

GLOBAL CHANGES AND DESTINATION MANAGEMENT: A SYSTEMATIC APPROACH

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Abstract

The increasingly competitive service industry especially in tourism requires a clear understanding of worldwide changes and the systematic approaches for achieving competitive advantages at tourism destinations. A significant factor of a successful tourism destination is the capability of managers in destination to response to universal changes. Based on a review of recent literature, this paper discusses the impacts of global change in tourism industry and the importance of destination management to sustain the competitive advantages of a tourist destination.

Introduction

Nowadays, international transformations which include economic, environmental, technological, political, social and demographic changes and their impacts on tourism industry are remarkable. No one can deny the noteworthy growth that has happened in the global tourism industry during the latter half of the 20th century (WTO, 1998). Based on the overall changes, 'competition in tourism and hospitality industries – between destinations worldwide (between established markets and from new markets), between destinations domestically, and between firms within a destination' is increased (Dwyer et.al 2008). Moreover, global change has important influences in tourist's awareness, knowledge, expectation, and wants. In other words, overall, tourist's values and needs are changed.

In this regard, Kozak (2004, p.36) makes the point that 'tourist are more experienced and knowledgeable, e.g. in their familiarity with other languages, using a variety of means of transportation, booking their holidays and with having visited the same destination more than once'. Reacting on this universal change, considering destination management as an important part of tourism structure for achieving competitive advantages in tourist destinations is vital. This paper has two major parts: first to look at the impacts of global change in the tourism industry, and secondly to discuss the key roles of destination management to attain competitive advantages.

The Impacts of Global Change in Tourism Industry

Lengyel (2007) points that it is imperative to see tourism as a system consisting of interconnected parts. Tourism is an open system, also interrelated with its environment. Betalanffy (1968) describes that an open system interrelates with the environment in which it functions and can evolve and adapt in reaction to changing environmental circumstance. In this regard, Leiper (1995) points that open systems thought is proper for tourism managers who need not only to recognize their internal processes but also need to change and adapt to external environmental factors. Currently, Lengyel (2007) argues about the system of interdependence that can be composed of nature, policy, economy, tourism, society, technology, culture and science. Due to this fact, tourism industry cannot be considered in loneliness.

It is important to note that system thoughts in tourism industry have only been applied by a few researches since the beginning of the 1980s despite its potential to address this intricate phenomenon (Carlsen, 1999). According to Carlsen (1999, p.321) 'the tourism system is an open system in that it responds to changes in the social, natural and economic environment and is evolving toward an increasing state of complexity'. Clearly, in this circumstance, change in one component (e.g. economy) will influence a change in every other component of system.

In 21th century, increasing conspicuous changes in all parts of the mentioned system is deniable. In reality, the interactions that occur in areas such as nature, policy, economy, tourism, society, technology, culture and sciences in the system of interdependences influence all areas in the tourism industry particularly in marketing, human resource management and destination. Thus, Dwyer et. al. (2008) asserts that 'the coming decade and a half will see major shifts in the leisure and tourism environment reflecting changing of consumer values, political forces, environmental changes and explosive growth of information and communication technology'. It is understandable that comprehensive perspective to systems thoughts related global change and its' affect on tourism industry is very long and detailed.

Accordingly, global change in economic, society, nature, policy, sciences, culture and technology have an immense impact on tourist's demand, wants, needs and values as well as destination. By considering the above issues and relating to Dwyer et.al.'s argument (2008) on 'global drivers of tourism change', some of the more significant changes in various tourists' areas associated with global change in different parts are highlighted below:

- increased tourist's knowledge and awareness;
- growing trend to urbanization;
- mounting number of retired and single's tourists;
- increased participation of the private sector;
- changing work patterns and flexible plan for traveling;
- seeking value for money;
- increased interest in discovering, participating and learning about destination;
- rising attention for self-improvement; better health and well-being;
- adopting and accessing new technologies;
- increased consideration for peace, safety and political stability in destination;
- increased participation of tourists in environmental activities.

As mentioned earlier, this paper considers two key subject areas: change and interaction of components in the worldwide system and their influence on tourist's values, wants and needs. By referring to the above, it is evident that tourism is an open system, and it seems that destinations are accepted to be a key component of the tourism system (Kozak, 2004, p.34). In addition, this sight of tourism as a functioning system has important implications for tourism planners and destination managers in the public and private sectors' (Carlsen, 1999).

In line with the previous discussion of global change and their impacts on tourism, this paper will also draw attention to the fact that destination management has a significant role for achieving competitive advantages. Therefore, an understanding of the concept of destination management and the related key functions needs to be clearly understood, which will be discussed next.

Destination Management at a Glance

The concept of “destination” is described as both a system of attractions and the geographic region that comprises them, identified on the basis of the range of needs of intermediate or final clients (Bieger, 1997; Buhalis, 2000; Leiper, 1979, 1990, 1995; Smith, 1998). Defining what truly constitutes a destination is tricky, and there is no approved explanation of the term. In recent times, Carter and Fabricius (2007) point out four key issues to define a tourism destination: the basic unit of study in tourism, a markedly recognisable area with geographic or managerial borders that tourist visit and stay throughout their journey, where tourism revenue is important and serviced by both private and public sector.

According to Ritchie and Crouch (2000), in tourism market, it is destinations that compete, not individual firms. Focusing attention on increasing competition, both national and international, is making this more and more evident. Without doubt, basic elements of a tourism destination that include attractions, amenities, accessibility, image and price must be addressed by destination management (Carter and Fabricius, 2007).

Recently, in terms of competitive market, studies associated with destination management have received more attention than before (Bieger, 2000; Franch, 2002; Tamma, 2002; Howie, 2003; Beiger, 2002; Dwyer et al., 2003; Collins and Buhalis, 2003; Zehrer, 2005; carter, 2007; Javan and Ovsenik, 2008). It is true to say that destination management is a key component of tourism system.

Certainly, in the interdependence system, to achieve competitive advantages, destination management requires an understanding of the global change intensely. In this regard, Javan and Ovsenik, (2008:40-41) argued that ‘the management of a tourist destination is a universal strategic approach for achieving the competitiveness of the destination on the global tourist market, where the leading role is given to the tourists’. As mentioned earlier, tourist’s values, needs, wants and expectation are influenced by global change. In this circumstance to achieve competitive advantages, it is thus crucial to react on the change in appropriate approach to satisfy tourists, meet their expectation, create perfect experience and construct a unique destination that is worth visiting for more than one visit. In this regard, Stankovic and Petrovice (2007, p.13) emphasized that ‘the fundamental product in tourism is the experience, and destination management is a necessary and powerful tool for ensuring the quality of such an experience’.

It seems that besides the essential elements in a tourism destination such as attractions, amenities, accessibility, image and price, management of them on the subject of global change is very important for achieving competitive advantages. In this respect the main questions to be asked are what the main tasks of the destination manger are and how destination management can be effective? In this regard, Lengyel (2007) mentions the main tasks of destination manager such as carrying out research activities, integrating the many stakeholders, managing destination planning and development, monitoring performance, sustainability schemes and awards, destination marketing, promoting e-business, elaborating destination audit and tourism destination plan, professional training and business support. Clearly, in systematic approach, doing tasks are also interrelated. These tasks should be done in such way to attract visitors and provide perfect experience for them based on global change, main elements in destination, as well as their needs, wants, values and expectations.

To respond how destination management can be effective, Carter and Fabricius (2007), identify four key issues which include a) deliver quality of visitor experiences and exceed expectations, b) contribute to longer-term prosperity and development of the local community – jobs, income, amenities, etc, c) improve the profitability of business sector – the lifeblood of any destination's tourism industry, and d) ensure a responsible and sustainable balance between economic, socio-cultural and environmental impacts. As a result of all the above issues, in tourism system, any actions of destination management which are appropriate to react of global change have an encouraging effect on the performance of the destination and its competitiveness.

Conclusion

In general, carefully selected and well executed approaches of destination management can serve to improve the tourism competitiveness and to enhance the perceived appeal of a tourist destination, whilst managerial initiatives can strengthen the competitive position of a destination. One of the ways is to adopt Destination Management Planning (DMP), which is a management system that provides a tourism organisation with the tools to produce sustainable and competitive tourism in a destination. DMP is a step forward from traditional marketing roles and provides a more holistic and integrated approach to understanding the tourism potential of each destination, and the best methods of maximising the potential.

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