

# *THE ROLE OF DMO FOR SUSTAINABLE DEVELOPMENT OF A TOURIST DESTINATION- BULGARIA CASE STUDY*

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## **ABSTRACT**

The aim of the scientific report is to present in detail the role of Destination Management Organisation (DMO) for sustainable development of a tourist destination, as well as the opportunities for implementation of strategic policies and conditions for constituting different types of management structures. The competitiveness and attractiveness of destinations are supposed to use effective, sustainable strategies, based on the market conditions and preferences on one hand, and the other to balance the interests inside the destination.

The main problems discussed in the report are concerned to: the concept for sustainable tourism; product features and management aspects of the destination, institutionalization and examples for DMO model; strategies and activities for sustainable tourism in Europe and the critics of legislation norms for establishing DMOs in Bulgaria.

The paper's actuality is argued by the problems facing the management of tourist destination in context of the ideas and policies for sustainable development in Europe. The issues for DMO are poorly represented in Bulgarian practice, which further allows us to create this paper.

**Keywords:** DMO, sustainable development, Bulgaria, destination

## **INTRODUCTION**

The development and management of destinations are largely determined by the direction in which the global tourism industry is developing. Many different sources indicate that the tourism industry has the potential to continue growing under the influence of socio-economic factors such as: demographic changes, economic well-being, business expansion, and the globalization of cultural and electronic connections. These factors pose a huge challenge for the subjects, who are relevant to making decisions about the path of tourist destinations' development. The principles of sustainability are particularly emphasized.

Destination management is a complicated and complex task that requires an integrated systemic approach. In terms of demand, tourists can choose from a vast variety of destinations. In terms of supply, the destination management organisations are trying to draw the attention of highly competitive markets.

Competitiveness and attractiveness of the destinations suggest the use of effective, sustainable strategies that are based on market conditions and preferences, as well as on the balancing of interests inside the tourist destination.

### **Sustainable tourism concept**

The expansion of human activities at the end of the twentieth century had serious negative impacts on the environment. People began to look for new methods to overcome the negative impacts. Thus, the idea of sustainability was born.

Tourism, as a part of the global economy, makes no exception. Its massive development in recent years has had a number of negative consequences, such as the following (Marinov et al., 2009a):

- Excessive tourist activity in certain places. This exhausts tourist resources, destroys the cultural heritage of the indigenous people and disrupts the ecological balance.
- Reduced economic impact of tourism for some destinations. This is due to the development of standard, low-quality, seasonal and inexpensive forms of holiday tourist product.
- Negative socio-cultural effects on the values, lifestyle and culture of the population in areas receiving tourists.

- Negative attitude of the tourists towards holiday resorts that have turned into standardized tourist products for mass 'consumption'.

Sustainable tourist development requires management of all tourist resources. This type of management should be able to satisfy the economic, social and aesthetic needs. At the same time it should maintain cultural integrity, essential ecological processes, biological diversity and life supporting ecosystems.

Based on the principles of sustainability, we can conclude that the development of sustainable tourism within a certain territory requires large-scale, targeted and long-term actions in at least five areas (Marinov et al., 2009b). Tourism development should align with the potential of the respective territory.

1. Provision of equal rights and obligations for all participants in tourism development.
2. Active involvement of the local population in service processes.
3. Achieving consensus regarding the benefits, the losses and the taken decisions among the community.
4. Conducting an active policy of dissemination of the concept of sustainable development of tourism and
5. Formation of a positive attitude of the concerned groups towards this development.

A well-known and undisputed fact is that tourism, in all its diversity, is closely linked with the choice of a destination. When choosing a destination it is important to take into account not only the natural and anthropogenic resources of the destination but also many other features, as well as their management.

Destination management is a term used to describe all the ways in which tourism influences the destination. This includes planning and control of tourism development, provision of infrastructure, visitor management, marketing, provision of information, business support, determination and compliance with the standards, and monitoring. It should cover all aspects of the visitor's good experience in the chain of tourist value added and in accordance with the principles of the integrated quality management.

An important component of destination management, if it is dedicated to sustainable development, is the determination of **indicators** related to the goals of **sustainable development**, as well as the determination of a process for monitoring these indicators.

The World Tourism Organization (UNWTO) set the 5 criteria for the selection of indicators for the purposes of tourist destination management (WTO, 2007a):

- Compliance of the indicator with the corresponding management question.
- Opportunities for obtaining and analyzing the necessary information.
- Authenticity and reliability of the information.
- To be clear and easily understandable for the consumer.
- Comparability over time and by region.

### **Nature of destination management organisation (DMO)**

In order to be competitive, destinations should provide visitors with wonderful experiences and benefits. These effects depend on many organizations working together as one. Destination management requires merging of various interests in order to achieve a common goal, to ensure the vitality and integrity of the destination now and in the future.

Nowadays, in many destinations are constituted destinations management organisations (DMO) that guide their development. Traditionally responsible for the marketing of destinations, DMO are becoming strategic leaders in the destination development. This role requires leadership and coordination of management activities in the framework of a coherent strategy.

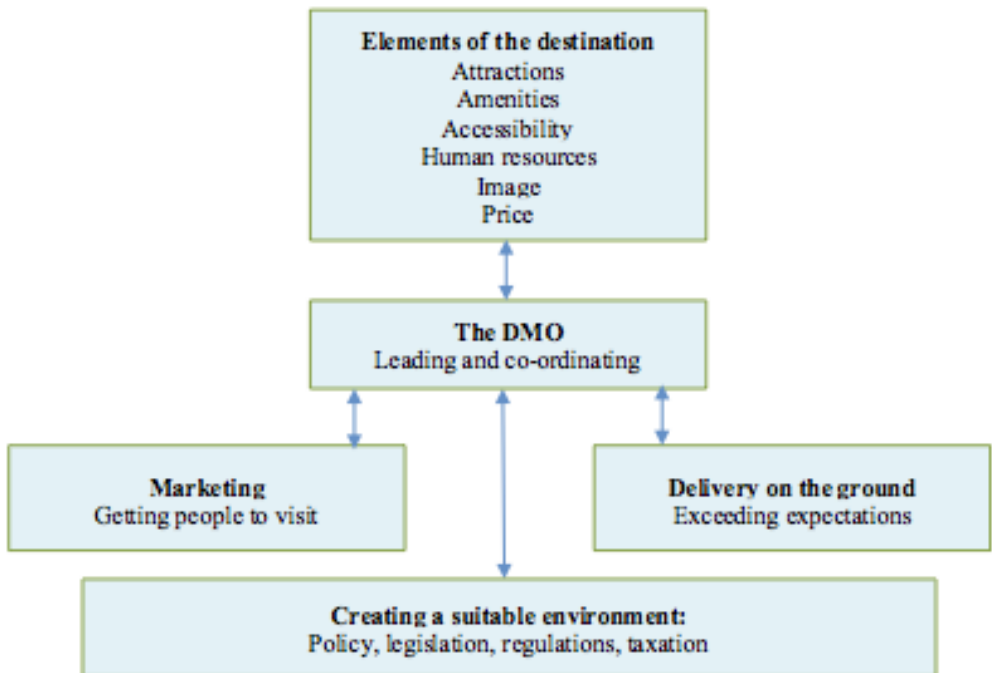
In reality, the DMO can best serve to facilitate the dialogue between the private sector, public sector, and other stakeholders who otherwise collaborate with difficulty or don't understand how their decisions affect tourist destinations in the long-term.

Thanks to this unique ability, DMO is invaluable in the support of tourism development, especially in developing destinations where tourism is an important engine of the economy and a mechanism for building equitable social capacity.

Destination management represents the coordinated management of all the elements forming the destination (attractions, facilities, access, marketing and pricing), (WTO, 2007b) figure. 1.

The role of DMO for the tourist destination of the 21<sup>st</sup> century becomes more and more important. The global development of tourism and the growing competition worldwide,

determine the need to change the function of DMO - from a marketing organization to a key management unit of the destination.



**Figure 1: Destination management**

Four common key strategic objectives should be considered by the DMO (Buhalis, 2000):

1. Improving the long-term prosperity of the local population
2. Making customers happy by maximizing their level of satisfaction
3. Maximum profitability of local businesses and maximizing multiplier effects providing sustainable balance between economic benefits and socio-cultural and environmental costs in order to optimize the adverse impacts of tourism

The main purpose of the DMO is to create a master management plan and a marketing strategy for the destination. Thus, DMOs' main function becomes being 'DESTINATION DEVELOPERS' and acting as catalysts and facilitators of the realization of tourism.

### **Institutionalizing and structuring of DMO - Models**

In the international practice, there are numerous models for DMO, which depend on the way the sector is structured and managed in a given country. DMO can be institutionalized as:

- A department of a local government institution
- A partnership between several state institutions (based on the need for coordination between institutions from different spheres, for instance, infrastructure, transport, agriculture, etc.)
- A specialized coordination unit composed of representatives of various governmental institutions
- A state institution, which assigns functions to private contractors
- A public-private partnership (PPP) with certain fixed functions (mostly non-profit)
- A company (again, with clearly defined functions), entirely funded by private sector partners and/or commercial activities.

The international practice shows that the best model for destination management in terms of the market economy is a form of public-private partnership. Tourism depends on the provision of private and public services, as well as on the use of private and public resources.

We can draw the conclusion that the institutions from the public and private sector, which are involved in tourism, are subjects of destination management and as such they should strive for consensus, coordination and directivity of their efforts.

### **Conceptual model of the DMO in Bulgaria**

The territory of the destination (Forest park "Rhodope") falls into the central part of the Rhodope mountain in Bulgaria, in the administrative boundaries of Kuklen municipality, Plovdiv province. In the Southern parts of the municipal territories is located forest park "Rhodope", spreading over 23 000 decares, at a height ranging from 700 to 1700 m. It consists of four tourist zones: rest-house "Zdravetz" (1250m above sea level); "Koprivkite" (1350m above sea level); "Studenetz (1450m above sea level) and "Byala Cherkva" (1650-

1700m above sea level). With ordinance of the Ministry of Agriculture and Forests from 1963, „Byala Cherkva” is acknowledged as a mountain health resort.

The sustainable management of forest park "Rhodope" through the development of environmentally friendly and sustainable forms of tourism requires the development of local DMO.

Having in mind the international practice, the characteristics of the forest park "Rhodope" as a tourist destination, as well as the views expressed by stakeholders, a set of features that the management organization of forest park "Rhodope" should possess can be formulated. They are grouped into three main categories: Management emphasizing on coordination; Marketing; Provision of services.

The activity of the DMO of forest park "Rhodope", will focus on the following areas:

- Advertising forest park “Rhodope” as a sustainable tourist destination (brand management and image).
- Organizing campaigns to support local businesses in Kuklen municipality.
- Provision of information services (stewardship and management of Tourist Information Center and Tourist Information and Education Center).
- Management of an Internet portal and a booking system for forest park “Rhodope”.
- Coordination of the actions and behaviour of the participants in the destination.
- Training and seminars (involving all interested parties).
- Business advice for the local tourism industry and the local small and medium-sized businesses in the sphere of the production of tourism goods and services.
- Launch of new products, development of routes aimed at exhibiting the park’s unique flora and fauna, combined with information and training in eco-friendly tourist behaviour.
- Planning and conducting events (organizing cultural events in the destination, eco-forums, folk festivals, etc.).
- Management and maintenance of attractions.
- Developing strategies, conducting studies and identifying steps for future development.

### **Dmo “Forest park rhodope”-Organisational structure**

An important aspect of the Organization of forest park "Rhodope" as a tourist destination is the institutionalization and the design of the organisation chart of the DMO, figure 2.

An appropriate form of organization for the sustainable management of the destination forest park "Rhodope" is a public-private partnership in the form of non-governmental organizations (NGOs).

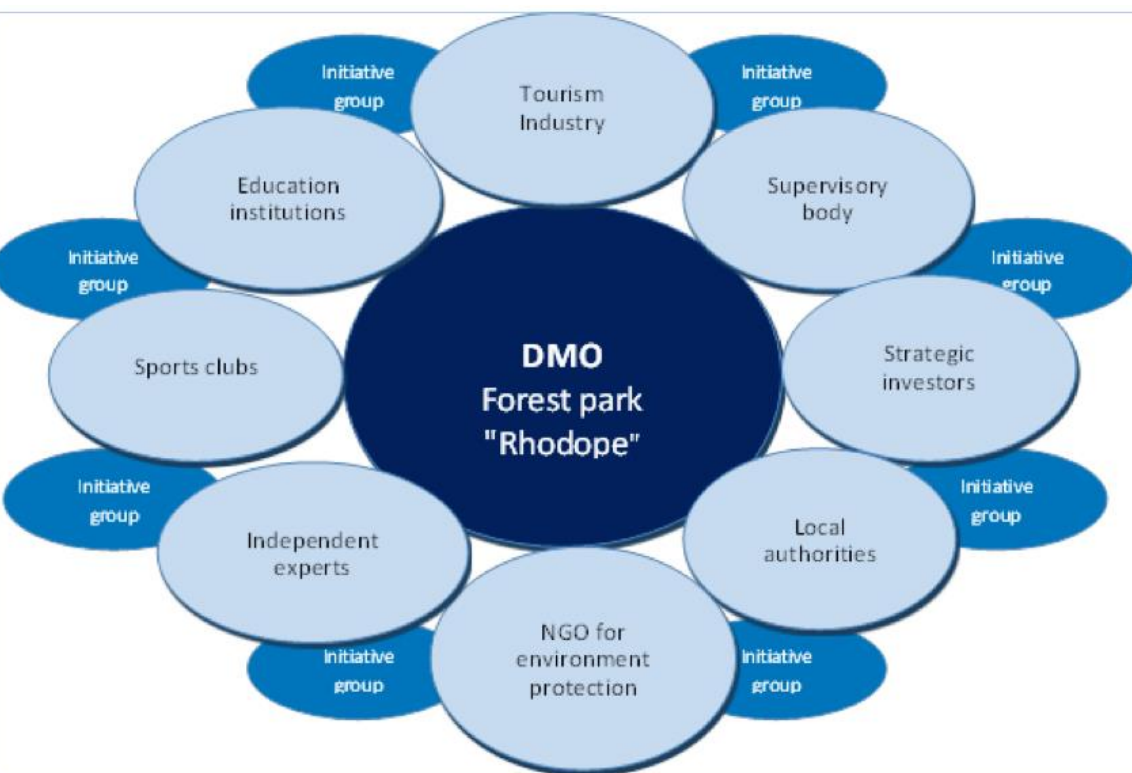


Figure 2: Organizational structure of DMO „FOREST PARK RHODOPE“

The purpose of this Association is to achieve sustainable development of the destination forest park "Rhodope" through consensual management and a programme approach. Besides the management body of the DMO, there will be created initiative groups in the various program activities.

Considering the circumstances listed above, it is of great importance that the participants in this association (regarding the management activities in the forest park) are in a peculiar institution, which has representatives in the management of the newly created



organization. If we want the establishment of the proposed PPP to achieve maximum and lasting effect, the relations between entities included in its composition should be detailed and clearly spelled out in the Statute establishing the Unification.

This very important for the partners document must define in detail the the powers belonging to each of them, the manner and means of contributing to the development of the partnership, respectively to the effective, appropriate and beneficial for everyone management of the forest park.

### **Legislative context of the DMOs for development of sustainable tourism in BULGARIA as part of European union**

The European Union (EU) pays more and more attention to the multilateral positive effects of tourism. First of all, tourism is acknowledged as an important economic activity, which contributes a great deal to economic growth, employment, and the advance of underdeveloped regions in the community. Second, tourism is seen as an important means for improving Europe's image and popularising the European model across the world (Marinov, 2013).

To achieve these goals, the actions favouring tourism can be grouped, based on four guidelines:

- (1) Encouragement of the competitive power of Europe's tourist sector;
- (2) Encouragement of the development of sustainable, responsible and quality tourism;
- (3) Ratification of the reputation and image of Europe as a sum of sustainable and quality destinations;
- (4) Optimal use of the potential of EU policies and financial means for the development of tourism.

During the period 2014-2020 EU intends to use a number of precautions and means to finance the adopted tourism development policy.

The main guidelines, regarding sustainable development of tourism in the Republic of Bulgaria, are incorporated in two documents "National strategy for sustainable development of tourism in the Republic of Bulgaria 2009-2013" adopted by the Council of

Ministers on 02.04.2009 and the project “ Strategy for sustainable development of tourism in the Republic of Bulgaria – Horizon 2030”.

„The strategy represents a platform for coordinated, joint actions by all parties involved in tourism so that the country’s tourist potential is utilized” (mee, 2009).

The significance of this strategic document is that it set the foundation for a number of changes in tourist related legislation in Bulgaria. Despite this, it never closely examined how and by what means DMOs of different kinds can be created, following the example of advanced countries with developed tourism.

The strategy for sustainable tourism development in Bulgaria according to Horizon 2030 is based on article 6, section 1 of the Law on Tourism. It is a preliminary masterplan /as formulated by the ministry/, which will be developed in separate modules, tourist products and regions over periods of time. The document includes the creation of mechanisms and means for management and execution throughout its entire validity (2014-2030).

The vision and mission of the destination Bulgaria are defined in this strategic document and are the basis for setting strategic goals and actions for their realization in all prioritized branches of tourism (seaside, mountains, eco-tourism, rural tourism, SPA, medical, hunting, cultural, golf etc.).

The strategy “Horizon 2030” adds to the previous document “National strategy for sustainable development of tourism in the Republic of Bulgaria 2009-2013”, in regard to sustainable tourism development and the achievement of a higher quality product with a recognizable brand and the successful promotion on the tourist markets. In order to achieve this, the document deals with the question of tourist zoning. It is one of the most complex topics in the tourism management of any country. Tourist zoning has different aspects including regional management policies, strategy, tourism financing, the activities of local authorities, economic activities of the local population, etc.

The goal of Tourist zoning is the management of regions as separate destinations, encouraging partnerships on a regional level, supporting the founding and function of regional tourist organizations, management of tourist destinations considering common marketing, communications and information efforts.

The organizations created for the management of tourist regions will be responsible for management, as well as marketing, the necessary actions for creating a brand, public

relations, and advertising of the tourist region, plus management of tourist information centres on the territory of the specific region.

After a careful examination of this Strategy, with the idea of sustainable development of the destination Bulgaria outlooking 2030, we can gain a new understanding of the diversification of Bulgaria's tourist product and increase its quality. Opportunities are created to define tourist products and destinations on Bulgarian territory on a regional level, as well as conditions for planning and management on that same level. This will pave the way for decentralization and creation of local management structures for tourism, in accordance with the modern concepts for "Destination Management Organizations".

## **CONCLUSION**

If we take into account the strategic policies of the EU and those on Bulgarian territory, as well as the regulatory context for DMO, we can conclude that the future development of destinations depends mainly on their organizational management. This means that Bulgaria and its tourism are faced with a number of challenges like the introduction of tourist zoning in 2014, the creation of consolidated management structures on local level, and stimulation and popularisation of the incorporation of European standards for sustainable tourism by the local tourism industry.

DMOs are often the only defenders of the tourism industry – in that role they guarantee a decreased negative impact on the environment and the local communities, while creating opportunities for people exchange. In reality, DMO can best be used as a means for mediating the dialog between the private and public sectors, as well as other interested parties, who otherwise would have difficulties cooperating, without a sense of how their decisions affect the destination in the long term.

The role of Destination Management Organizations in modern times becomes more and more important. Global tourism development tendencies, as well as new European strategies and policies "Europe 2020", provide a central place for the DMO as a standard management unit for the destination. In the modern age of the Internet and significant cultural diversity DMO should aim at guaranteeing the prosperity of the local population; maximizing visitor satisfaction; minimizing the negative impact of tourism by maintaining a sustainable balance between the economic benefits and the socio-cultural and ecological expenses.

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