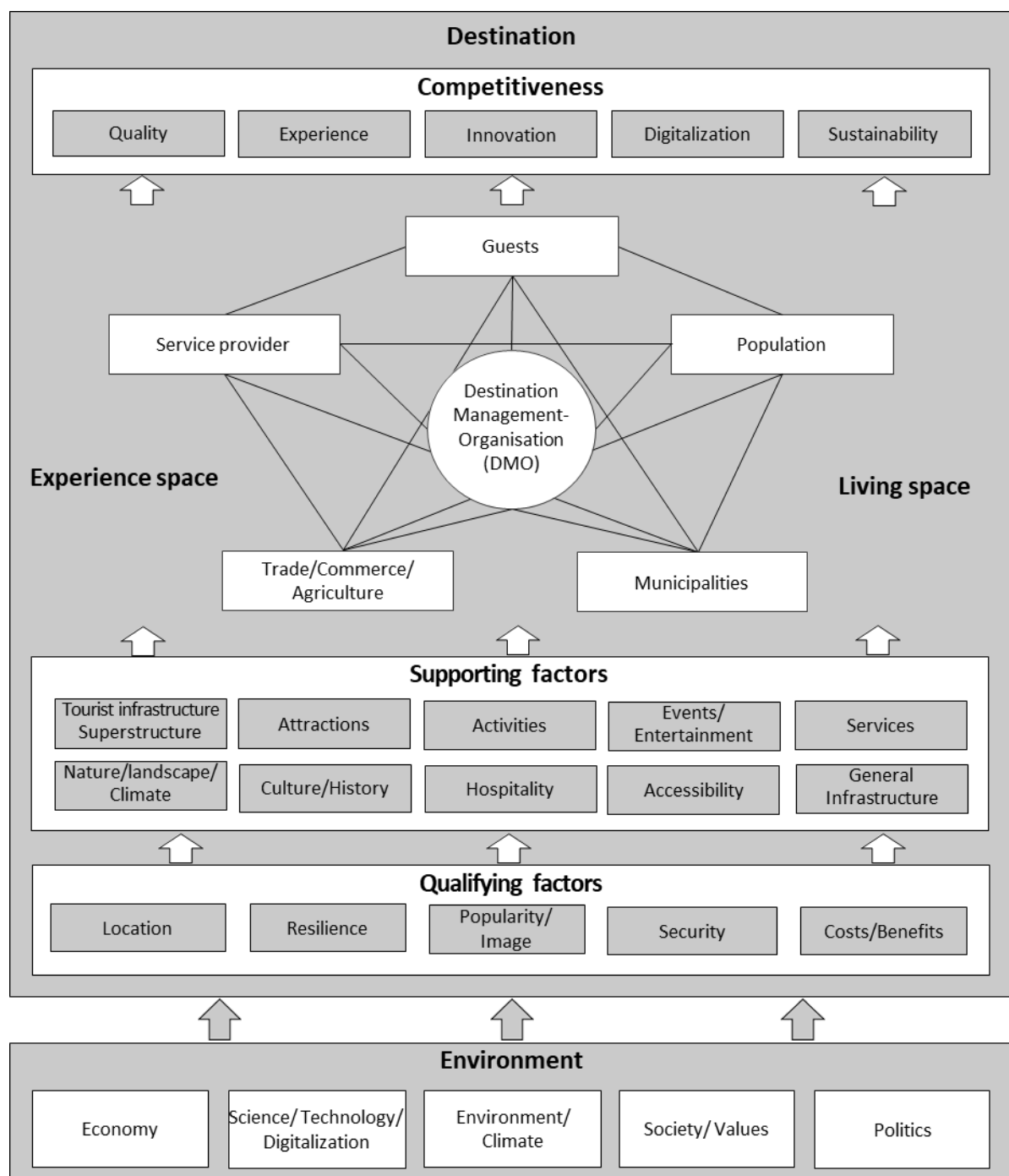


Source: Based on: Bandi & Müller (2021): Grundkenntnisse Tourismus, Bern 2021, p. 96

3.4 Structural model of a destination

The structural model provides an overview of the relevant elements, fields of action and stakeholders (stakeholder groups) of a destination, presented from the perspective of a DMO with its core tasks. It is a highly simplified representation, as not all aspects could be taken into account for reasons of clarity. It is based on the conceptual model "Destination Competitiveness & Sustainability" by Ritchie/Crouch (2003, see section 1.2.1), which was, however, further developed.

Figure 20: Structural model of destination management 4.0 from the DMO's perspective



Overview of the Destination Management 4.0 structural model

The open system "destination" is exposed to many influences outside the destination. The environment essentially consists of economic, technological, natural, social and political framework conditions and is constantly changing.

- The fundamentals of a destination can be divided into qualifying factors on the one hand and supporting factors on the other.
- A DMO endeavours, together with its relevant stakeholders, to create an attractive experience area (primarily from a guest perspective) and ensures that the living environment (primarily from a population perspective) is also enhanced.
- The main tasks of a DMO can be divided into eight areas (see section 4.3).
- The overriding goal of a destination is to strengthen its competitiveness in the long term, which can be achieved with the help of quality, experience, sustainability and innovation management as well as digitalization.
- The arrows illustrate the direction of development: based on the environment and the framework conditions, the change in qualifying and supporting factors as well as the co-operation of the DMO with its partners can contribute to strengthening the competitiveness of the destination.

Environment

The environment and general conditions lead to changes in the attractiveness of a destination. In order to strengthen or at least secure its competitiveness, a destination must constantly adapt to these changing environmental and general conditions. At the same time, they offer destinations new opportunities to innovate their offerings and utilise new market potential.

The *environmental factors* include

- *Economic developments*, in particular economic cycles, income and wealth levels, inflation, exchange rates, the situation on the labour market, etc.
- *Technological developments*, in particular digitalization, telecommunications, energy, traffic and transport systems, etc.
- *Ecological developments*, in particular changes in climate, landscape, resources, biodiversity, etc.
- *Social developments*, in particular demographics and population growth, migration, the work ethic, the importance of work and leisure, the flexibilisation of working hours or the values in a society, etc.
- The *political framework*, in particular changes in legislation, taxes and levies, subsidies, opportunities for co-determination, the geopolitical situation, etc.

Qualifying factors

Qualifying factors moderate, modify, jeopardise or improve competitiveness. They also influence the effects of other factors. However, they can only be controlled or influenced by destination management to a limited extent.

The following factors are qualifying:

- The *location* has a major attraction for guests from the markets of origin. As a rule, a more favourable location can be equated with the distance (and travel time) to the most important markets of origin.
- The *resilience*, the *carrying capacity* or capacity limits of a destination represent a kind of upper limit for the volume of demand that a destination can bear. Ecological or socio-cultural load limits play a central role in relation to the problem of overtourism or sustainable development.
- *Popularity* or image is directly related to the appeal of the main attractions. Destinations can endeavour to increase their appeal in key markets with the help of credible positioning and marketing measures.

- In an uncertain world, *security* has become an important competitive factor, especially in business tourism.
- The *cost/benefit* ratio is a fundamental element of competitiveness, because those who can produce more cheaply and/or offer better overall quality have a competitive advantage.

Supporting factors

The supporting factors are the differences in the endowment with production factors, i.e.

- *natural or given location factors*: Nature and climate as well as culture and history and
- *the key resources and attractors created*: hospitality, accessibility, general infrastructure, services, tourist infrastructure, attractions and activities or events and entertainment.

The key resources and attractors created can only be influenced or shaped indirectly, at least in the long term and for the most part. In addition, the influence of the DMO is limited for most factors.

Natural or given location factors:

- *Nature and climate* play a fundamental role in the attractiveness of a destination. The variety, uniqueness, richness, accessibility and attractiveness of the landscape and other natural features as well as the microclimate are often important motives for choosing a destination.
- *Culture and history* such as archaeological artefacts, ruins, monuments, architecture, village and townscapes, works of art and museums, but also intangible resources such as music, language, customs and traditions, lifestyles, film and literature are important competitive factors.

Created key resources and attractors:

- The *hospitality* of the population or the welcoming culture is characterised by mentality, tradition and cultural values and can only be promoted to a limited extent. On the other hand, the service quality of employees can be cultivated as an important component of a service.
- The *accessibility* or ease of travelling is determined on the one hand by the geographical location or the transport infrastructure, and on the other by legal regulations such as visa requirements etc.
- *General infrastructure* such as transport, telecommunications, healthcare or financial infrastructure, supply and disposal, etc. are decisive competitive factors.
- *Services* such as retail, medical care, telecommunications or financial services, education, etc. are directly linked to the corresponding infrastructures and influence competitiveness.
- *Tourist infrastructure* and superstructure: This primarily serves the needs or interests of tourists. Hotels, restaurants, mountain railways, sports and entertainment facilities, congress and conference centres, visitor centres, etc. are the backbone of a destination.
- *Attractions*: They are the actual triggers for visitor flows. Some tourist superstructures are so unique that they have become attractions themselves (e.g. the Jungfrauoch, the Eiffel Tower, etc.).
- *Activities*: These are the main reasons for visiting a destination. A competitive destination needs a wide range of activities and unforgettable experiences that are well tailored to the needs of the destination's relevant guest groups.
- *Events and entertainment programmes*: They are often decisive factors for visiting a destination (e.g. festivals, World Cup events, exhibitions, Europa-Park, etc.). With the help of events, destinations can create a unique selling point, increase popularity and strengthen the brand.

Experience and living space

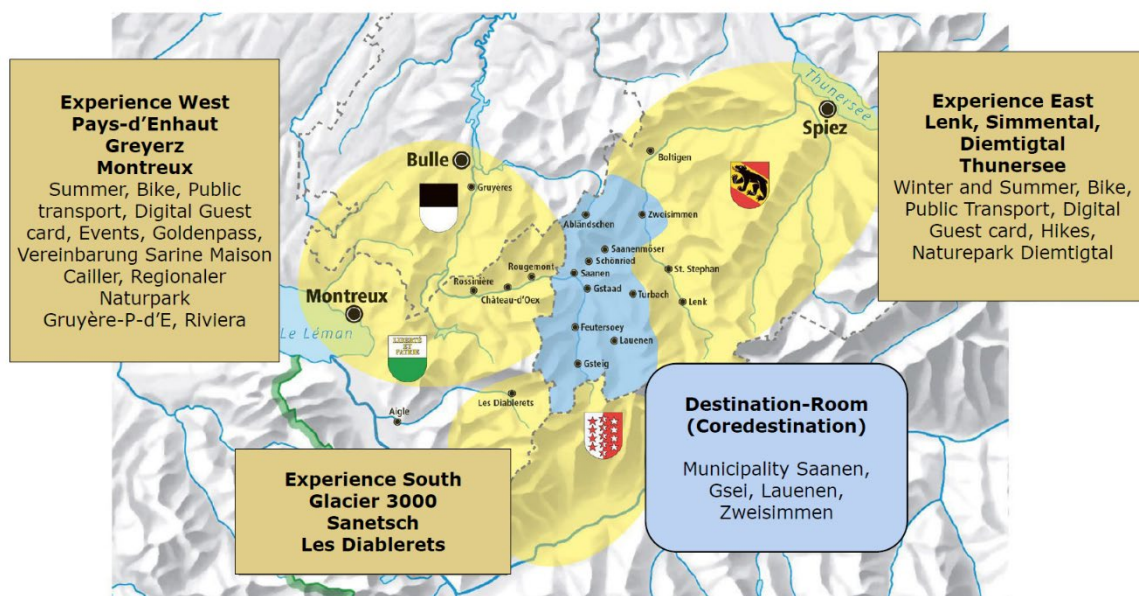
The experience area corresponds to the main area where guests stay, and the flow of visitors triggered by attractions and tourist offers. The living space corresponds to the centre of life of the local population. The population lives and works in the living space and spends a large part of their leisure time there. The experience and living space overlap, particularly in the population's leisure time. An attractive living space is also important to be able to compete for skilled labour. Conflicts of interest and utilisation can arise in the shared spaces. In every development project with a focus on guests, compatibility with the population in their living space must also be considered in order to maintain and not impair the acceptance of tourism.

There are different primary responsibilities for the development of the experience and living space:

- The development of the *experience* area is primarily coordinated by the DMO.
- However, the development of the *habitat* is the primary responsibility of the municipalities.

The following diagram uses the example of the destination Gstaad to illustrate the destination area of the core destination, which is both a living space and an experience space, as well as three experience spaces (West, East, South) that extend beyond the core destination. The living space of the core destination is the primary responsibility of the municipalities of Saanen, Gsteig, Lauenen and Zweisimmen. The DMO's field of activity, however, extends to the entire experience area.

Figure 21: Living space and experience spaces using the example of the destination Gstaad



Legend: blue: Destination area: Living space and at the same time experience area of the destination (core destination)
yellow: Experience areas that go beyond the core destination

Source: Gstaad Saanenland Tourismus (2020): Tourismusstrategie Destination Gstaad 2020 – 2024, p. 6

Actors (stakeholder groups)

The stakeholders relevant to tourism form the stakeholder groups of a DMO. In addition to the guests, these include the tourism service providers, the operators of the tourist attractions, the outdoor organisers, trade, commerce, agriculture, the municipality and the population. They develop a destination and utilise the key resources while taking all other factors into account. Together they shape the experience for guests and contribute to an attractive living environment for the population.

Some players are in direct competition with each other, but they must co-operate with each other in order to jointly create an attractive service bundle across the entire service chain of a destination. The coordination of this competition-cooperation constellation is very demanding and associated with conflicts of interest and objectives. It requires skilful *stakeholder management* on the part of a DMO.

Destination Management Organisation DMO

The DMO attempts to steer the tourism development of the destination from an overarching overall perspective by coordinating the different interests and expectations of the various stakeholder groups.

The core tasks of the DMO are: Planning/governance/financing, offer/destination development, information/services, marketing/communication, stakeholder management/support, representation of interests, operation of infrastructures and data/monitoring. These core tasks of the DMO are explained in more detail in section 4.3. The specific tasks of a DMO and their weighting depend heavily on the context.

Competitiveness

The competitiveness of the destination as a whole and of each individual player is the overarching goal. While the focus of competitiveness used to be on the economic dimension, today it also includes social, cultural, political, technological and ecological aspects. A high level of competitiveness is demonstrated by a high level of guest satisfaction with the overall setting of a destination as well as a high level of satisfaction among the population and a high level of acceptance of tourism.

Important success factors of this multidimensional competitiveness are

- *Quality*, because a high quality of tourist and non-tourist offers in the form of well-coordinated service chains (excellence and convenience) forms the basis of competitiveness.
- *Experiences*, because they make a destination unique and unmistakable. The experience setting has increasingly become the key to high guest satisfaction.
- *Innovation*, i.e. the ability to constantly design new infrastructures, products and processes, is another guarantee for strengthening competitiveness.
- *Digitalization*, i.e. virtual preparation of offers to support decision-making processes and enhance the guest experience, individualised guest care and improved marketing. In addition, business processes can be made more efficient, costs reduced and resources optimally utilised, particularly through the support of AI.
- *Sustainability*, i.e. a coherent focus on sustainable development along all dimensions of sustainability (corporate responsibility), strengthens a destination's competitiveness in the long term.

4 Tasks in the Destination management 4.0

4.1 Preliminary remarks

There is great variety among DMOs. In simple terms, a distinction can be made between larger DMOs with a global focus, medium-sized DMOs with an international focus and smaller DMOs with a national focus and partly outsourced areas of responsibility. However, whether large or small, the success factors of the destination's competitiveness and the portfolio of tasks are very similar for every DMO, regardless of its size. There are differences – depending on the context – with regard to the characterisation of individual tasks and the corresponding equipment.

For medium-sized and smaller DMOs in particular, successfully mastering the portfolio of tasks poses a major challenge. It is hardly possible to cover all the specific skills required, for example in relation to digitalization or sustainability. There is a great risk of being overwhelmed. It is therefore essential for them to cooperate with other (larger) DMOs and with suitable service providers in the sense of shared services or a clever division of tasks.

4.2 Management of the success factors of competitiveness

Based on Kühn et al. (2022), three levels can be distinguished to determine the potential for success to strengthen competitiveness:

- *Market position*: This is about positioning in relation to the competition. Destinations should position themselves as clearly as possible (what do we stand for – what makes us unique?) and differentiate themselves from other destinations (what makes us different from other destinations?).
- *Offers*: This involves higher product quality, a more intensive experience, better service, a continuous, well-functioning service chain, more successful marketing or a better price/performance ratio.
- *Resources*: This relates to superior technological means, e.g. in terms of digitalization, sufficient financial resources, competent and hospitable employees, the ability to innovate or the willingness to cooperate. Other resource-related success potentials include the general and tourist infrastructure and superstructure, attractions, nature and landscape, culture, location, safety and other qualifying or supporting factors.

Kühn et al. (2022) point out that, in addition to the potential for success, there is also potential for failure, i.e. for example inadequate quality of services, infrastructural deficiencies, ugly surroundings, a poorly developed welcoming culture, insufficient financial or human resources, etc.

In summary – as already outlined in chapter 3.4 – quality, experience, innovation, digitalization and sustainability can be described as decisive success factors for the competitiveness of destinations. It is the task of a DMO to manage the corresponding processes and utilise the appropriate management tools:

- *Quality management*: Defining quality standards, implementing ongoing improvement processes, creating a welcoming culture, systematic quality assurance, active complaint management, using process tools, striving for quality certification if necessary, supporting service providers in quality development.
- *Experience setting*: sharpening the profile through targeted thematic positioning, creating a welcoming atmosphere, enabling experiences with the help of staging instruments: creating attractions, designing the scenery, guiding visitors, ensuring well-being, setting the scene for guests.
- *Promoting innovation*: Carrying out market, competition and trend analyses (as a service for service providers), creating the conditions for a culture of innovation, satisfying new guest needs with product innovations, increasing efficiency and effectiveness with process innovations and ensuring tourism acceptance with social innovations. Targeted innovation promotion requires a willingness to take risks, provides various incentives to generate ideas, evaluates the future-oriented potential of ideas, emphasises the implementation of marketable ideas and markets them.
- *Digitalization*: From an IT perspective, digitalization encompasses both back-end and front-end approaches as well as the entire value chain. Based on Laesser et al. (2018, p. 58ff.), a distinction can be made between four areas: (1) Customer Experience (digitalization of customer touchpoints and of marketing and sales), (2) Operational Processes (digitalization of business processes and collaboration as well as performance management and performance measurement), (3) Business Models (digitally augmented products and digital business models and ecosystems), (4) Digital Resources and Capabilities (basic digital infrastructure and technology as well as digital skills).
- *Sustainability*: Sustainable developments must be considered strategically, but also include concrete projects in all dimensions. Central topics are, for example, decarbonisation along a CO₂ reduction pathway, resource efficiency, waste minimisation and recycling, traffic management, nature and landscape conservation, overtourism, population compatibility, inclusion, equality, fair working conditions, value creation, profitability, etc. With the national sustainability programme "Swisstainable for Destinations" programme, target-oriented instruments were created (see www.swisstainable.ch). The prerequisites for success are a credible sustainability strategy with KPIs, prioritised and staged measures, avoidance of perfectionism, ongoing implementation and data-based monitoring.

4.3 Task portfolio of a DMO

The following explanations provide an overview of the diverse tasks of a DMO, structured according to the eight main core tasks in accordance with the structural model (section 3.4). This is a list of possible tasks and not a specification of duties. The specific tasks of a DMO depend on the context as well as the dynamics and complexity of the destination.

Caution: With the broad list of possible tasks in all eight task areas, there is a great risk of getting bogged down. It is therefore important to determine the task portfolio in a targeted manner, to remain lean, to act effectively, efficiently and flexibly and not to lose focus.

1. Planning, governance and financing

To drive destination development forward in a targeted and coordinated manner despite a lack of resources, a planning basis is required. We recommend the development of a destination strategy or a masterplan with the following elements:

- *Vision/Mission*: Contains the long-term direction of the destination, either summarised in one statement or two separate statements.
- *Strategic success positions SEP/positioning*: Strategic core competences to differentiate and position the destination in the market compared to the competition.
- *Strategic Business Fields SGF*: Consist of combinations of products/services as well as target groups and target markets for which special strategies are developed. The basis can be the analysis of guest flows in a destination.
- *Strategic action areas SHF*: Comprise the strategic projects and measures derived from the overarching vision/mission and the SEP and SGF for implementing the strategy.
- *Governance*: Includes the management, division of roles and responsibilities, financing, monitoring/controlling and reporting of the destination (see chapter 5).

Figure 22: Strategy house of a destination strategy (schematic)



Source: Own presentation

The case studies of Zurich (section 2.2), Gstaad (section 2.3) and Willisau (section 2.6) provide an indication of the content and processes involved in developing a destination strategy. The involvement of the most important stakeholders and the ongoing controlling of the destination strategy (see box) are decisive for the success of implementation.

Controlling a destination strategy

Annual review:

- *Process audit*: decision-making and planning processes, strategic goals and progress on key projects
- *Outcome audit*: Interim results such as frequency targets, reach of advertising campaigns or positioning

Review every four years:

- *Impact audit*: Impacts, particularly in terms of guest satisfaction, tourism awareness among the population and economic impact
- *Premise audit*: assumptions about fundamental values and developments

Other tasks include

- Regular analysis of guest flows as a basis for deriving strategic business areas (see also task area 8 "Data/Monitoring")
- Definition of roles, tasks and responsibilities in the destination as part of location development/cooperation in coordination groups (see section 5.2 "Roles and division of tasks in a destination")
- Organisational chart of the DMO with responsibilities and task profiles
- Clarification of management processes and bodies
- Maintenance and adjustment of existing sources of funding (guest taxes, tourism promotion taxes (TFA), membership fees, basic contributions from the public sector, etc.).
- Tapping into new sources of funding (performance agreements, sponsorship, NRP/Innotour, foundations such as Swiss Mountain Aid, etc.)
- Budgeting/financial planning
- Human resource management with recruitment, onboarding, support and further development of employees
- Etc.

2. Offer and destination development

Destination Management 4.0 focusses on destination development. This places the development of offers and services in the extended experience area along important guest flows at the centre. Most of the offers are not designed directly by the DMO, but by the tourism and non-tourism service providers. However, DMOs must stimulate, accompany, support and coordinate key tourism projects that are relevant to the competitiveness of the destination as a whole. This requires appropriate project management.

Projects can be roughly categorised as follows

- General tourist infrastructure (sports/cultural/congress/exhibition/family infrastructure/further experience offers etc.)
- MICE/Events
- Mobility/Transport/Mountain railways
- Accommodation/catering
- Sustainability/local cycles
- Digitalization

The tasks include

- Project initiation, project coordination, project support or project responsibility for tourism-specific strategic projects
- Maintenance and staging of the experience area (see also "Infrastructure operation" task area)
- Scenery design, especially for attraction points
- Visitor guidance/signalling
- Well-being management (photo points, toilets, benches, litter bins, etc.)
- Etc.

The fulfilment of tasks requires sound project management and cooperation management skills, as most destination projects can only be realised in close cooperation with service providers and the municipality. The successful realisation of projects requires clear governance of the division of roles between the stakeholders involved as well as minimal human and financial resources.

3. Information and services

Guest information and advice, which can also be used by the public, is one of the original tasks of a DMO. However, it has increasingly shifted to the digital realm. The operation of physical guest information centres at central locations is still a core task of a DMO. At best, guest information centres can be combined with a railway station, a bank branch or a village shop.

The information tasks include

- Maintenance of an attractive and up-to-date website
- Ensuring the bookability of tourism offers
- Personal and telephone guest counselling, support for e-mail enquiries – if necessary, development of a chatbot
- Analogue information brochures and folders of important offers for guests and locals
- Guest entertainment, guided tours or rangers in the area
- Customer relationship management (CRM) and loyalty programmes
- Developing guest cards or a destination app
- Dealing with guest feedback
- Procurement and sale of promotional items or regional products
- Etc.

The services include

- Forwarding and possible handling of enquiries by tour operators
- Advice and support for service providers, e.g. regarding digitalization projects, in particular the use of new possibilities offered by AI
- Training of employees of tourism service providers regarding important offers of the destination
- Acceptance of marketing orders from tourism service providers for a fee
- Etc.

4. Marketing and communication

Marketing, i.e. market development and sales promotion, as well as internal communication, are among the core tasks of a DMO. Although many attractions are communicated by guests in the age of social media and large service providers (e.g. mountain railways, large hotels or exhibition and conference centres) have their own substantial marketing budgets, a destination needs coordination of marketing activities and effective destination marketing. Specific offers and skilful storytelling play an important role here. Although the design of attractive offers is the best form of marketing, targeted communication and sales efforts are required, especially to publicise specific offers of a destination and to direct the flow of guests.

The most important tasks include

- Trend and market observation – determining personas
- Operation of a destination content desk, e.g. public relations (PR), storytelling, photo archive, etc.
- Branding (see box), media design and securing corporate design (CD)
- Marketing platforms for service providers
- Tying up packages
- Social media and digital selling
- Marketing campaigns
- Marketing partnerships with major service providers
- Marketing services, e.g. support for event organisers or service providers
- Active media relations and media support
- Presence at trade and public fairs and exhibitions
- Result and impact measurement, controlling and reporting
- Etc.

The Switzerland Tourism brand wheel

Values: What do we stand for?

- Originality
- Reliability
- Security

Benefit: How do our guests benefit?

- Deceleration
- Naturalness
- Activation

Differentiation: What makes us unique?

- Variety
- Convenience
- Sustainability

Tonality: How is our brand perceived?

- Valuable
- Genuine
- Refreshingly different

Source: Switzerland Tourism (2023), p. 32

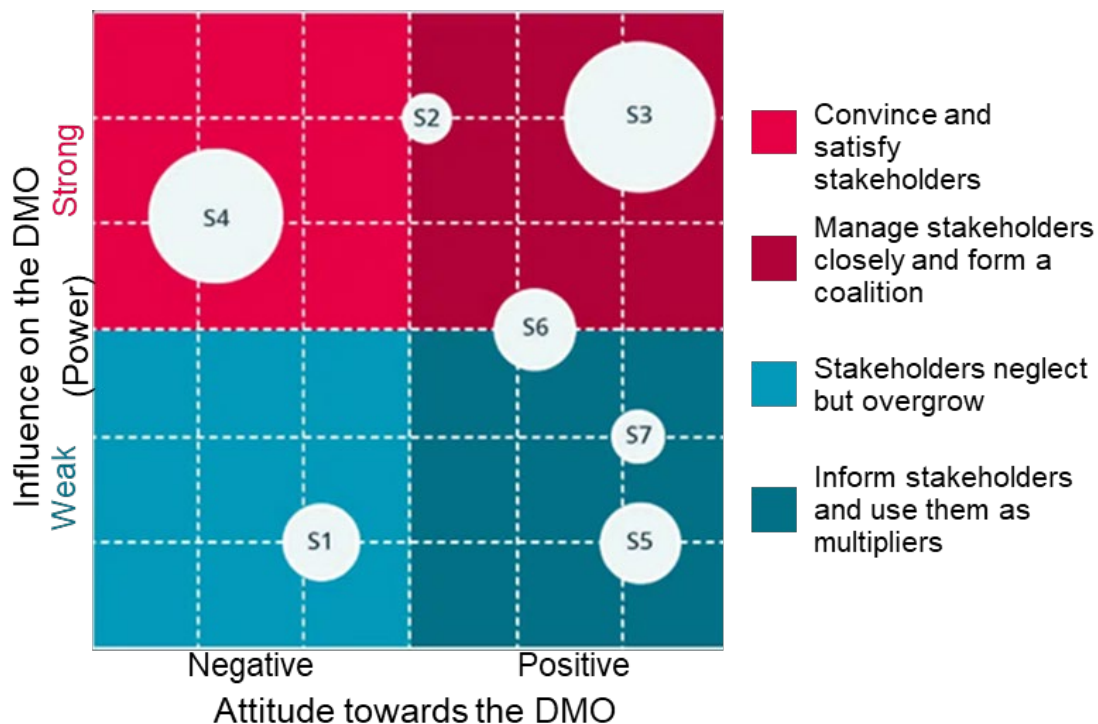
5. Stakeholder management and support

Stakeholder management is one of the core tasks of a DMO as a network organisation. In order not to get lost in the multitude of possible stakeholders, the most relevant stakeholders of a DMO must first be defined and categorized into clusters. The most important service providers and operators of attractions (top hotels, mountain railways, museums, convention centres, outdoor providers, events, etc.), the most important transport companies, the municipality, the most important associations (hoteliers', hospitality industry, trade, agricultural associations, etc.), the higher-level marketing organisations, the cantonal tourism office, etc. are at the forefront.

Stakeholder management includes

- Stakeholder list: Identification and listing of relevant stakeholders (with reference persons)
- Stakeholder analysis: Evaluation of stakeholders in terms of their interests and influence on the DMO
- Stakeholder portfolio: Formation of clusters with regard to different interests and, if necessary, creation of a stakeholder matrix (see Figure 23)
- Concept: Defining communication goals, creating and implementing a communication concept and action/communication plan
- Provide stakeholders with regular "partner news"
- Organising information events for specific target groups
- Communicate important decisions from DMO Board meetings to stakeholders
- Information on possible risks

Figure 23: Stakeholder matrix



Source: Adito, <https://www.adito.de/Knowhow/blog/stakeholdermanagement>, adapted

Other tasks include

- Support for the realisation of events
- Operation of a competence centre for selected topics, e.g. sustainability, digitalization, etc.
- Supporting stakeholders about selected topics, e.g. software decisions
- Etc.

6. Representation of interests

The members of a DMO expect the DMO to represent tourism interests within the destination and in higher-level committees in the sense of a community of interests. There are two different strategies to be pursued:

- Outside strategy: Public relations (PR) is about creating goodwill for tourism concerns and, if necessary, facing up to criticism from opposing interests and moderating conflicts of interest. The media play an important role here.
- Inside strategy: Lobbying (see box) is primarily about exerting influence and achieving favourable political conditions for the further development of tourism. The aim is to influence political decision-making processes as early as possible, to actively participate in hearings and consultations and to work skilfully with politicians and other interest groups.

At national level, the Swiss Tourism Federation (STV) represents these interests, while at cantonal level there are tourism alliances or associations of destinations.

Lobbying

- Lobbying = timely and legal exertion of influence
- Lobbying as a social exchange in the political marketplace
- Barter transaction between 4 partners:
 - Associations
 - Service provider
 - Politicians
 - Administration
- Barter goods: Credible information, votes, legitimisation, finances/budget, etc.

Source: Müller, HR. (2022)

The most important tasks include

- Coordination and representation of the tourism interests of the members of a DMO
- Strengthening the understanding of tourism among political actors and authorities with information
- Coordination of lobbying work
- Sensitising the population to tourism issues – Increasing the acceptance of tourism – Cooperation with "village associations"
- Collaboration in cooperative organisations
- Etc.

7. Operation of infrastructures

The majority of tourism infrastructure is operated by the private or public sector. The relevant tasks of a DMO can be regulated differently, but the maintenance of leisure facilities, from rest areas to children's playgrounds and cross-country ski trails to entire sports facilities, is often delegated to the DMO. If a DMO takes on such tasks, the duties and financing must be defined in a service agreement.

The My Leukerbad case study (see section 2.5) has shown that in specific cases a DMO can also take over the management of tourism superstructures. However, governance must be clearly regulated in order to minimise conflicts of interest.

The most important tasks include

- Operation and maintenance of the guest information centres
- Operation and maintenance of leisure facilities, e.g. sports facilities, rest areas, fireplaces, children's playgrounds, swimming pool, cross-country ski trails, bike trails, hiking trails, etc.
- Developing and ensuring quality along the entire customer journey
- Etc.

In addition, other tourist facilities can be operated and maintained by a DMO under a mandate:

- Congress centre
- Mountain railway
- Sports centre etc.

8. Data and monitoring

Data is becoming increasingly important, on the one hand for targeted guest communication (online marketing, CRM, convenience, etc.) and on the other hand for meaningful monitoring in order to measure the results and effects of the various activities, because "only what is measured is done in the long term". If results and impacts are only measured using the simple and common quantitative indicators such as arrivals and overnight stays, important aspects remain unobserved, e.g. day tourism, spending behaviour, changes in preferences, etc. A set of indicators consisting of quantitative and qualitative key performance indicators (KPIs) derived from the destination strategy (and the objectives formulated therein) and the specific tasks of a DMO is recommended.

Data protection regulations must be carefully observed, as they are constantly changing. In order to be able to track changes over several years, it is important to ensure that both access to a corresponding data source and the evaluation methodology remain stable over a longer period of time. Destination-specific guest cards or apps can help to build up the own database without having to rely on access to external data sources.

The most important tasks include (see more details in chapter 5.4):

- Define key performance indicators (KPIs) to measure the results or impact of as many areas of a DMO as possible
- Development of a management information system (MIS), use or evaluation of the tools and analyses provided by Switzerland Tourism, for example
- Systematic data management of easily accessible secondary data such as bed/room capacities in the hotel and parahotellery, transport capacities, overnight stays, length of stay, frequencies, origin etc.
- Analysing secondary sources to observe the selected markets and target groups (cf. e.g. Switzerland Tourism (2023a): Market research: www.stnet.ch/de/marktforschung)
- Collecting primary data from service providers and partners
- Initiate in-house market research to record guest satisfaction, strategic success positions (SEP), Achilles' heels, etc.
- Development of targeted data management with the help of big data analyses
- Publicising the results in the form of regular reports
- Etc.

And once again: with the multitude of possible tasks of a DMO, there is a great risk of getting bogged down. It is therefore important to determine the appropriate portfolio of tasks in a targeted manner, to remain lean, to act effectively, efficiently and flexibly and not to lose focus.

5 Governance of the Destination Management 4.0

Governance is generally understood to mean "responsible corporate management and control". Project governance plays an important role here, for example targeted project management, consideration of stakeholder interests, transparency in project communication, appropriate handling of risks and efficient use of resources. (cf. Federal Chancellery (2024): HERMES method)

With regard to the governance of Destination Management 4.0, it should be noted in general:

- The central foundation is formed by independent, competitive service providers who strengthen their competitiveness in their own interest.
- In addition, the DMO represents the overall interests of the destination and is therefore responsible for coordinating overarching issues and balancing interests.
- Depending on the context of the destination, there are also other higher-level bodies (e.g. destination council) to harmonise the individual interests and objectives and to coordinate the roles and tasks in the destination if the DMO and its management bodies (board of directors or executive committee) consider this to be expedient.
- Other key players are competent and efficient municipal authorities. They are primarily responsible for developments in the living space, ensures good framework conditions, finances infrastructure projects and supports development projects.
- In addition, appropriate management tools such as a joint destination strategy and destination development projects are needed.

5.1 Management of a destination

5.1.1 Means of management

The management tools of a DMO include

- Destination strategy or master plan
- DMO mission statement or corporate strategy of the DMO
- Functional strategies, e.g. marketing strategy, digitalization strategy, etc.
- Annual targets
- Controlling and reporting
- Service agreements with the municipality and the canton

In addition, there are other management tools within the destination, such as

- Mission statement/legislative plans of the political body
- Development plan (regional or location development strategy)
- Structure plan/zone plan
- Masterplan of the political body
- Tourism/destination strategy or master plan incl. action planning for service providers
- Performance mandates and performance agreements (with objectives, tasks, financial resources, specific metrics for monitoring the achievement of objectives)
- Division of roles/tasks
- Strategies/multi-year plans of associations and tourism service providers (mountain railways, hotels, leisure facilities, etc.)

Good coordination of the various management resources is important. The tasks and responsibilities in relation to regional and location development as well as tourism and destination development need to be organised as coherently as possible. Overlaps in content between the aspects of living and experience spaces as well as different ideas of the stakeholder groups must be clarified.

Location development

A location development strategy must take the following aspects into account: (1) Attractiveness for companies, (2) Services & public services, (3) Attractiveness for employees & skilled workers, (4) Housing, (5) Leisure, sports & cultural activities, (6) Education, (7) Medical care, (8) Mobility & transport, (9) Spatial development, landscape & nature, (10) Climate change, energy & water, (11) Security, (12) Inclusion & equality

DMOs should not see themselves as location developers with multi-layered aspects. However, they can be given the lead for individual aspects, such as the coordination of leisure, sports and cultural activities or mobility and transport. The content, responsibilities and financing must be regulated in a performance mandate.

Saanenland case study: The three municipalities of Saanen, Gsteig and Lauenen developed the "Saanenland Location Development" (SES) in a participatory process in 2023. For the next 10 years, it is intended to form the binding orientation framework for the legislative goals of the three municipalities, the destination development strategy and the strategies of the mountain railways, the hoteliers' association, the trade association and the agricultural association.

SES has defined 12 key topics with sub-targets, each of which is assigned to a team coordinated by a "captain". He is the responsible "guardian" of efficient and targeted cooperation.

Source: Gstaad Saanenland Tourismus (2023a): Standortentwicklungsstrategie SES

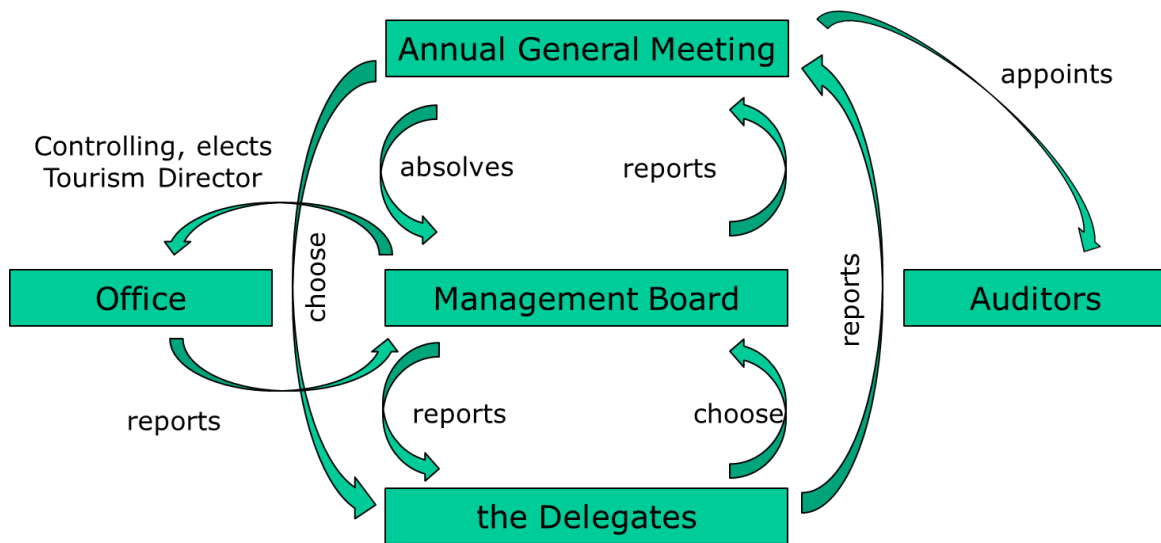
5.1.2 Management bodies of a DMO

In addition to the right management tools, well-functioning management bodies are an important basis for the success of a DMO.

The management bodies of a DMO are

- General meeting or members' meeting
- Board of Directors or Executive Board
- Destination manager, tourism director and management
- Auditors

Figure 24: Management processes and bodies



Source: Lymann, R. (2023): Unterrichtsunterlagen BSc Business Administration, Eigene Darstellung in Anlehnung an: Statuten Zermatt Tourismus

Below are some thoughts and recommendations on the management bodies.

General meeting or members' meeting

- *Role:* The general meeting or the members' meeting is the supreme body of a DMO. It adopts and amends the articles of association, elects and monitors the Board of Directors/Executive Board, reviews and approves the annual report (annual report) including the accounts.
- *Note:* An AGM or GM can be a helpful body for dialogue with service providers and stakeholders. However, if an AGM (of an AG or GmbH) primarily serves the company and the statutory purposes and if the organisation only has a few shareholders, other channels of exchange should be considered to better involve the service providers (e.g. regular information events).

Board of Directors or Executive Board

- *Role:* The Board of Directors/Executive Board is responsible for strategic management with a view to the effectiveness of the DMO.
- *Composition:* On the one hand, the aim is to ensure that the interests of the most important stakeholder groups of a destination are broadly represented and covered, and on the other hand that the composition is as diverse as possible and that important competences such as finance, law, marketing, politics, etc. are taken into account. It is also advantageous to have at least one person with an external perspective. This ensures that qualified decisions are made and that a DMO is most likely to develop in line with the overall interests of the destination.
- *Size:* 7 to max. 9 members, possibly a committee for determining compensation or for urgent decisions, etc.
- *Meetings:* 3 to 5 meetings with distribution of recurring business, including critical reflection on the activities of the Board of Directors/Board of Management once a year, review of tasks and responsibilities and development planning.

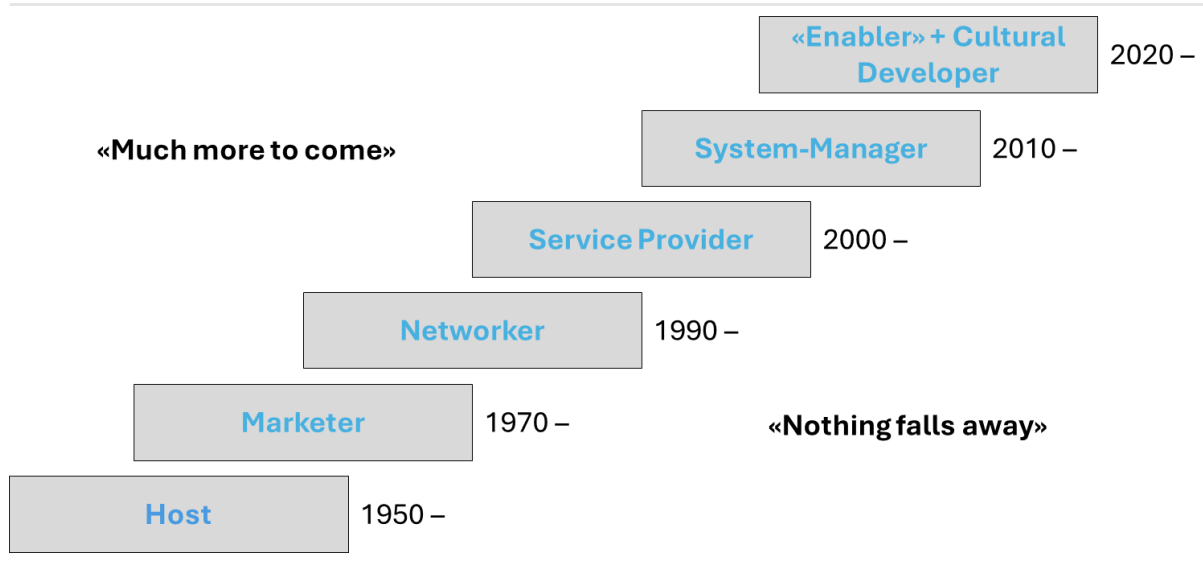
Destination manager, tourism director and management

Under the leadership of the destination manager (managing director, tourism director, CEO), the Executive Board is responsible for the operational management of the DMO. This includes in particular the implementation of the strategic guidelines of the Board of Directors or the Executive Board. Due to the wide range of tasks and increasing requirements, a DMO needs a very well qualified destination manager for the overall management of the DMO.

The understanding of destination management and therefore the role of the DMO manager has changed over the decades. New roles have been added time and again without existing tasks being eliminated (see Fischer, D., Bergamin, C. 2023: Die Rolle der DMO auf dem Prüfstand, in: Schweizer Jahrbuch für Tourismus 2022/23, Berlin 2023, p. 80):

- "Host" who exemplified hospitality,
- "Marketer" who must master marketing and be present in the targeted markets,
- "Networker" who has to coordinate the concerns of the service providers,
- "Service provider" that offers additional services for third parties,
- "System manager" who has to further develop the entire destination,
- An "enabler and cultural developer" who tends to act in the background, does not want to do everything himself, cultivates a "we" culture and, in his supporting role, enables the partners to drive developments forward.

Figure 25: The role of the DMO manager over time



Source: Fischer, D., Bergamin, C. (2023): Die Rolle der DMO auf dem Prüfstand, in Schweizer Jahrbuch für Tourismus 2022/23, Berlin 2023, p. 80

A destination manager should fulfil the following profile and be characterised by the following key factors (based on Weibel 2014, p. 245ff.):

1. *Expertise*: Knowledge of the entire phenomenon of tourism – on the supply and demand side as well as in relation to the complexity and dynamics of a destination – and the ability to apply and implement it.
2. *Passion*: Identification with tourism in general and the destination in particular.
3. *Claim to leadership*: "Alpha gene" as an authoritative energy and the drive to get things moving.
4. *Simplicity and communication*: Ability to recognise patterns, reduce complexity, crystallise key findings and communicate them simply.

5. *Team building*: Appreciation of the collective, because destinations can only develop further together.
6. *Perseverance and resilience*: A lot of perseverance and mental strength, frustration tolerance and the power of positive thinking, because developments in destinations are very slow and take a long time.

Personal authority, a high level of credibility, trust and a broad following in the destination form the basis. It can only be maintained in the long term with positive results.

Auditors/Audit Committee

- It is recommended that an independent auditor/auditing committee be appointed to regularly review the activities of the DMO.
- The Audit Board/Audit Committee is made up of representatives of the most important stakeholders, in particular larger municipalities, and is chaired by a recognised expert.

5.1.3 Other management bodies in the destination

Destination council as a coordinating body in the experience and living space of a destination:

- As an informal body, a destination council is recommended to ensure the coordination of development projects in the experience and living space. It is made up of the presidents or managing directors of the most important stakeholders. The destination council is an information and coordination platform for the strategic development of the destination. Its aims are to provide regular mutual information and to strengthen tourism awareness and cooperation in the destination. It is involved in the elaboration and further development of the destination strategy; monitors progress and ensures that human and financial resources are optimally utilised. It does not see itself as a competitor, but as a complement to the DMO Board and should be chaired by the President of the DMO.
- The destination council should meet once or twice a year and deal with the following topics in particular:
 - Strategic orientation of the destination and tourism priorities
 - Annual planning of the intermediate steps in the milestone projects
 - Assessment of new major projects and major events in terms of their compatibility with the positioning
 - Focus on communication
 - Measuring progress and success in the implementation of the destination strategy
 - Etc.

Steering body and tourism council of My Leukerbad AG

As an inter-communal DMO, My Leukerbad AG represents the entire destination. The DMO is monitored and controlled by the so-called steering body, which is made up of delegated municipal councillors from the destination municipalities. The steering body is responsible for monitoring compliance with the service agreements and, in particular, the earmarked use of the visitor's tax and tourism promotion tax funds.

A Tourism Council has also been in place since 2021. This advisory board is made up of representatives from the main tourism stakeholders in the destination (hotels, restaurants, retailers, second homeowners, holiday apartment landlords, other destination municipalities, etc.). Essentially, the strategic advisory board provides input on topics such as the destination and marketing strategy, events and guest entertainment as well as ideas and project proposals for other areas.

5.2 Division of roles and tasks in a destination

5.2.1 Principles of the division of roles and responsibilities

The context of the DMO varies greatly depending on the destination type:

- Whereas in community type destinations, DMOs play a strong role and have to take the lead in many tasks,
- DMOs in corporate type destinations (e.g. Flims Laax with the Weisse Arena Group) tend to play a supporting role and leave the lead for many tasks to the strong player.

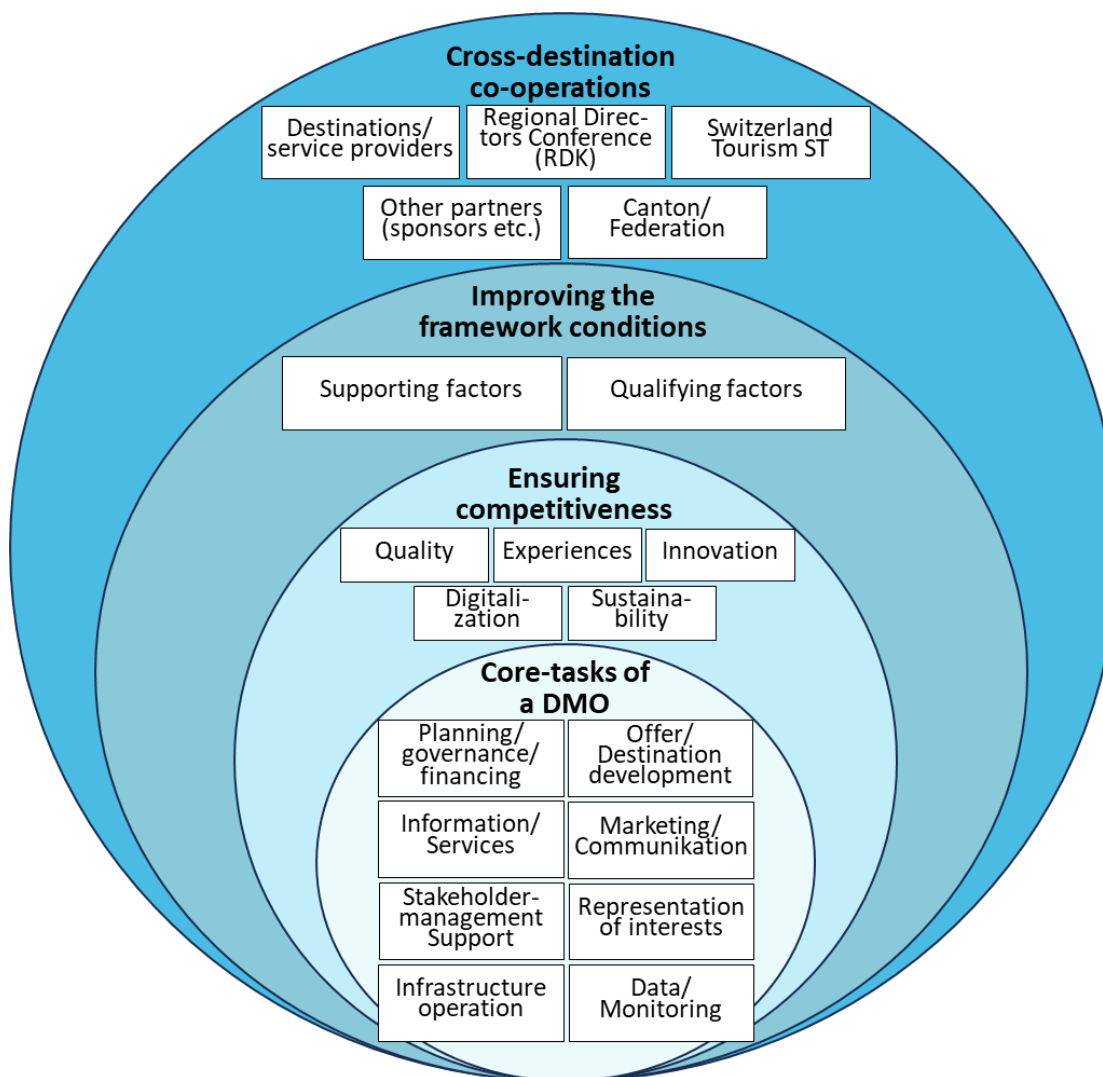
Because DMOs can only control their destination to a limited extent due to restricted competences and a lack of resources, they are forced to act in a cooperative and consensus-oriented manner. In order to successfully develop a destination, however, governance needs to be as clear as possible with a defined division of roles between the stakeholders.

The following are some principles on the division of tasks and responsibilities:

- The DMO deals with all matters that primarily benefit guests along the entire customer journey and in the entire experience area. In doing so, it primarily plays a coordinating role between the tasks of the public sector (municipality/canton) and the tourism service providers. The public sector is in the lead for the broad range of tasks that primarily affect the living space of local residents.
- The planning principles (destination strategy/masterplan, location development strategy, regional development plan, etc.) require broad support and good coordination. The tasks for which the DMO is in the lead must be determined on a project-specific basis.
- In addition to the basic mandate, an iterative process involving the relevant stakeholders is necessary to define the DMO's project-related tasks.
- The aim is to achieve the greatest possible consistency between the assigned tasks, competences and responsibilities as well as the financial resources.
- The tasks of a DMO must be sufficiently clarified in terms of both scope and quality:
 - The basic mandate in the articles of association or in an operating concept or specifications.
 - Project-related tasks in performance agreements in which responsibilities, costs and financing are to be regulated.
 - In addition, specific and verifiable target values (KPIs) must be defined.

The following diagram shows an overview of the many tasks that arise in a destination:

Figure 26: Overview of the tasks in a destination as a basis for the division of roles and tasks



Source: Own presentation

5.2.2 Core tasks of a DMO

The core tasks of a DMO have already been explained in detail in section 4.3. It should therefore be noted that the DMO is in the lead with regard to these tasks but can outsource them to individual service providers or higher-level institutions in the sense of shared services.

5.2.3 Success factors for strengthening competitiveness

The management tools for strengthening competitiveness were already described in chapter 4.2: Quality and sustainability management, experience setting, innovation promotion and digitalization. The use of these management tools is primarily in the hands of the service providers or the municipalities.

However, it is the task of a DMO,

- on the one hand, to use the appropriate management tools to organise their own services,
- on the other hand, to lead the corresponding processes to strengthen the competitiveness of the entire destination and to provide impetus.

Efforts must be skilfully coordinated with the partners.

5.2.4 Improving the framework conditions

With regard to the supporting and qualifying factors, the following main responsibilities and possible roles can be roughly assigned to the DMO:

Figure 27: Division of roles and tasks in relation to the supporting and qualifying factors

	Main responsibility in the destination	Possible role of the DMO as an actor in the destination system
Supporting factors		
Tourist superstructure	Service provider	Contribution of the destination perspective, networking and bundling of offers along the customer journey and support with marketing
Attractions	Service provider	Support in the development of lighthouse offers (e.g. planning, lobbying, investor search), marketing support
Activities	Service provider	Networking and bundling of activities as well as support with marketing
Events/entertainment	Event organiser/entertainment provider	Development of event strategy and event portfolio, scheduling coordination, marketing support, event organisation and event implementation if necessary
services	The company	Guest information, ensuring a comprehensive range of services (e.g. banks, healthcare)
Nature/landscape/climate	Municipality/canton, nature conservation organisations	Mediation and balancing of utilisation and protection interests as well as marketing of nature and landscape attractions
Culture/History	Population, municipality	Storytelling, staging and marketing of cultural attractions
Hospitality	Municipality/DMO	Fostering a welcoming culture (information, sensitisation, training on interculturality)
Accessibility	Municipality/canton	Supporting accessibility by private and public transport (especially at off-peak times)
General infrastructure	Municipality	Contributing guest needs, lobbying for the development and improvement of the general infrastructure
Qualifying factors		
Location	-	Support in improving accessibility tailored to the location
Resilience	Municipality	Sustainability strategy, responsible offer development and marketing, visitor guidance, capacity management
Popularity/image	Municipality/DMO	Branding, marketing and image cultivation
Security	Municipality	Collaboration in crisis management
Costs/benefits	-	Monitoring the price/performance ratio from the guest's perspective, e.g. as part of guest surveys

Source: Own presentation

5.2.5 Cross-destination co-operations

DMOs should also be able to provide impetus across destinations and utilise the corresponding business potential through targeted cooperation. There are opportunities for co-operation with other destinations and service providers, with the RDK regions, with Switzerland Tourism and other partners (sponsors, etc.). There is also the use of cantonal and federal funding programmes.

Co-operation with other destinations and service providers

There are opportunities for cooperation with other destinations and service providers outside the destination in relation to the following business potential and topics:

- *Co-operation along the guest flows:* In order to improve the overall guest experience, co-operation with destinations and service providers along the customer journey is required throughout the entire experience area. These collaborations can take place in the context of offer and product development, from joint guest services or joint marketing.
- *Thematic cooperation:* Demanding topics such as digitalization or sustainability require greater cooperation with other destinations facing similar challenges. This can take place via specific projects or loose dialogue groups. This can also reduce costs, increase knowledge and optimise results.
- *Division of tasks for shared services:* Smaller DMOs in particular cannot fully fulfil all core tasks themselves. They have to cover them through targeted collaborations with larger DMOs, particularly in the areas of marketing, digitalization and sustainability.

Cooperation with the regional or cantonal tourism organisation

A target-oriented division of tasks and roles between the DMO and the corresponding regional or cantonal tourism organisation is obvious. In Switzerland, the 13 RDK tourism organisations (RDK-TO) should primarily focus on the following tasks:

- *RDK-TO as coordinator:* Cooperation within the framework of the RDK, contact person for Switzerland Tourism and the Swiss Tourism Federation STV or the national industry associations (Hotellerie Suisse, Gastrosuisse, Seilbahnen Schweiz, Verband öffentlicher Verkehr), coordination of political initiatives, creation of exchange platforms and networks, coordination of tourism training programmes, conducting negotiations with key partners (e.g. SBB, regional marketing partners, etc.), coordination of media trips and major event platforms, coordination of cross-destination tourism offers (e.g. touring offers, bike routes, long-distance routes, etc.), coordination of media trips and major event platforms, coordination of cross-destination tourism offers (e.g. touring offers, bike routes, long-distance routes, etc.)
- *RDK-TO as enabler:* pooling expertise in meta-topics (e.g. digitalization, sustainability, social media) as well as the provision of specialist centres and experts, increasing the strategic capability of tourism stakeholders (e.g. through further training, workshops), support for cross-destination cooperation.
- *RDK-TO as a marketing agency:* The importance of marketing activities is heavily dependent on the homogeneity of the tourism offering and the tourism structures at destination level. Marketing campaigns and branding activities only make sense if the canton/the RDK region is perceived as a tourist unit (destination or experience area) (e.g. Ticino), if selected markets are to be specifically promoted in consultation with the destinations or in the case of cross-destination offers (e.g. in the area of touring). Marketing is first and foremost a destination task in order to organise tasks as effectively as possible.

Cooperation with Switzerland Tourism

Cooperation with Switzerland Tourism is primarily about marketing the destination as part of the marketing mix (campaigning & activation, key media management, key account management, partner integration) as well as developing markets (especially long-distance markets). Depending on the size and role of the DMO, cooperation is either direct or indirect:

- RDK-TO and the larger DMOs cooperate directly with Switzerland Tourism
- Smaller DMOs or regional TOs cooperate indirectly with Switzerland Tourism via a larger DMO or the RDK-TO.

Co-operation with other partners (sponsors etc.)

DMOs can also enter co-operations with other partners, such as sponsors or service partners (e.g. Swisscom). These co-operations can help with the development of offers or the marketing of the destination, e.g. development of new target groups and guests, joint campaigns. Co-operations with companies from other sectors, e.g. the watch industry, automotive industry, media, are particularly exciting.

5.3 Financing a DMO

5.3.1 Sources of financing for a DMO

One of the biggest challenges is financing the diverse tasks of a DMO. In Switzerland, there is a wide variety of funding sources at local, regional and cantonal level. These are a mix of private and public funding sources with different earmarking in terms of the use of funds and financing mechanisms.

Figure 28: Sources of funding for a DMO

Source of financing	Purpose	Participants	Mechanism
Membership fees or cooperative or share capital	Financing of tasks in the common interest	Private companies, public sector, private individuals	Voluntary participation (membership, co-operative member, shareholder)
Guest axes (visitor's tax or city tax)	Financing of tasks that benefit the local guest	Overnight guests	Legal basis, delegation of revenue and utilisation by the municipality or canton
Tourism promotion levy (TFA)	Financing of various tasks, in particular marketing	Private companies depending on tourism dependency	Legal basis, delegation of revenue and utilisation by the municipality or canton
Basic contributions from the public sector (municipalities, canton/state)	Financing of various tasks	Public sector	Political negotiation process, possible legal basis, performance mandate/performance agreements
Voluntary partner contributions	Marketing activities (campaigns)	Private company	Agreement under private law (see box)
Sponsorship contributions for communication or services	Financing of various tasks	Private company	Agreement under private law
Partnerships (e.g. sponsoring)	Financing of specific projects, initiatives and cost centres	Private company	Private law agreement/transaction
Commercial income (sales revenue, commissions, commissions etc.)	Financing of specific DMO services	Guests, local residents, private companies	Private law transaction
Accommodation tax for marketing	Financing of marketing	Private company	Legal basis, delegation of revenue and utilisation by the canton
Project contributions (e.g. municipal contributions, Innotour, NRP, Swiss Mountain Aid, etc.)	Financing of specific tasks, projects and initiatives (e.g. development projects, infrastructure projects)	Private companies, public sector (Confederation, canton, municipality), foundations	Public funding programmes, project tenders, project applications, project applications, service contracts
Access to operated infrastructures	Financing the operation of infrastructure	Private companies, public sector (municipality)	Agreement under private law

Source: Own illustration based on Laesser et al. (2023), p. 76

Voluntary marketing agreement of My Leukerbad AG (new)

My Leukerbad AG has introduced a voluntary marketing agreement with the four local municipalities, the system-relevant service providers and the hotels to provide broader support for the financing of marketing.

- Objective: Increase available marketing funds (cash-out) as Leukerbad has too little marketing funds in the benchmark
- Approach: voluntary, 3-year partnership based on solidarity between the municipalities, system-relevant service providers and hotel partners
- Target amount: CHF 500'000 per year
 - 4 local communities: CHF 280'000
 - Systemically important service providers: CHF 130'000
 - Hotel partners: CHF 100'000
- Clause: the hotel partners must contribute at least CHF 100'000 per year in order for the local authorities to make their contribution. The hotels' contribution amounts to CHF 140 per hotel bed per year.

With the additional marketing funds, the marketing of the destination is increased and the hotels can also select specific marketing activities (see contract).

Source: My Leukerbad AG (o.J.): Vertrag Marketingplan (Hotellerie; Vorlage)

If we look at the financing of the tasks from the perspective of the eight task areas of a DMO, the following financing sources can be roughly categorised:

- Planning/governance/financing: membership fees, partner contributions
- Offer/destination development: guest taxes, service contracts, project contributions (NRP, Innotour, foundations, etc.)
- Information/Services: Guest taxes
- Communication (marketing): TFA, accommodation tax, subsidies, commissions, direct sales
- Stakeholder management/support: membership fees, partner contributions
- Representation of interests: member contributions, partner contributions
- Infrastructure operations: service contracts, admissions
- Data/monitoring: TFA, member contributions, partner contributions, project contributions

Utilisation of visitor's tax

According to the law, visitor's taxes may be used for the following purposes:

- Guest information, personnel and material expenses Tourist Information Centre
- Contributions to organizers of (international) public sporting or cultural events
- Maintenance of hiking trails, cross-country ski trails, ski slopes, benches, fireplaces, playgrounds, etc.
- Construction and maintenance of generally accessible tourist infrastructure such as tennis courts, ice rinks, etc.

5.3.2 Cost management and audit committee

Transparent information and data on the costs of the various tasks form an important basis for adequate funding. Appropriate cost management is therefore essential. The DMO Board must be informed at least quarterly about the financial course of business, liquidity and deviations from the approved budget.

In some DMOs, the introduction of an audit committee consisting of representatives of the municipalities and the most important stakeholders has proven its worth – in addition to the mandatory auditors. It reports to the board of directors/executive board at least once a year on the management and makes proposals regarding responsibilities.

5.4 Monitoring

Data analysis and monitoring are among the core tasks of a DMO (see section 4.3). They form the basis for serious decision-making and meaningful reporting. In addition to the explanations of the core tasks, the following are further considerations and recommendations on monitoring and reporting.

Data acquisition

The database of existing data is broad, but the quality varies greatly.

- Accommodation statistics: HESTA (<https://www.bfs.admin.ch/bfs/de/home/statistiken/tourismus/beherbergung/hotellerie.html>)
- Parahotel statistics: PASTA (<https://www.bfs.admin.ch/bfs/de/home/statistiken/tourismus/beherbergung/parahotellerie.html>)
- Short-term lettings: AirDNA (<https://www.airdna.co/>)
- Daily tourism: Swisscom Mobility Insights – data queries via Mobility Insights Portal or API interface (<https://www.swisscom.ch/de/business/enterprise/angebot/platforms-applications/data-driven-business/mobility-insights-data.html>)
- Tourism Monitor Switzerland (TMS): information behaviour, guest needs, destination image, strengths and weaknesses, guest satisfaction (<https://www.stnet.ch/de/marktforschung/tourismus-monitor-schweiz/>)
- Guest satisfaction: booking and review portals or social media
- Guest behaviour: Guest cards and destination apps
- Economic significance: value creation studies by the cantons
- Etc.

Primary surveys are recommended, e.g.

- Guest survey: Travel behaviour, guest satisfaction
- Stakeholder survey: Satisfaction
- Acceptance of tourism among the population (see <https://www.stadt Luzern.ch/aktuelles/newslist/961400>)
- Sustainable development, e.g. energy and water consumption, waste or CO2 emissions (reduction targets with reduction path) (see <https://www.stv-fst.ch/nachhaltigkeit/kompetenzzentrum/swisstainable/swisstainable-destination>)
- Etc.

Data analysis

Please note when analysing the data:

- *Data analytics*: Large amounts of data provide insights into guest behaviour or demand trends. However, data analytics requires very specific technical and methodological expertise.
- *Variety and combination of data*: A good mix or a skilful combination of relevant data is the basis for enhanced insights.
- *Targets and key indicators*: Monitoring is based on concrete long-term and short-term goals on the one hand and relevant key performance indicators (KPIs) on the other. These KPIs should cover both the performance of the DMO (in terms of tasks and performance mandate) and the development of the destination as a whole (attractiveness, competitiveness).
- *Time series*: The aim of monitoring is to produce measurement series, i.e. easily comparable results over time.
- *Benchmarking*: Benchmarking figures can also be an important addition, but they are much more time-consuming to obtain.

Reporting

Reporting is a key tool for documenting the performance and development of a destination and communicating it to stakeholders:

- The reporting provides information on the implementation of the destination strategy and strategic projects.
- The basis for meaningful reporting is data and key figures based on monitoring.
- Reporting takes place regularly and depends on the data available: monthly, quarterly, semi-annually and/or annually.

The destination of Gstaad has introduced a "Tourism Barometer", which also collects and discloses monetary results on a quarterly basis (see box).

Tourism barometer Gstaad

The Tourism Barometer is based on both statistical and empirical data collected from the most important service providers. In collaboration with the University of Bern, the following key figures are published monthly on a dashboard:

- Hotel overnight stays
- Relative change in turnover compared to the same month of the previous year, broken down by accommodation, catering and culture/sport/entertainment
- Relative change in sales per frequency
- Performance of the destination as TPI (Tourism Performance Index)
- Hotel room occupancy incl. booking status
- Hotel guest mix
- Website visitor mix
- Weather data
- Brief interpretations

A dashboard is published each quarter with cumulative results including retail, construction, and other industries.

Source: Gstaad Saanenland Tourismus (2023): Tourismusbarometer

6 Recommendations for action

In Chapter 3, we showed that a DMO should focus on the following aspects in Destination Management 4.0 based on theoretical findings and proven current practice:

- The development of offers in the entire experience area for important guest groups, although still primarily territorially anchored.
- The inclusion of the population's living space wherever the experience and living spaces overlap.
- The self-image as a network organisation to coordinate and represent tourism interests with a strong emphasis on stakeholder management.
- The portfolio of tasks and the financing of the tasks are regulated in performance mandates.

To further develop as a DMO or to initiate a change process, we suggest 10 final steps "From word to deed".

1. *Orientate yourself on the principles of Destination Management 4.0 and make a clear commitment*

When further developing destinations, decision-makers would do well to orientate themselves on the eight principles (see Chapter 3.2):

- Strengthening the competitiveness of the destination: Consider economic as well as ecological and social aspects.
- Make destination development sustainable: Pursue concrete implementation projects and involve stakeholders.
- Strengthen acceptance of tourism among the population: Anticipate overtourism, take precautions and enhance the living environment.
- Influence the entire experience area along the visitor flows: Networking, creating and marketing offers.
- Becoming smarter: Expand IT expertise and make clever use of digital opportunities.
- Focus on the needs of the stakeholders: Systematic and skilful stakeholder management.
- Discuss and define the division of roles and responsibilities with stakeholders: consider the destination's contextual factors.
- Take account of growing dynamics and complexity: Maintain an open communication and constructive conflict culture.

It can be expected that a destination-related commitment is made, i.e. responsibility is assumed.

2. *Strengthen your management team by combining the right skills and diversifying your organisation*

The increasingly demanding tasks of a destination can only be realised with a competent management team. It is a well-known management principle that successful transformations start with a strong team or the right people. The Board of Directors and the Executive Board should be diverse and cover the most important competences. Diverse teams make better decisions, are more innovative, lead to greater employee commitment, therefore perform better and make it easier to recruit employees.

Board members need a strong leader as president who is well connected in the destination, as well as committed members from the destination who cover the following competences: Finance, legal, marketing, hospitality, mobility, politics. At least one member should also contribute an external perspective.

The qualifications of the destination manager or tourism director are also crucial: he/she must have a high level of expertise, passion, leadership and communication skills and be a team player. The management team should also be competent and diverse.

3. Develop or update the destination strategy together with the most important stakeholders and ensure a high level of commitment

A destination strategy (or a master plan) is a standard part of Destination Management 4.0. It must be developed in a participatory manner, sets out the vision, mission, positioning, strategic business areas, development strategies, fields of action and key projects. It is updated every four to five years. It forms the basis for all other sub-strategies and concepts (marketing, sustainability event, etc.). Commitment is demonstrated not only by setting goals and strategies, but also by defining implementation projects with deadlines, milestones and responsibilities. The implementation status is reviewed at least once a year, and the implementation plan is updated. It is worth publishing the most important contents of the destination strategy in a handy format and an explanatory video so that all stakeholders and the interested public are aware of the most important contents.

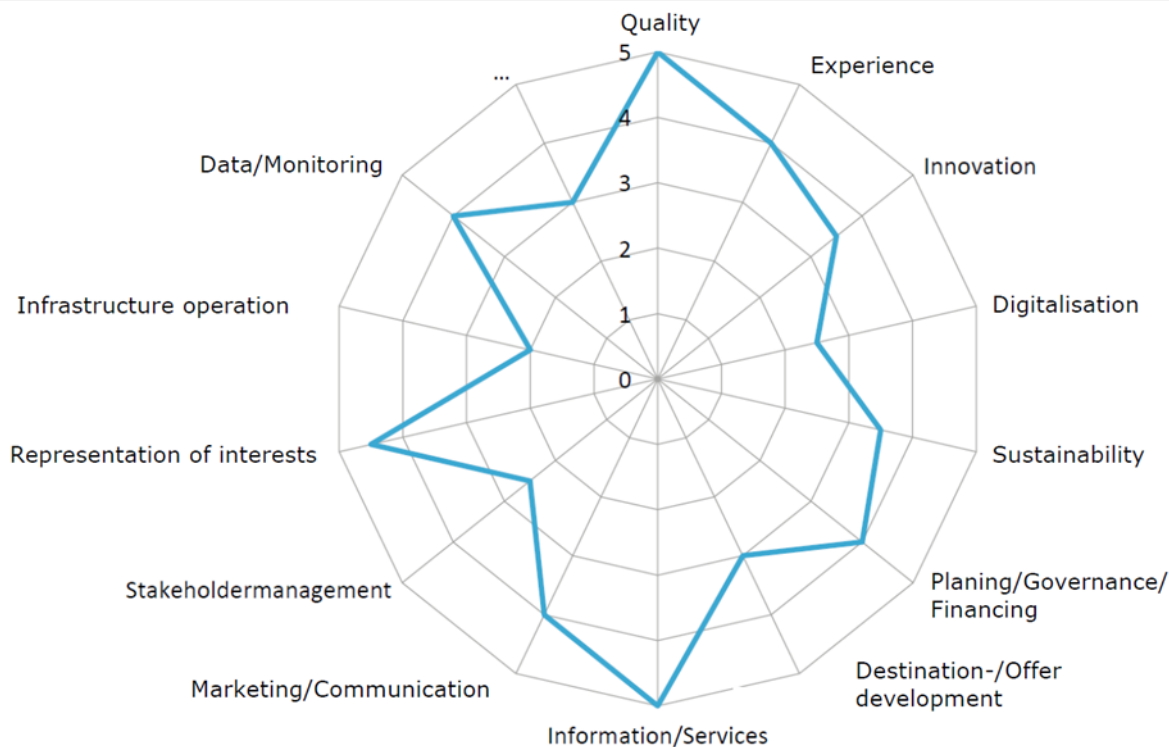
4. Analyse the task fulfilment self-critically, look for the "adjusting screws" and derive the potential for improvement

The fulfilment of the DMO's tasks should be analysed self-critically before the destination strategy is revised. The question should be answered or assessed, ideally as a team (DMO board, management): How well is the DMO positioned regarding the success factors for strengthening the competitiveness of the destination and the core tasks of the DMO?

- *Success factors for competitiveness*
 - quality
 - Experience setting
 - Innovative strength
 - Digitalization
 - Sustainability
- *Core tasks of the DMO*
 - Planning/governance/financing
 - Offer/destination development
 - Information/Services
 - Marketing/Communication
 - Stakeholder management/support
 - Representation of interests
 - Operation of infrastructures
 - Data/Monitoring

The assessment can be visualised using a spider diagram, for example. The following is an example of a completed spider diagram with a rating scale of 1 "insufficiently positioned" to 5 "optimally positioned".

Figure 29: Assessment of the five success factors of a destination's competitiveness and the eight core tasks of a DMO



Source: Own presentation

The need for development must be identified, particularly with regard to problematic weak points. It is advisable to record the measures with priorities, responsibilities and timelines in an implementation plan.

5. Identify the areas in which the division of roles needs to be clarified, optimised or concretised

A skilful division of roles is one of the greatest prerequisites for success in Destination Management 4.0,

- of the eight core tasks, from planning to developing the offering to monitoring in the lead,
- of the five success factors for ensuring competitiveness, from quality to digitalization and sustainability, but can only make progress in collaboration with service providers and other stakeholders.
- Although the public sector can exert a certain influence on improving the framework conditions, the lead clearly lies with the public sector or, if necessary, with individual service providers.
- In the case of cross-destination cooperation, e.g. with other DMOs or the higher-level cantonal tourism organisations, the division of roles with regard to individual tasks and projects must be clarified on a case-by-case basis.

It is recommended that these different role divisions are set out in writing in agreements or service contracts wherever possible. This is the only way to ensure an in-depth discussion in advance, which is a prerequisite for avoiding uncertainties and conflicts as far as possible and at the same time ensuring sufficient funding to fulfil the performance mandate.

6. **Implement improvement measures on an ongoing basis and prepare the DMO for future development at the same time**

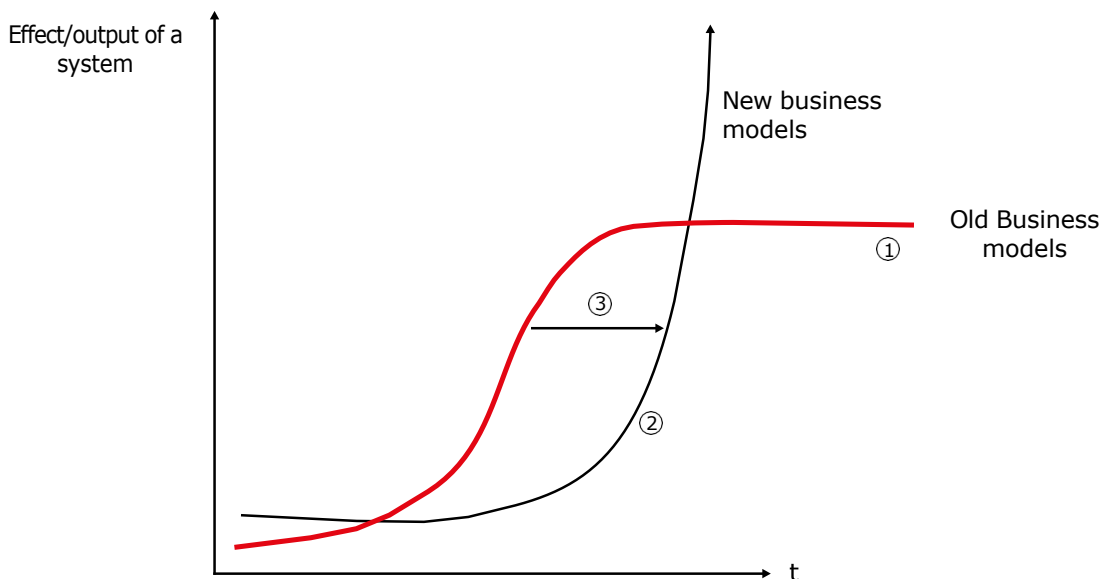
In order to adapt destination management to the changing needs of guests as well as the general conditions and environmental trends, two business models must be pursued on an ongoing basis:

- Continuously optimise the existing business model and rectify any shortcomings identified in the fulfilment of tasks or the division of roles in the sense of "run the business".
- At the same time look to the longer-term future and prepare new business models in the sense of "develop the business".

Following Malik (2015) "Navigating in times of upheaval", leadership in transformation means for Fischer (2024):

1. *Run the business*: optimisation of existing business models
2. *Develop the business*: Building new business models in the background with a focus on those areas that will no longer be successful in the future (e.g. winter tourism in low-lying destinations)
3. *Timing*: Switching from old to new business models at the right time.

Figure 30: Managing complexity and change



Source: Malik, F.: Navigieren in Zeiten des Umbruchs, St. Gallen 2015

7. **Specify the optimisation plans, determine the KPIs, discuss the plans with stakeholders, successfully implement initial measures and keep the energy flow positive**

In terms of "running the business" (operating the current business model), optimisations should be specified and prioritised in an implementation plan. To keep the energy flow positive, measures that are easy to implement and enable initial successes should be implemented in the sense of "quick wins" or "low hanging fruits". However, the strategic compass must not be lost sight of – even in the event of possible failures.

In the implementation plan, it is crucial to involve the important stakeholder groups or at least to communicate the plans in a timely and comprehensible manner. Stakeholder management has become very important in Destination Management 4.0. Three groundbreaking points:

- Identify the relevant stakeholders and recognise their specific role in the destination system and their attitude towards the DMO.
- Prioritise the stakeholders in terms of their influence on the DMO and role in the destination system.
- Create a communication plan, inform skilfully and seek dialogue if necessary.

8. Clarify the scope and quality of the services to be provided and the corresponding financing

The portfolio of tasks and services of a DMO can be compared to a menu, in which not only a dish is presented, but also the ingredients and the expected quality. At the same time, each dish has a price tag. Similarly, the scope and quality as well as the financing of the services to be provided must be sufficiently clarified.

The sources of funding are diverse (see section 5.3.1). The description of the quantitative and qualitative aspects of a DMO's portfolio of tasks varies accordingly. However, it is important that a DMO is not only assigned or transferred the tasks, but also provided with the necessary financial resources.

9. Check the structures with regard to their suitability for task fulfilment and adapt the management resources in a targeted manner

"Structure follows strategy" is a well-known management principle. If strategies, business models or task portfolios are changed, the management structures and management tools may also need to be adapted. It is important that structural issues such as legal form, management bodies or organisation charts are not at the beginning of a debate on the further development of destination management, but are the result of a change in strategy, an expansion or sharpening of the task portfolio or an improvement of inefficient processes.

The management tools available are diverse and range from the mission statement or corporate strategy to functional strategies, annual targets and regular reporting (see section 5.1.1). In Destination Management 4.0, clear targets using measurable key performance indicators (KPIs) in the sense of target values are becoming increasingly important. They require ambitious targets, innovative measurement methods and learning loops if the targets are not met.

10. Measure progress (monitoring), utilise digital data, set up effective reporting, remain agile and communicate with the population

Destination Management 4.0 includes systematic monitoring that can be used to measure progress in all areas. Statistical secondary data, empirically collected primary data and data from digital sources increasingly analysed with the help of data analytics enable us to gain a better understanding of actual developments within the destination. It is recommended to introduce systematic and regular reporting based on defined KPIs. Not only hard facts about project implementation steps and results achieved should play a role, but also soft effects such as guest satisfaction and tourism awareness among the population. It is an old fact that only what is measured on an ongoing basis is implemented. Regular reporting also increases the agility of the DMO, can be used to good effect in communication and increases the trust of stakeholders and the population in the DMO.

Overall conclusion

- Destination development is networking: jointly defined rules of cooperation are necessary.
- A destination needs perspectives: A broad-based destination development strategy is necessary.
- Quality development, the experience setting, the power of innovation and digitalization are important keys to sustainable development: what is needed is the will to initiate a change process.
- Resilience must be strengthened: An honest culture, intensive collaboration and a high level of agility are required.
- The top management bodies (BoD, Executive Board, MB) bear the responsibility: a competent, broad and diverse composition is required.

"If you want the world to stay the way it is, you don't want it to stay," the Austrian poet Erich Fried once said. For tourist destinations, the pressure to adapt and change is high. A destination will only develop in the desired direction if it does not hope for "others", but makes a convincing and enthusiastic start itself. The first step is the prelude and prerequisite for any change.

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