

TOURIST BOARDS AS DMO SYSTEMS

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Abstract: *The role of tourist boards is promotion and development of the tourist supply. In Croatia there are currently 330 tourist boards. According to Croatian law, tourist boards are obliged to help developing economical interest to both legal persons and natural persons that offer tourist and hospitality services. In the Republic of Croatia tourist boards are founded to manage the development of Croatian tourism as a recognizable destination on the tourist market and their task is to oversee the implementation of the tourist product on the tourist market. Tourist boards undertake marketing activities in order to promote a destination and inform tourists about the tourist product of the Republic of Croatia. Problems of tourist boards are noticed in their structure, that is on the principles they operate on. The system of tourist boards needs to be enhanced in order for them to become a DMO system. Tourist boards organized as a managing system can contribute to better development of the tourist supply and in creating of the new tourist products of the destination.*

Key words: *tourist boards, tourist product, tourist destination, DMO, tourist market, DMC*

Introduction

With the development and advance in information technology people became more mobile and world tourism developed significantly. The tourist industry experienced an expanding growth and therefore a "different" demand for destinations appeared. Having in mind that modern-day tourists are well educated and have a better standard of living a change in tourist movements, individualization, uniqueness and authenticity of experiences is not surprising. The pattern of mass tourism is abandoned, leading to the diversification of the tourist product, that is the tourist supply.

In the Republic of Croatia tourist boards have three common goals: to support, develop and enhance the existing tourist products along with preserving the environment, natural and cultural heritage in a sustainable way. Tourist boards promote the destination, manage the public infrastructure, participate in the destination's tourism development, create conditions, form a synergy between the public and private sector and, make strategic plans of the tourist supply on the city and community

level. They initiate and shape the development of the destination's tourist supply with marketing strategies and managing activities.

According to Croatian law, tourist boards have custody over the destination's management, but the way of managing are not precisely defined. Therefore changes of the law are necessary to define their status as destination's managers. Tourist boards have to adjust with modern tendencies in tourism and base their work on the DMO system. In this system tourist boards get more tasks in comparison to today's system. In the DMO system tourist boards would coordinate the development of tourist products and connect the cooperation of stakeholders, with the result being competitiveness in the tourist environment.

Adapting to modern-day trends should be focused on inventing and managing the contents in the destination in which it emphasis is put on the cooperation between the tourist board and the local community (population, local authorities, enterprises) which would with common efforts make possible the coordination of activities in the tourist destination.

Literature review

About the purpose of the existence of tourist boards, a small number of works had been written. For the most part these works describe the theoretical explanation of tourist's boards functioning and only a small part is focused on investigating the participants and presenting the empirical results. Tourist boards should be a link between the public and private sector (Čavlek 2011), and with them work they would offer general usefulness to society and by thus justify their existence. If tourism development is understood as a partnership then we can expect maximized positive effects and negative effects would decrease (Marušić and Prebežec 2004). Tourism development is desirable only if it contributes positively to the quality of life of the local population and at the same time all tourist destination resources are protected. Such tourism development demands a managing system, that is the destination management. The destination management would coordinate the development of the tourist product with a systematic approach of the involved on the tourist destination's level (Bartoluci, Čavlek and co-workers 2007). All the participants of the public and private sector engage in creating an autochthonous tourist supply and play an active role in creating an autochthonous tourist supply and play an active role in destination management. The tourist board has the task of overseeing the quality of the tourist product's implementation on the market and finance all other activities in relation with it, and by thus

creating a new tourist product and expand the destinations supply (Razović 2008:43-45).

The significance of the tourist destination in creating an autochthonous destination's product is mostly analyzed in foreign literature through the analysis of the local community's role in the development of tourism. The public sector has an important role in making the destination recognizable because with its work it creates conditions for developing the private tourist sector which offers various services, from attractions, accommodation and transport, to everything else (Mountinho, 2005). Coordination between the public and private sector is essential for the success of the marketed destination (Middleton 1998), and that claim is supported also by Andreotis (2000), stating that the local community plays a significant role in the development of tourism, but at the same time the contribution of the community to the development of tourism (Muganda 2009) must not be neglected. The DMO's task is to work on increasing the well-being of the local population and do everything necessary in order for visitors to get high satisfaction and ensure the effective management of the destination (Bornhorst, Ritchie, Sheehan 2009).

Tourist boards are considered to be marketing agencies and their role is to promote the destination and attracting the visitors to it. Their developing a managing role is very important in approving the tourism's development in the region (Ashwort and Goodall 1990:211). The same definition of the tourist board is emphasized by Maxwell, Hayward, Reynolds and Stewart, who consider that tourist boards, both regional and national, are obliged to promote the destination and develop tourism in the region where they are founded (Maxwell, Hayward, Reynolds and Stewart 2005:154). Tourist boards are in liberty to offer financial help for tourist projects for which special state fund were put to use (MacLellan and Smith 1998).

The establishment of tourist boards in Europe is similar, but not the same, to that in Croatia. There is the national tourist board (NTB), regional tourist boards (RTBs) and local tourist boards (LTBs). Their job is to observe the quality and development of the tourist area for which they are founded.

Tourist boards

Tourist boards promote and develop tourist supply in the Republic of Croatia and with their work they enable the development of economic interests of private and public subjects.

The establishment of the tourist board is made by: town tourist boards, community tourist boards, county tourist boards, the tourist board

of the City of Zagreb and the Croatian tourist board (HTZ). The governing bodies of a tourist board are: the assembly, the control council, the tourist council and the president of the board, who represents the board and it is the assembly and tourist council president. The duty of the president of a community, city, or county tourist board is performed by the community chief, the mayor of the city or the county president. The duty of the president of a town tourist board is performed by the person chosen by the chief or mayor while the president of the region duty is performed by the chief, mayor or county president (NN 152/08).

According to Croatian law (Act on Tourist Boards and the Promotion of Croatian Tourism) tourist board are financed from the tourist tax, membership fees, community, city, county or state budget, revenues from their own economic activities, donations, their own property etc. The tourist council suggests the annual work schedule to the assembly and the financial plan of the board and decides the annual work schedule and the financial report.

With the tourist tax being the main source of revenue for tourist boards which according to estimates is paid by every third obligated, tourist boards often experience financial issues, which disable them from performing their tasks and non-reporting of the guests makes them difficult to track the number of tourists (Čavlek et. al. 2011:105). Despite these issues a positive initiative of the engagement of tourist boards is recognized in the organization and the development of tourism.

Tourist boards undertake marketing activities and are a link between all the participants in a destination and because of that they must used as an operative which helps the DMO system. The development of tourist products and their placement is the new task of the DMO as the public sector, as is the development of the destination and realizing various projects in function of the development of the destination (Čorak 2008:29).

Tourist Boards promote awareness of the importance of economic, social, environmental and other impacts of tourism, and develop the need and importance of preserving and enhancing the tourist product for the particular destination.

DMO and DMC

The tourist destination is a whole that disposes with natural, social, anthropogenic, cultural and historical, traffic and accommodation factors, where an adequate tourist supply is built. Manage the development of a destination means putting to use adequate managing activities and marketing policies. Destination management is a term that means managing the tourism of a certain destination. As the destination

management we think of all those structures which manage the destination formally and informally: local management and self-management, tourist board bodies, hoteliers, restaurateurs, tourist mediation, renters, leading businessmen, interest groups.

Destination management includes all the areas of product development, tourist planning application and adequate policies of sustainable tourist establishment. An efficient destination management includes the partnership of the private and public sector, flexibility in planning and managing the development of the tourist destination.

The abbreviation DMO is used for the new organizational structure because the number of tasks is rising. DMOs are institutions with public tasks and financial dependent on various participants and public institutions and they belong to the public, non-profit private sector.

Strategically manage a tourist destination means choose the adequate direction through which the destination must in long-term ensure a competitive position on the tourist market. The achievement of goal depends on the capability of satisfying the needs of the consumer (tourist). It is very important for the destination management to be always active, that all if its components cooperate and to be capable of deciding the mission, goals and guidelines of the tourist destination because in contrary the inner system of the destination doesn't work the destination will by itself lose value.

The destination management companies (DMC) belong to the private profit sector. DMC is made up by enterprises that perform on the market by themselves, engage qualified personnel that knows local tourist resources well in order to invent services needed for the destination supply to function. DMC's on the tourist market offer various tourist products (tours, package-arrangements, events) and by thus they enrich the destination supply.

The cooperation between the public (DMO) and private sector is essential for creating an autochthonous tourist supply and open the way for tourist segments in order for the destination to become competitive.

Conclusion

Destination management must recognize trends, anticipate their development, enable the internal availability of information, develop communication among subjects that are interested for the destination development, enhance observing techniques, adequately improve all the elements of the destination management. It is an important part of the tourist destination, in order for that destination to have more visitors and to achieve profit.

The destination marketing organization is focused on strategic planning of the tourist product and promoting the tourism of the destination for which it needs financial help from the local self-government. The goal of the DMO is to enhance the destination's image in order for the private and public sector of a certain destination to profit.

If tourist board in the Republic of Croatia want or survive and contribute to the development of the tourist supply they must rearrange themselves into a DMO system. Without the adequate management which would invent, create and determine the goals of managing the supply's development there is not going to a successful tourist destination. The cooperation between the public and private sector is essential for the realization of an autochthonous tourist supply where the man is in focus, that is the local population and a better quality of life for the residents of the destination.

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