

New Approaches on Building, Organizing and Managing an Area Destination

Gunn (1994) define the tourist destination, from a space point of view, as a geographical area that has a critical mass of development that can satisfy the objectives of the tourist. The main elements of a tourism destination are natural resources, accessible transportation, attractive services, promotion and information

In order to sell a tourist destination some specialized structures have occurred: the DMCs (Destination management companies or ground handlers). According to Rob Davidson and Beulah Cope (2003) DMCs are key intermediaries whose strength lies in their extensive and detailed knowledge of the destination where the meeting events is to be held.

Terms such as “building, organizing, managing a tourist destination” are not being used for a very long time. We state that there are two capital types of their meaning:

1. the first one: organizing leisure and recreation for the local community and at the same time also for tourists that visit it.

2. the second one: developing the international tourist arrivals. Tourism is not for poor countries, like the people of Somalia or Bangladesh i.e. Such countries might earn money from tourism mainly by using “tourism destination” for international tourism.

Which is the difference between the two types? How is a tour operator taking the decision to build and organise a destination? How is the area of it decided? Is the theory valid in practising? Once it is set up which could be the best way to manage it?

Our study is based on the experience of the Euro-Host Group. During the WATA Annual Meeting in Bled in 1995 two managers, one from Austria and one from Romania found out that one way to balance the destinations they were working on was to increase their force by adding similar tour operators from the same geographical area: Central Europe, at the time a free niche. Let's see their start point.

1995 Bled. Ex Yugoslavia was in war, in fact a short break for some of its new newly issued countries. Because of the flight costs almost of the participants to WATA General Assembly came from Europe. Soon, an impressive feeling has risen and pointed out the differences between Eastern and Western countries. We present you the conclusion of the two managers, settled in time. This conclusion illustrates also our first statement about the meaning of a tourist destination: that one meaning **earning money from tourism mainly by using “tourism destination” for international tourism.**

At the time and in the time the Euro-Host fondetors appreciated that there are no longer fundamental differences between West and East concerning democracy or political organization. Even if East countries have to redevelop the democracy they have loosen being left into the communist system after the 2 nd WW, the traditions and basic feeling are the same. Even concerning religion: a mixture of Christians. The gap was an economic one: the level, the type and the purpose of the development of their economies.

This conclusion allows us today to illustrate our first meaning of a tourist destination, the one expressing **the point of view of the host, of the local natives.**

A. Organizing leisure and recreation for the local community and at the same time also for tourists who visit it.

East countries hosted “classical” industries, old type of factories and, by consequence their productivity. West countries have overcome that level and their economies were based of new generation of “soft” industries fashioned on high productivity. The “productive” systems of the postindustrial societies have such a level of performance that a very small part of the population can assure the required quantities of good for the whole population even an over production for export that can cover the need of the hole planet. But this production is limited deliberately as quantity. The “economic” need for profit overcomes even the moral consideration

even the Christian charity. In EU, i.e. the workable agricultural areas are strictly limited in order to maintain an acceptable level of the production that will not lead to overproduction and thus the crash of the prices, a situation hard to be controlled and imagined now, when the “symbol economy” is several times the volume of the “physical economy”. The unemployment that result in this way must be absorbed in a way of on other. And the services sector seems to be an affordable issue. In EU, as a more and more usually within the same farm the first generation performs the classical agriculture and the next one has to lead towards services, as agro or rural tourism. Substantial funds are being allocated by EU for such “conversions”.

As a consequence the building and organizing and managing of a “tourist destination” arrive to be extremely sophisticated and a first priority. We appreciate that a huge work of persuasion of the population was achieved. It started by inoculation of the use and need to travel to surroundings (the average distance in tourism is now of 65 miles) mainly during weekends. A special infrastructure was sustained and developed in order to involve low cost (camping, biking, walking, trekking etc). A large part of the “disposal” labor is engaged in tourism, organizing the tourist destination, maintenance of the utilities, sport and leisure, promotion, information, guiding etc. This phenomena is much more perceivable in EU’s countries that have high incomes and developed economies: Holland, Denmark, Sweden, Switzerland, Great Britain.

And these countries are the same that make the greatest efforts to help the Easter economies, especially to develop the rural, agro or eco tourism. The incomes in rural tourism are not high but they afford a reasonable earning and mainly the continuous occupation of labor force even if the touristical flows are seasonable (during off season the conservation, modernization, maintaining and than the opening of the tourist bases are done).

There is a reasonable question that showed up: why does this interest and these efforts performed by people accustomed with work and profit and for which the “help” use to be in a form of sponsorship or philanthropy. We have concluded that this is because they need social peace. More, we have arrived at the end result that the demographic evolution of Europe has brought the both categories of countries in the same position: the demographic decrease of the population on medium and long term and a higher pressure of imminent immigration, especially from outside Europe. More, once the enlargement process has started it was decided also the progressive modernization of the adherent economies. That means performer economies, similar to those of Western Europe that means also a future high unemployment of the same nature.

To this we have to add, for agriculture – to keep the case – the need for reconversion or professional reorientation of a large part of the population of rural areas. In Romania near 50% of the population leave in rural areas and most of it has the income sources in this area. As an outcome of the adhesion only a small part of this population will be involved in agriculture, the industrialized agriculture. For Romania we can consider that 42-43% of the population will be affected. Even if only half of it will be obliged to find a new business and we reach impressive figures, millions of people. And it is obvious that the system of unemployment or social grants can not be accepted because of its social risks: the labor force must be kept under pressure, trained for further efforts; unused, empty time might be dangerous. And the situation is similar in all others adherent countries, even if not so serious.

*That is how organizing leisure and recreation for the local community and at the same time also for tourists who visit it is one main direction of nowadays building, organizing and managing tourist destination for developed countries and soon in Europe for former Eastern countries too. **This result is one of the point of view of the local inhabitants, not of the foreign, international tourists. And it is the social part of the nowadays challenges in tourism.***

We invite you to see also the point of view of the tourism actors, in fact **the point of view of the clients who buy and visit a tourist destination.**

B. Developing the international tourist arrivals. Earning money from tourism mainly by using “tourism destination” for international tourism.

Rural tourism is not a business for tour operators. It might be for small size enterprises, the local ones. For large ones, the profit margins are too small. They must involve themselves in building, organizing and management of other type of destination.

What has Euro-Host concluded? The real solution was to increase their sell forces involving other similar companies acting on their area: Central Europe, a free niche at the time. The marketing researches showed that Western Europe was already well organised to meet the Asian tremendous demand estimated for the first decade of the third Millennium. We can see that the over one million of millionaires of Pacific area will be the future clients overcoming the Americans. And these are clients with buying power that need a new kind of classic tourism too, that must afford them the contact with the roots of the contemporary civilisation: Europe, the European culture. More, **the financial power of the entrepreneurs of Euro-Host group obliged them to focus only on incentive and business tourism.**

The Central Europe just came out of communism and the new structures were to be built. They started by finding partners in the area and, because of a local poor level of information they were obliged to teach them what a destination is. The comparison between Vienna, Prague, Budapest and Bucharest point out huge differences concerning the time and opportunities to match the international standards for tourism. By that time a *regional intergovernmental action which pushed Vienna, Budapest and then Prague to join their efforts for tourism was used to combine local actors* in order to build the area and local destinations assembling the local regular offers into a common but, in the same time distinctive ones. Euro-Host decided to use the wave. **Our first conclusion:** *the network needs a suitable environment able to work and develop.* Otherwise it will be too difficult to built the net and make it workable.

In order to “optimised” the trans ocean flights costs by offering more as a destination using the same flight it has come as natural that the Central Europe – common speaking the former Habsburgic Empire – might be a “destination” that can be an alternative for Western Europe. It might include as highlights Vienna, Budapest, Prague and Transylvania. That is Austria, Hungary, Check Republic, Slovakia, Romania and Poland, all of them sold by a common brand.

At the time, the tourism structures were weak in the area and their performances far from the international tourism standards, mainly those for incentive and corporate events. And more each of the actors was playing alone, separately and thus unattractive for this kind of tourists. Connecting all together would strongly their hit power on international offer either for some of them or for all of the. Clients might have the opportunity to choose and organise their “own” trip by combining different local destination that offer same type of services and same quality level. That has led to the concept of **adjustable destination**. How was it built up?

Step one: organising the net: As the development level was different between the group’s members a schedule was set up to build the net, the group. Former Cosmos Austrian tour operator opened subsidiaries in Budapest and Prague in order to involve and use the local specialists. Because of local conditions Romania was appreciate to be ready only for 2004-0006. Other partners have joined the group too. Euro-Hosts is now available in Austria, Croatia, Czech Republic, Hungary, Slovakia and Romania as well as in Poland, Russia and the Baltic States by subsidiaries or joint partners. They use the same name as a brand: Euro-Hosts even if each member keeps near the common brand their former trade mark and juridical state for a couple of years in order to keep their market values. It was a *net* not a *group*, even if they use the “.org” for their site.

Step two: organising the destination: a “rehearsal” activity started on 1996 using Western Europe markets. That meant two directions:

1. to organise each local destination highlighting its particularities; it was tough as local and group’s specialists had to deal and even to teach local actors what a destination is and how

they can make money of organising it (for example, they have to argue that Bucharest has no downtown as the city was built by the end of 19 th century for people in carriages).

2. the management of the area as a hole or as interchangeable parts. The “group” has become “Euro-Hosts” promoting the Central Europe

The first demand has requested a terrible work as all over they have to teach effectively as well their members and the local partners what a tourist destination is, how they have to build it, how to organise and manage it. They have had to deal with touristical services suppliers, but also with cultural and leisure suppliers as museums, events organisers, art performers and particularly with local authorities. The local conjunctures were very distinct. By far Vienna was better equipped as a tourist destination and it was easier to organise and promote the first products.

Euro-Host had to avoid classic tourist offers. They had to find and organise incentive products that can be developed on the existing and predictable infrastructure. Each destination must be able to have the same kind of facilities: not identical but equivalent and interchangeable taking into account their common heritage and local specificity. By example: a short tour in Budapest had included a trip by ship on the Danube to a local port where an orchestra waited the guest and the start for a race on Trabant - the ex communist brother of Volkswagen – for 3 km into the pusta, then by carriages the guest reached a farm where a typical dinner was served with Gypsy orchestra and dances to end the evening on Vaci Utzca on a fashion night bar. In Prague, the Trabant race was replaced by a journey “on the steps of soldier Sweig” on the historical centre of Prague and the farm dinner with a vampire dinner in a medieval castle close to the town.

You might object that all these are just classic touristical products. But they were quite new, far away of former local offer, they reorganised the local services and meet the request of destination definition: a geographical area that has **a critical mass of development that can satisfy the objectives** of incentive tourism, **promoting the local destination** by its specific heritage and life. And more, **all local destinations were connected in a global one offering the same but in distinct ways: Central Europe.**

For a tour operator the academic rules are not so important as long as it found out that it has **a critical mass of offer** that meet **the requirements of a certain mass of potential tourists** that can **bring enough turnover** to **justify the investments made to organise the “destination”** through the returned profits.

The “rehearsal” activity started on 1996 using Western Europe markets. The target: corporate potential tourists. The destination: Central Europe. The main supplying countries: Italy and France. After 5 years of hard working with local actors of this offer the new destination can count in Budapest over 60000 tourists, in Prague over 70000 tourists and in Vienna over 65000 tourists. More than 40% of them bought all three local destinations and an other 40% two of them using the same global offer. Half of them came as individuals or as small groups.

Step three: organizing the management: The request for corporate multinational tours obliged the group to organise the net’s management. The concern of each member of the “group” was different. Each of them wanted to conserve its autonomy and also to take advantage of being in the group and promoting the same destination that meant more clients. The management had to focus on their common interest: the need of clients. The tool was marketing researches and common promotion that involved much less costs. Each member become a specialist on local area and developed the element that fitted the whole. All together have formed the destination.

Naturally, this “destination” is far away from the usual ones. It is an untouchable one. Practically it is only as an offer, as a product by a special and unique kind of combining the existing or improved elements of local infrastructure. But this special way of doing it has lead to a new “tourist destination” over the border of the existing countries pushed not by local people or authorities but by a regional tour operator.

Step four – the mature stage: the chosen management type (based on the common interest of the members focused on marketing and promoting and thus, supplying the clients for the whole net) has brought out results. The puzzler of local destinations built together under the

same brand, allowing the corporate clients to choose and compose the product by themselves was a good construction. Local expertise has met into a global offer, a new facility for this kind of tourists. The group has had to develop its activity. The first market attached was the Arabian one. Marketing researches for China are on the way.

This example illustrates our second meaning of a destination. An unusual one, as it is just an untouchable construction using existing element. For local people it is nothing, but **for tourists it is a destination**. And an attractive one, at least for corporate clients as they have the liberty to choose the whole of it or just some parts they find suitable for their guests.

We have also found out that the theory does not fit to the real opportunities. The interests of a tour operator detect “cheaper” ways to fulfil the needs of its clients by organising the critical mass of existing elements suitable for tourism, in a certain area, that might exceed the borders.

The tourist destination is still a new idea for most of the countries and tourism players. It has grown in developed countries and it still is a desideratum for poor countries but it is being learnt by the emerging economies. There are at least two different approaches: one from the point of view of the local natives and an other one from the point of view of the clients. Our study fleshed out that the both of them hide *qui prodest*: to keep the social peace or to boost the profits of the main transnational actors of tourism business. Using a net is a suitable option to build, organize and manage a tourism destination as each actor may keep its liberty and at the same time can bring its contribution to achievement of the assumed tasks in the both of shown cases.

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