The objectives

1. To propose a definition of “destination” within the framework of economic analysis at sub-national level

2. To give a better understanding of the role of tourism economic analysis for destination management

3. To stimulate the debate on the importance of monitoring systems for destinations, able to support the decision making process.
(1) Defining a local tourist destination (LTD):

- within the framework of TSAs and economic analysis at sub-national level
- in order to reach consensus around an operative definition
- which is right for the objective to strengthen the relationship between economic analysis and destination management/planning

.... from the literature

The destination is a fuzzy concept, that cannot be defined a priori once and for all because of

THE MULTIPLICITY OF ACTORS
- actual and potential tourism demand
- public administration
- local private tourism activities
- external tourism activities (e.g. intermediaries)
- the host community

THE MULTIPLICITY OF PERCEPTIONS AND PERSPECTIVES
- demand side vs. supply side
- geographical vs economic vs psychographical
The need for an operative definition of local tourist destination (LTD):

- the uncertainty cannot be accepted: destinations which want to reach, maintain, defend their competitive position on the global market place, need information, methods and tools functional to the evaluation of their current competitive position, the competitive environment, future development scenarios and strategic options.

- Distinctive definition of “LTD” as compared to “region”, where administrative boundaries determine the dimension and the characteristics

What are the basic factors to be thought over for the definition?

a) Resources, actors, activities: integrated set of resources (natural, cultural, artificial) which can be translated into tourist products by the action of local/non local stakeholders

b) Territory: municipality or sum of municipalities sharing contiguity or homogeneity of resources/attractions or functional interactions where the integrated set of resources is located

c) Observation and analytical unit: the territory as the unit of reference to measure the two sides of the same medal (tourism consumption vs. tourism production); borders subjected to journey’s characteristics and models

d) Capacity of attraction: territory perceived to be of interest by potential visitors so that they decide to visit it for any main purpose

e) Relevance of the tourism consumption for the overall economic activity: meaningful amount spent as a result of the visitors’ consumption experience: local production system significantly affected in the absence of it
The challenge:

to manage the various components of the destination in a way that ensures its economic profitability while avoiding degradation of the factors that have created its competitive position.

OBJECTIVES OF THE DESTINATION MANAGEMENT APPROACH

The focus, then, is on the importance to measure, monitor and interpret tourism as an economic phenomenon at destination level.

TOURISM ECONOMIC ANALYSIS AND DESTINATION MANAGEMENT

“Without some fundamental data on the significant attractions and resources, historical performance, current visitors and other vital information, the formulation of a policy framework remains an abstract exercise” (Ritchie-Crouch, 2003)

The sub-national level is the suitable dimension for tourism plans and decision making; at this level relevant questions need urgent and effective answer:

- Is tourism remunerative?
- What are the most profitable segments?
- Substitution effects between segments of demand: what are the economic consequences?
- What is the impact of tourism expenditure on the volume of imports?
- What is the relevance of the spill over effects?
- What are the characteristics and the dynamics of the tourism labour market?

destination management approach implies a clear definition of the territory we are referring to and a powerful system of tourism statistics.
Towards Monitoring Systems for Local Tourist Destinations

(3)

Relevant Conditions:

- Increasingly closer relationship between planning, management and control
- Flexible structure able to be relevant to any development or management plans
- To be used
  - from a diagnostic point of view: giving a photograph of the “here and now”
  - As a support for tourism planning and management

Monitoring Systems for decision making

Suggested set of indicators

- **Set A – Capacity of attraction**: variety and importance of resources
- **Set T - Tourism sector role**: characteristics of tourism supply and demand
- **Set S – Tourism Economic System**: characteristics and level of development of the connections among stakeholders
- **Set P – Planning**: ability of the system to develop projects and attract funding
- **Set O – Tourism superstructures / infrastructures**: use and suitability of infrastructures
- **Set E – Environment**: state of environmental preservation; carrying capacity
- **Set F - Quality of life**: level of use of essential services; existence of any anti-social risks
- **Set M - Market**: overall trends

Relevant information to help identifying strategic routes

- strengths and weaknesses of the destination
- opportunities and threats posed by the environment
- challenges posed by the competition
- relationship between destination and benchmark area
- possible gaps to be filled and how and where to invest in order to achieve predetermined objectives.
How to outline possible strategic routes

**STEP 1**: evaluation of the strength of tourism in the destination

**STEP 2A**: evaluation of the phase in the tourist area life cycle, the mix of products that make up the supply, the opportunities for development in new areas.

**STEP 3A**: evaluation of possible strategies: innovation, diversification, increased competitiveness of consolidated products

**STEP 2B**: evaluation of possible strategies: develop niche products or target wider markets

**STEP 3B**: defining and prioritizing actions

**STEP 3C**: evaluation of possible strategies: investment in niche products or investment in creating “artificial” attractions

**STEP 4C**: defining and prioritizing actions