

DESTINATION MARKETING ORGANIZATIONS (DMO) ESTABLISHED IN MOUNTAIN TOURIST RESORTS AND REGIONS – A SOLUTION FOR MOUNTAIN TOURISM DEVELOPMENT

Codruţa Adina BĂLTESCU¹

Abstract: *When a tourist destination succeeds in presenting itself before the potential visitors and companies interested in operating different activities in the area, as single whole, as an integrated ensemble of providers and professionals with a common aim, that of developing in the long run the region, their joint demarches promoting the existent tourist potential, the expected success, for the benefit of all, is easier to achieve and much more reliable. This article aims to highlight the importance and decisive influences of destination marketing organizations, known in the literature as DMOs, as well as the demarches initiated in this respect within the Romanian mountain tourism, with reference to Poiana Braşov mountain resort.*

Key words: *mountain tourism, tourism destination, destination marketing organization.*

1. Introduction

Tourist activities development involves as support element identifying and developing those places that shall direct the tourism investors interest towards establishing certain “attractions” which, through the estimated performances and image already built, shall represent for the tourist consumer the essence in his needs and wishes satisfaction. The places considered the “heart” of the tourism are known as “destinations”. The oneness of a tourist destination, which strengthens its success on the tourism market, is appreciated from different perspectives, among which: the natural variety, cultural values, the small localities composing it,

unaltered by the contemporaneous urban civilization, the diversity of traditional ways of living, to which one may add the hospitality and the local products.

2. DMO's role and content

According to Porter's model, the competitive advantage for a tourism destination is ensured by four independent conditions: [6]

- factor conditions: natural or generated, among which human and financial resources, general and tourism specific infrastructure, knowhow, cultural and historic resources, etc;

¹ Department of Economic Sciences and Business Administration, *Transilvania* University of Braşov.

- demand conditions: the home demand, the most important for many tourism destinations, and the foreign demand;
- tourism related and supporting industries: commercial sector and leisure industry that stimulate the tourist actions; the industries of construction, alimentary goods, etc. which support the tourism development;
- strategy, structure and rivalry between tourism firms, starting from the reality according to which the competition impels to evolution and discourages the stagnation.

Subsequently, Porter added two supplementary elements, namely government and chance, both being able to influence each condition previously listed.

In the tourism industry there is a specific model used to the analysis of tourist destinations competitiveness, known as *Calgary model* [7]. It starts from the distinction between the *competitive advantage* which includes tourist infrastructure, quality of management, skills of employees, etc. and the *comparative advantage* which refers to climate, landscape, fauna, flora, etc.

The presented enumeration supports the importance of destination management, sine-qua-non condition for successfully carrying out the subsequent phases and finally, for the appreciation of its efficiency and competitiveness. Both tourism's theory and practice highlight the necessity for the establishment of a *body* to undertake the organization and coordination tasks in respect with those demarches aiming to develop the tourist destination, to which usually only a part of the providers carrying out activities in the area agree to subordinate, but which is able to ensure the leadership of the promotion actions initiated [1].

A futurist theory when formulated by August St. John [4] brings forward the analogy that may be achieved between a destination, especially a tourist resort, and

a tourist product, analogy based mainly on the idea of life cycle. Similarly to products, resorts have a life cycle and they will enter inevitably into a period of decline, "the phase of destruction" as designated by the author, stressing this way the necessity of concentrated management actions right from the phase of development, in order to consolidate an infrastructure supporting the continuous tourist demand evolution. The lack of a unitary vision of tourist destination development will more than likely generate a short life cycle on the tourism market and also destructive effects in respect of natural attractions and quality of life of the residents [3].

In many situations, the task of coordination is undertaken by the national or local tourist authorities. At a national level, the governments promote their countries on the international tourism market through the National Tourist Authority (regardless the designation at one point) which, depending on the importance paid to the tourism within the national economy, holds the position of a ministry. Observing the promotional campaigns, the research activities and the destinations development plan, the objectives are similar [5]. In their turn, the local authorities, on different levels (regional, local, etc.) are involved in similar promotion actions for those tourist destinations they represent.

The establishment and performance of certain non-profit organizations, designated as Destination Marketing Organizations (DMO), known also under the name of Destination Marketing and Management Organizations (DMMO), financed by local hotel fees, local budgetary costs, voluntary participations of private companies or their joint, represent a possible solution for the correlation and coordination of marketing actions at the level of a tourist destination. Such organizations meet three essential functions: (1) they encourage the

communication between the destinations' "performers", (2) they provide support in the organization of those meetings intended to consolidate the collaboration between them and (3) they carry out actions for the purpose of encouraging the potential tourist demand to visit the destination [2].

Briefly, they have a representative and supportive role for long term tourism development at the level of a destination, and for the visitors, both independent tourists and tourism companies from other areas, they hold the position of a broker or of an official contact element. The members of the organization are hotels, food units, tourist attractions, conference centers or other entities performing at the destination, while the DMO employees are professionals who act as sales representatives on behalf of the destination, supporting the member companies in carrying out their own businesses.

The work of destination marketing organizations (DMOs) in coordinating and complementing private sector marketing activities and in developing and representing an "official" image for the destination region delivers a proven model for tourism destination marketing. The key factors determining a good return on DMOs' marketing investment are fivefold, of which destination marketers can influence most factors: 1. the proportion of visitors who have booked before receiving the marketing material; 2. the proportion of respondents who visited the destination; 3. influence of the marketing material; 4. visitor expenditures: a. per person per night expenditure, b. length of stay in the destination, c. party size; 5. reach of the marketing campaign [11].

The following question arises: are there and work such bodies within the Romanian mountain tourism? The answer is relevant if comparative analyses are performed against countries specialized in organizing

this kind of tourism, such as Austria, where a reference study was performed on a number of 650 destination marketing and management organizations [9].

The territorial division of mountain areas prevents the initiation of certain unitary strategies. The creation of integrated systems (in Italy, for instance, there is law in this respect), starting from being aware of the fact that the presence of a unique, integrated system on the national and international markets represents a way to success, waiving the total autonomy and declaring the affiliation to a larger tourist area represent several proposals which will be impossible to avoid in the future without being penalized by tourists for unadjusted behavior. The mountain destinations operated on the base of "corporate" managerial model (the real estate properties and services management are endorsed by a unique company) are more competitive, especially thanks to their significantly vaster capacities for innovation [12].

In England, the government decided that devolving most of the responsibility for tourism development to the regional level would provide the best return on its expenditure as DMOs and destination management partnerships (DMPs) at the regional and local level better understand their products and markets [10].

3. Methods of research

Based on a qualitative marketing research focus-group type conducted among shareholders on the resort of Poiana Braşov in February 2010 were identified, among others, the most relevant factors determining the movement of Romanian and foreign tourist to mountain resorts in our country, revealing also the motivations and consumer behavior of the Romanian and foreign tourists about practicing winter sports in Romania. The research has brought together eight representatives of tourism service providers in the resort,

with leading positions in the companies where they operate (S1,...S8) who participated in focus group [8].

The analyses have been extended by the organization of a marketing quantitative research under the name of "Consumers opinions, attitudes and behavior regarding the quality of tourist services in POIANA BRASOV resort". The population taken into consideration within this research is formed by tourists who visit the Poiana Braşov resort for different purposes, just for relaxation or for practicing different sports or mountaineering.

The research refers to all categories of individuals, regardless the sex, age or civil status. In order to establish the sample, a trust level of 95% and an admitted error of $\pm 5\%$ have been considered. The resulted sample size in case of the percentage estimation is of 384 persons. The sampling, observational and analysis units are represented by the individual in cause, as researched subject. A combination of random sampling methods has been used to the sample constitution. The stratified sampling has been use as method, taking into account the share of accommodation places from each type of tourist housing unit in total. In order to identify the accommodation units out of which the subjects will be chosen, it has been used the simple random sampling without replacement. In a year, these accommodation units housed around 8300 tourists. A complete list of the tourists has been drawn up, a systematic sampling being performed using the mechanical step method. The data collection from the interview subjects has been performed during November 1st, 2009 – January 31st, 2010. In this respect, representatives of the accommodation units included in the sample have been contacted. They have provided the contact details of the tourists housed within their units between October 1st, 2008 and October 1st, 2009.

4. Results and Discussion

Asked how they evaluate the future of the mountain tourism, the respondents either avoided to make previsions (S1 and S8), or expressed their skepticism (S3, S5 and S6); however, there were noticed also positive opinions, starting from the idea of mobilization and unification of efforts of all those involved in such activities (S2 and S6). The most relevant "motors of increase" of the mountain tourism from our country were considered "*the areal associations and partnerships between tourist services providers in mountain destinations*" (idea stressed by five respondents), "*the support provided by the Romanian state for the private investments*" (S1 and S5), "*a professional management*" (S6), "*offers' centralization, in general, especially the leisure ones*" (S4) or "*the organization of large sports, cultural, etc., events*" (S4), capable to gather a significant number of participants and spectators and to become a tradition.

In order to characterize the relationships between the tourist services providers from the Romanian mountain resorts, the subjects reflected the lack of interest of the tourist services providers from the Romanian mountain tourism to establish partnerships, each of them preferring to carry out his activity individually, isolated from the others. This point of view was recorded in seven subjects out of a total of eight. However, two different ideas were noticed. Subject 5 appreciated that, at the level of restaurants, the associations prove a lower relevance, and subject 4 stressed that in Poiana Braşov resort an association of providers had been established, positive results being recorded quite quickly, but for unknown reasons, after a year, the association is no longer operable.

Fur the purpose of highlighting the nature and content of these collaborations, respondents either appreciated that they do not know the answer to this question (three out of them), or that, in respect of the

unitary actions, they might be able to persuade the town halls and local authorities, in general, to support in a more significant measure the evolution of tourism (S1), or that they might collaborate at least in respect of promotion, so that the mountain destinations represent a single whole (S6). Seven participants to discussion stressed the necessity and utility of these forms of collaboration or association, a single subject, namely subject 5, being totally unconvinced that such unions would be benefic for all tourist service providers. Regarding the contribution, financial participation of each member, the answers had several points in common. Some of the subjects considered that the analysis should start from “*the capacity of accommodation of each provider*” (S1, S2, S4, S6 and S8), others appreciated that it would be more relevant the “number of tourists hosted” indicator (S3), the idea of fix contributions being

also expressed, depending on the size of the providing company, respectively small, medium or large company, in compliance with norms mutually agreed (S5 and S7).

The quantitative research is relevant in respect of highlighting the position occupied by the Romanian mountain tourism within the total of consumption preferences of Romanian tourists as presented in Table 1.

The results obtained for the studied variable bring forward the fact that the “seaside” holds the first place among the respondents preferences, followed by the “mountain resorts”, the “large cities” being the third, the “watering resorts” the fourth and the “rural areas” holding the last place. The second position held by the mountain resorts raises the pressure over the tourist services providers from these areas towards increasing the competitiveness and fame before the potential tourist consumers.

The descriptive statistics for the position occupied by the Romanian mountain tourism within the total of consumption preferences

Table 1

Preferences	N	Mean
Seaside	384	1.78
Mountain resorts	384	2.33
Large cities	384	3.51
Watering resorts	384	3.52
Rural areas	384	3.85
Valid N (listwise)	384	

The presented elements strengthen the belief that one of the possible solutions for developing the Romanian tourism resides in the establishment of certain associations or, as they are known in the literature, Destination Marketing Organizations (DMO), to focus on the overall image of mountain areas, over the essential tourist characteristics, but beyond the range of action of the tourist services providers, to ensure both the collaboration and concentration of marketing policies and

strategies of the mountain destination considered a individualized tourist product.

5. Conclusions

The tendencies signaled in the tourist market development highlight the necessity of correlation and coordination of tourism companies involved in the process of creation, promotion and sale of tourist products. The tourist consumers perform the selection of products both from the perspective of the included

services content, quality and price, and on the basis of the image and expectations associated to the consumption of those services at a certain holiday destination. In this respect, establishing and supporting certain bodies intended to accomplish the stated desideratum become a necessity.

The collaboration and cooperation may determine those involved not only to advise each other, but to become aware at a certain point that a healthy competition is equally useful to all, it may contribute to improving the quality of offers and it is an essential element of the innovation process, especially when the tourist providers are numerous and none of them has the force and size to cover the others.

Within this context, the leadership holds an essential role, namely one or several performers to warrant and undertake the well performance of the "system" established following the voluntary collaboration of the majority of the present performers, a condition considered indispensable for an efficient development.

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