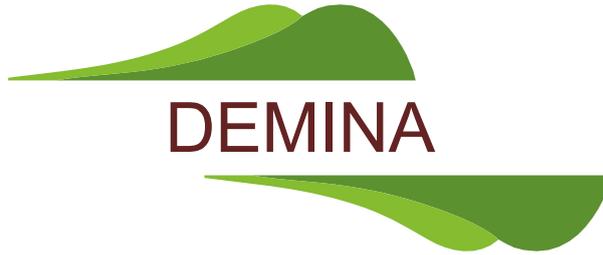




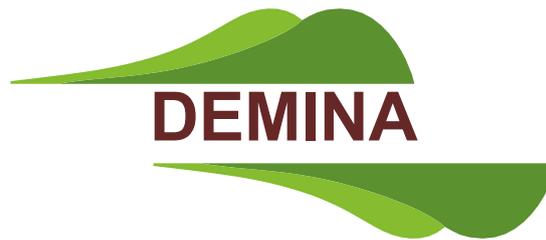
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Innovation and Continuing Education
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EUROPEAN MODEL AND METHODOLOGY FOR DESTINATION MANAGEMENT AND AUDIT

Designed European Model and Methodology for Destination Management and Audit was created based on the outputs of the Demina - Innovation and Continuing Education in Destination Management, Project No. 2020-1-cz01-Ka202-078343. The Demina project is co-financed by the European Erasmus + program and with the support of the European Commission. The outputs of the project and the information contained in them only express the views of their authors and the Commission cannot be considered responsible as the content and any use of this information.

The basic outputs underlying the designed model are based on the results of the questionnaire survey, which was carried out in six partner countries, the Czech Republic, Poland, Latvia, Bulgaria, Croatia, and Turkey. The following can be considered as the key findings in relation to the model:

- Major and key activity - potential assessment - very often organizations responsible for tourism management in the territory outsource. They probably lack the competencies to do so, as external processing is certainly more costly than an employee equipped with their own competencies.
- Organizations responsible for tourism management at the regional level lack a methodology for evaluating potential and its categorization.
- Organizations responsible for tourism management at the regional level lack an audit methodology.

Further findings arise from the analysis of the structure of tourism management in individual partner countries. All countries involved in the DEMINA project (with the exception of Turkey) have an umbrella body for tourism management and marketing and a developed development strategy at the national level. Strategic documents for the development of tourism at the regional and local level have been processed by the countries, but they differ in the way they are processed. Some strategies do not have goals set by the SMART method and at the same time do not contain a set of indicators that would measure the achieved results. This implies that the management system is identical in all partner countries except Turkey, allowing us to set up the European model for destination management and audit. Finding out that goals, indicators, and metrics are not properly set in strategies, is another motive to set up a model.

The model and methodology are designed for all levels of destination management and is categorized into three phases:

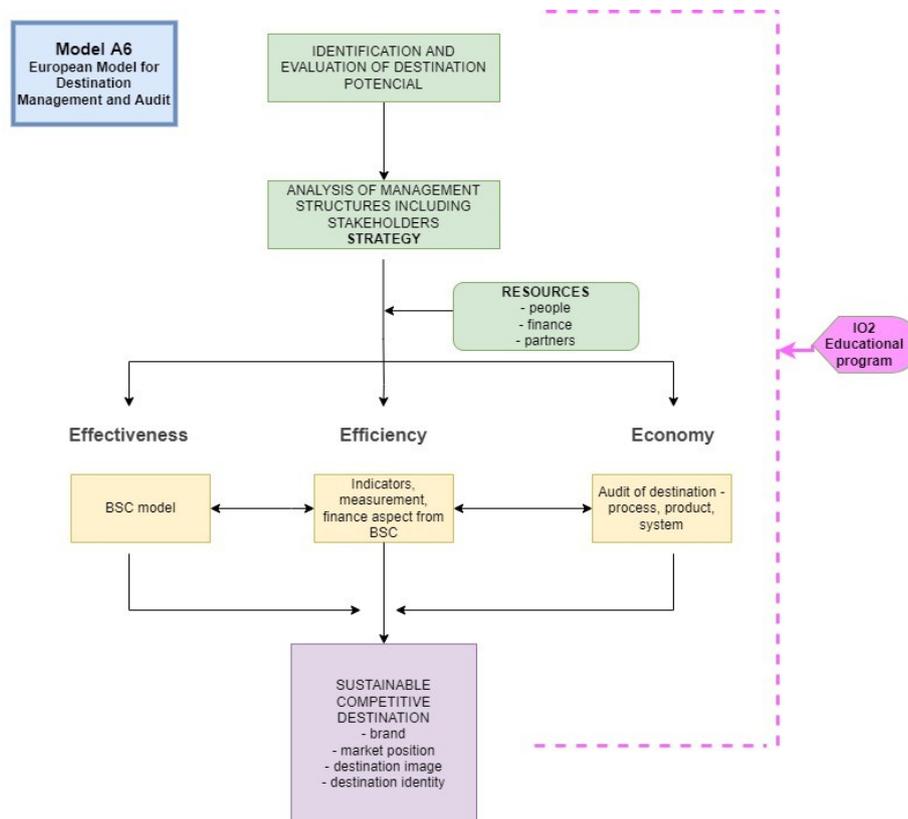
Phase 1: Inputs

Phase 2: The process of transforming inputs into outputs

Phase 3: Outputs

The model and methodology are followed by other activities that are part of the project and form its separate outputs. This is mainly an educational program that is indicated in the scheme. The educational program follows the model and methodology with two specific courses, namely destination management and audit. In addition to the basic description, the study text Book is created for these courses. The model and methodology can also use other project outputs that are publicly available in case of confusion, definitions, links.

Chart 1: European Model for Destination Management and Audit



Source: Own elaboration PlzÁková (2022)

Methodology for Destination Management and Audit

1. Inputs Phase

The first phase content is to identify and evaluate all the inputs available to the destination and work with them to achieve its goal: a sustainable competitive tourism destination. In the model we consider the following inputs: potential, managerial structure including stakeholders and sources.

1.1 Identifying potential

Tourism potential can be understood as a summary of conditions and prerequisites for tourism in the area. It is a certain complex set that includes individual elements of the destination potential that can be used to create a tourism product. The potential of the destination is the default value of each destination that should know its potential, it should be able to evaluate and use it.

Also, tourism potential is a set of territorial conditions and prerequisites for the development of tourism, which creates a complex multidisciplinary system. Aspects of the natural environment, the values of cultural-historical heritage and the manifestations of the current activities of human society enter the system.

The potential of tourism is very important because the territory (tourism destination) must show certain conditions (prerequisites, factors) to become the goal of tourism. The wide range of these conditions is characterized by diverse type character and diversity of territorial shot. In the basic perspective, two main groups can be earmarked: localization and implementation factors (conditions).

Tourism localization factors allow the location and development of tourism activities in a certain territory (tourism destination) based on the characteristics of "offer (tourism object)" "of this territory. They are expressed either by the attractiveness of local nature and landscapes or local cultural values and remarkableness - and this is the case of the most advantageous for tourism development - both sectors at the same time. Localization conditions can also be taken as a primary offer of tourism.

The realization factors of tourism enable to make the own claims of tourism participants. They can be divided into transport prerequisites (availability, or time achievability) and material technical prerequisites that express the amenity of the area with accommodation, catering, sports, entertainment and other facilities. The capacity of these devices is to some extent determining the number of visitors who can visit (use) the area. The implementation conditions of tourism have lower notice compared to localization conditions, as they generally reflect differentiation according to the suitability of individual territories for tourism, ie according to localization conditions. This information shows that it is a secondary tourism offer.

The third group of factors are so -called **selective factors or conditions**. Selective or stimulating factors stimulate the formation and development of tourism.

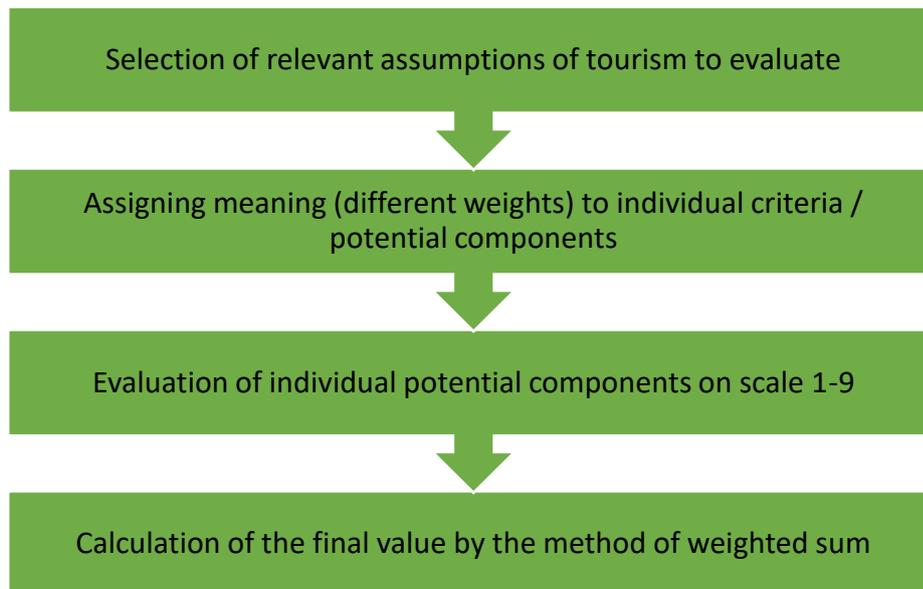
Localization factors determine what "must be seen", and the realization factors determine if and how can be "what must be seen" reached by the traveler, if the traveler will have a place to sleep or eat.

Selective (stimulating) factors determine if anyone ever arrives, and if so, who will be the visitor, how many visitors will come and whether tourism in the area can even exist at all

Among these factors we can include: the level of destination management, the level of cooperation between individual entities, the perception of the importance of tourism policy, which depends on the level of public support of tourism, the income situation of potential visitors (objective stimulation factors), but also psychological and marketing factors such as, for example, the position of the evaluated territory against the competition, its image for the desired target groups, the ability to fulfill their wishes and expectations, etc. (subjective stimulation factors).

Sumarization and evaluation of the destination potential is as follows:

Chart 2: The process of potential evaluation



Source: Own elaboration Plzáková (2022)

The identification and evaluation of potential is a direct input and the first step within the model. This activity should do every tourism destination aimed at a competitive and sustainable tourism destination on the national and/or the international market.

Answer the basic questions to identify and evaluate the potential of the destination:

WHO: Destination Manager

WHEN (how often): regularly for settings or changes in the destination strategy and their goals (link to BSC see further in methodology and audit destination); In case of any significant change in the destination (internal and external)

WHY: for efficient use of available and prepared potential to create competitive tourism products that the destination is profiling and selling on the domestic and international market

HOW: Based on the set methodology listed further, including a mathematical tool (additional Excel Sheet). The calculation is performed using the Google form which is an integral part of this methodology.

The sorting of potential in this model is built on the basic components of the successful tourism destination, the so - called 6A according to D. Buhalis (2003) - Attractions, Accesibility, Anciliary Services, Amenities, Available Packages, and Activities. For the possibility of more detailed differentiation and evaluation of the potential, we proceeded to set up sub-category 6A as follows:

- Attractions - Natural, Cultural - historical
- Accesibility - Road, Plane, Train, Boat
- Anciliary services - General infrastructure, Technological use, Percieved safety, Acceptance of tourists and foreign people (by the local community)
- Amenities - Accomodation, Sports and recreational, Cultural and social, Other
- Available packages - Regional, International
- Activities - Sport activities, Cultural, Adventure and others

Within the DEMINA project, an interactive tool was developed to assess the potential of a destination. Evaluators (whoever they are) can use an easily accessible Google form to rate the above components (sub-category 6A) of destination potential. The Saaty method is used for the evaluation and the Google form is available here: https://docs.google.com/forms/d/e/1FAIpQLSdBnBvuj3e5lhph-GSWuBG7YhQ-Zp0GTWv9MISmYVdRV8J_Lw/viewform?usp=pp_url

The responses from Google Forms are sent to an excel file where the AHP method is used to evaluate the results with graphical outputs. This excel file can be used by destination managers as part of the tourism product development process and can also be used as a benchmarking tool as well as a tool to identify a destination's position in the tourism market compared to its competitors.

1.2 Analysis of management structure including stakeholder strategy

To analyze the management structure, we understand the destination as a strategic business unit. The destination is controlled by DMO, which is a key entity. It is based to promote efficient, efficient and economical tourism management. The main task of DMO is to manage marketing activities and strategic planning, which is intended to connect the supply with demand, create a system of products and place them on the market.

The aim of the DMO is sustainably competitive development of the destination, which satisfies the needs of visitors, participating entrepreneurs and organizations. At the same time, the quality of life of residents is increasing and the natural and cultural environment of the destination is preserved.

When analyzing destination management, we must first answer the following questions:

- a) *What is the DMO structure in the destination?*
- b) *What competence does DMO have?*
- c) *What is the structure of stakeholders in the destination?*
- d) *Are all stakeholders at the same time DMO partners?*
- e) *How do the stakeholders participate in the creation and implementation of the destination strategy?*
- f) *To what extent is the compatible strategy of destination with stakeholder and partners. The next step is an analysis of destination tourism dstrategy.*

Analysis of the destination strategy is carried out on the basis of four basic attributes for the processing of strategy, which are a prerequisite for audit:

i. Vision

The vision shows the direction of the destination to the target status over the specified time horizon. It should be based on attributes based on the strengths of the destination, due to a competitive position with other destinations. Through attributes, the vision can then be better specified and interpreted in relation to the strengths (attributes). The vision of regional and local destinations must correspond to the vision of the national level.

ii. Goals

Strategy goals are designed based on the following principles:

- ✓ following other strategic documents in the field of tourism of the country and their goals and priorities
- ✓ the SMART rule is observed for target construction
- ✓ balanced quantitative and qualitative objectives are set
- ✓ for individual objectives are defined indicators for measurement and evaluation of success in their fulfillment

iii. Destination product portfolio

The focal point of the marketing strategy is the process of creating the destination product (TPD = tourism product development). It is about creating a system of key and secondary products that are based on a high-quality and segment-differentiated offer of the destination and create a competitive portfolio of the destination.

iv. Implementation

The entry step to implement the strategy is to define possible barriers and measures that may have a major impact on its implementation. This is followed by evaluation of resources and tools to implement a specific strategy. Part of the implementation is the determination of the time plan and budget.

1.3 Resources

When analyzing the destination resources, we focus on key resources such as people, finances and partners.

1.3.1 People

Human resources are the largest capital for the organization/business. People directly or indirectly affect the quality of the product (including its sale) and customer satisfaction. This brings themselves

to the crucial position in building a sustainable competitive tourism destination. Human resources in the destination include:

- a) employees of companies who provide services related to tourism and participate in the development of destination
- b) employees of organizations and institutions that have an impact on the development of tourism in the destination (organization of public administration, NGO)
- c) customers (visitors)
- d) residents in the destination
- e) DMO partners - it is a special group that includes entrepreneurs, employees of public service organizations and NGOs according to the definition of partnership in tourism destination.

We analyze human resources for the individual groups. The main criterion for a group of employees of companies providing tourism services is the scope, quality of services and the possibility of using them in the creation of tourism products in the destination. For a group of employees of organizations influenced by the development of destination (public organizations, NGOs) we analyze to what extent these organizations create a suitable environment for the development of destination and how they use legislative and illegal instruments within the policy of tourism of individual countries. For destination customers, we observe and evaluate their satisfaction and other criteria of consumer behavior (visitor profile, reason to visit, expenditures for the journey and their structure, loyalty to the destination, length of stay,...).

In the case of residents, we examine in particular the degree of their involvement in the services of tourism and the relationship with visitors.

The analysis and evaluation of destination partners are given the criteria of partner contracts. People providing services play a decisive role in tourism marketing. In this respect, people are part of the "product" and as such deserve proper attention. An important related aspect of the human factor in the quality of the product is the knowledge and learning system.

1.3.2 Financial resources

The implementation of the strategy can be ensured through a number of financial instruments. The most important financial resources include EU funds and the state budget. With regard to the cross-sectional nature of tourism, it is necessary to use not only the sources of the competent ministry for tourism management, but also the budgets of other ministries whose activities are directly related to tourism (resort of culture, environment, tiller, etc.). With regard to the strong regional impact of tourism, it is also necessary to use the sources of regional and local budgets. It is important to use private resources for successful implementation of the strategy.

1.3.3 Partners

Destination partners are entrepreneurs, public entities and NGOs who participate in the creation and implementation of the strategy. They have a signed partner contract with DMO, where controllable

criteria for cooperation with DMO and DMO obligations are set to partners. Partner contracts are processed exactly on the given part of the implementation, they are regularly evaluated and corrected.

2. Phase 2 - The process part of the model

In order to be able to take further steps in the European Model for Destination Management and Audit, we first define the principle of 3E and its use in the process part of the model.

The term 3E is a steady abbreviation for the principle of economy, efficiency and effectivity. There are three basic principles that must be observed for proper performance and financial management of public administration. However, we can also understand them as the general allocation principles of public expenditure. In short: it is an effort to do the right things (efficiency), in the right way (effectivity) and in as cheap as possible way (economy).

Many organizations are involved in the management of tourism destinations whose activities are financed from public budgets. Public administration also decides on financial support from public sources, without which the functioning of DMO is impossible or very limited. The principle of 3e must be observed by all who are authorized to manage public funds, ie not only public administration bodies, but also natural and legal persons. Within the EU, this principle is defined in the form of EU regulations and is implemented in the legislation of states in the form of a financial control Act. In practice, this means the need to comply with the purposeful, economical and efficient management of public resources, but also with private sources, which are spent on the development of the destination.

The principle of economy can be interpreted as an effort to minimize costs to ensure set needs and tasks with regard to maintaining their quality. Therefore, if the needs are not met, or the quality standard is not maintained, we cannot consider this principle to be followed. If the cost reduces the quality decreases and the resulting product does not fulfill the required/planned standard, the savings are only apparent. In fact, there will be non-economical use of resources.

The principle of effectivity can be defined as a relationship between input value and output units. Thus, the use of the source can only be effective in such a way as to maximize its output. This is the effectivity/productivity of expenditure. The second option for the application of the effectivity principle is to use the so -called cost effectivity, where the input value is decisive. The output that will require the lowest cost of implementation will be effective or will have the lowest return period. However, it is necessary to maintain the desired output quality for proper application of the effectivity principle.

The principle of efficiency is based on the need to use the resources correctly. To fulfill this principle, set goals must be achieved in optimal quantities, quality and time. Using this principle, we evaluate the results and compare them to the originally set goals, which best indicates the economic rationality of allocated sources.

The very principle of efficiency can be considered the most important, because when we assess whether it has been followed, we must also check the criterion of economy and efficiency of resources. The principle of efficiency evaluates the overall procedure and the result compared to the set goals. So, we find out whether the results achieved have really fulfilled the global strategy goal in the required quality and with the correct spent (public and private).

When assessing processes in the European Model for Destination Management and Audit, it is important to follow standards for individual 3E principles simultaneously.

For process analysis, we have associated 3E principles with other methods. We use the BSC model to assess and evaluate efficiency, for efficiency a system of indicators linked to strategy and BSC, and for assessing and evaluating economy we use process, product and system audit.

2.1 Efficiency - BSC model

Balanced Scorecard (BSC) is a tool for measuring the performance of entities (commercial and public service) in terms of strategic management.

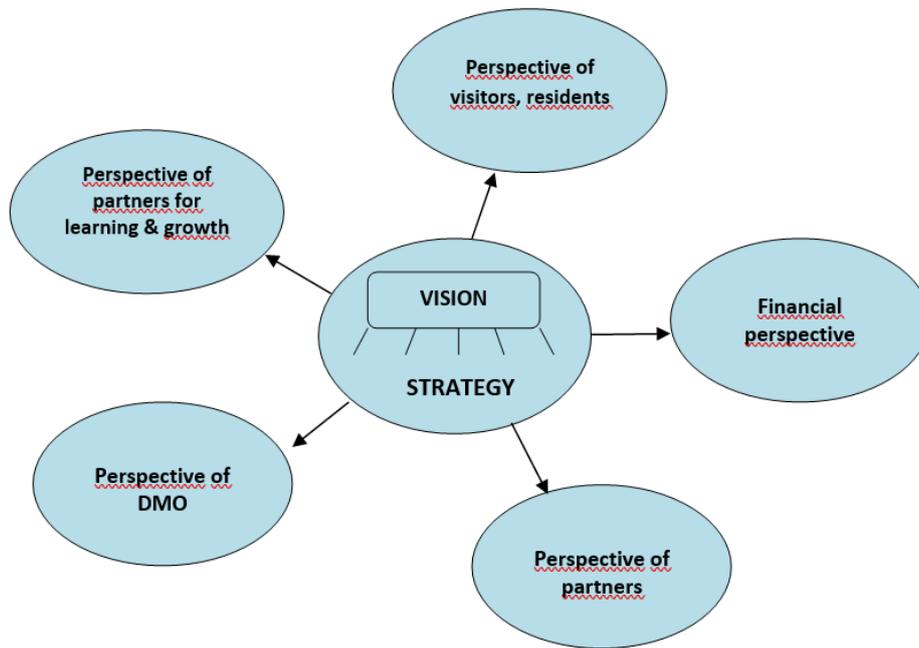
Balanced Scorecard is one of the tools that can be used to improve the process of strategic planning of public administration organizations to ensure the efficiency of management and public control. The basis of the method is to elaborate and convert the vision and strategy of the organization to the gear objectives and the understandable set of financial and non -financial performance indicators. These indicators then provide a tool to assess the success of the strategy. Within the BSC, goals, scale and strategic actions are assigned to different perspectives, so-called perspectives. These perspectives are to ensure the thought of all important aspects of the organization's activities and are determined before the process of creating a strategy.

The general BSC (modified for destination) is considering the view of the strategic process of planning DMO from 4 perspectives: from the financial perspective, from the perspective of visitors and residents, from the perspective of partners and from the perspective of learning and growth. All perspectives must be balanced, ie. that they are designed to ensure a balance between short and long -term goals, required inputs and outputs, internal and external performance factors and financial and non - financial standards. These perspectives provide a view of linking the success of the organization with the driving forces of performance and represent a flexible system.

Reasons for using Balanced Scorecard:

- Allows you to transfer the strategy and vision of the organization to a set of performance scale.
- Saves time, connects the phases of searching and implementation of the strategy, connects strategic and operational planning, extends the strategic planning phase, but shortens the operational planning phase.
- Allows you to balance short and long -term destination goals.
- Includes not only financial indicators (financial perspective) but also required.
- Outputs from the perspective of the (potential) customer, resident and the perspective of partners (Stakeholders).
- Concentrate on hard scales and outputs as well as soft (subjective) qualitative measures of destination.
- All BSC criteria and scales are focused on meeting the vision and destination goals.

Chart 3: BSC in tourism



Source: Own (Tittelbachová, 2022) with the use of Kaplan, Norton (2005)

In this step, we first convert the strategy and vision of DMO into five perspectives of BSC model.

1. PERSPECTIVE OF PARTNERS			
OBJECTIVES			
Objective 1.1	Objective 1.2	Objective 1.3	Objective 1.4
Satisfaction of selected private sector stakeholders with the activities of the DMO	Satisfaction of selected public sector stakeholders with the activities of the DMO	Effectiveness of DMO marketing campaigns	Measuring the business effect in the case of "selling" the product
Measurement	Measurement	Measurement	Measurement
regular survey (can be provided by eg. universities and secondary schools)	regular survey (can be provided by eg. universities and secondary schools)	audit of marketing campaigns	Number of clients, turnover, profit, non-financial profit
Indicators	Indicators	Indicators	Indicators
<ul style="list-style-type: none"> - number of partners with partnership agreements - satisfaction with the activities of the DMO - number of overnight stays in CAE (Collective Accommodation Establishments) - occupancy of CAE - financial indicator in CAE (RevPar, ADR) 	<ul style="list-style-type: none"> - number of partners with partnership agreements - satisfaction with the activities of the DMO 	<ul style="list-style-type: none"> - DMO marketing costs per arrival 	<ul style="list-style-type: none"> - number of clients - turnover development - profit development

2. FINANCIAL PERSPECTIVE			
OBJECTIVES			
Objective 2.1	Objective 2.2	Objective 2.3	
Maintaining and increasing the number of overnight stays in CAE by ... %	Maintaining and increasing the length of overnight stay in CAE by ... %	Maintain existing and gain new destination clients - repeat visits increase by ... %	
Measurement	Measurement	Measurement	
National Statistical Office - number of overnight stays in CAE (foreign, domestic)	National Statistical Office - average length of stay in CAE (foreign, domestic)	a survey of consumer behavior	
Indicators	Indicators	Indicators	
Number of overnight stays of domestic and foreign tourists	The average length of stay of domestic and foreign tourists	<ul style="list-style-type: none"> - Number of repeat visits, - Number of visitors who came for the first time 	

3. PERSPECTIVE OF VISITOR/RESIDENT

OBJECTIVES			
Objective 3.1	Objective 3.2	Objective 3.3	Objective 3.4
Increasing the satisfaction of destination visitors	Attitudes of residents to the development of tourism	Number of residents involved in tourism (directly, indirectly)	Increasing visitor loyalty and building relationships with visitors
Measurement	Measurement	Measurement	Measurement
consumer behavior survey	a survey of residents' perceptions of tourism	survey	- survey of consumer behavior - analysis of website traffic and FB destinations
Indicators	Indicators	Indicators	Indicators
- Reason for satisfaction - The reason for dissatisfaction - Recommended travel to the destination - Proportion of dissatisfied visitors	- Attitudes of residents towards tourism in the busiest localities - Perceptions of the benefits of tourism development by residents	- number of entrepreneurs and employed in tourism - number of entrepreneurs and employees in areas with indirect influence of tourism (retail, petrol stations)	- Repeated visits to the destination - Average daily website traffic - The number of pages viewed per month - Average time spent on the site - Repeat visits to destination websites - News subscription

4. PERSPECTIVE OF DMO

Objective 4.1	Objective 4.2	Objective 4.3	Objective 4.4
Marketing research system	Creating a partnership in the destination	Product creation	Communication strategy
Measurement	Measurement	Measurement	Measurement
creation of a marketing research system	creation of a partner network	number of products	changing the communication mix and its financial demands
Indicators	Indicators	Indicators	Indicators
System of measures (marketing strategy action plan)	- number of partnership agreements - number of partners	- Number of products realized on the market - Creating a product	- costs of communication mix

	involved in product creation without a partnership agreement	portfolio - Number of products realized on the market - Creating a product portfolio	
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5. PERSPECTIVE OF PARTNERS FOR LEARNING AND GROWTH

OBJECTIVES

Objective 5.1	Objective 5.2	Objective 5.3	Objective 5.4
Improving the qualifications and skills of DMO employees	Involvement of DMO employees in further education programs in the field of strategic management and strategy evaluation	Preparation of educational programs for stakeholders in the destination	. Preparation of focus group for residents
Measurement	Measurement	Measurement	Measurement
Improving the qualification of employees	Improving the qualification of employees	Creating a system of education in a destination	involvement of residents in the development of destination
Indicators	Indicators	Indicators	Indicators
- Number of trained employees - The number of certificates obtained	- Number of trained employees - Number of employees involved in the preparation and implementation of the strategy	- Number of educational programs - Focus of educational programs on detected needs in the destination - Number of trained stakeholders - Regularity of education	- number of Focus Group/number of participants - the interest of residents to participate in the development of tourism in the destination

Source: Own elaboration, Tittelbachová (2022)

2.2 Effectivity - Measurement and evaluation using indicators

Measurement of tourism destinations performance by means of indicators is based on the indicator system set for the areas that are based on the set destination goals. For instance, marketing evaluation - indicators for individual activities such as number of clicks and intervention measurements, brand perception monitoring. From the results it is possible to evaluate the success of achieving the goals and partial objectives of the strategy and individual activities and then evaluate the effectiveness, efficiency and economy. Indicators can be taken from international and national institutions or from private companies. There are also methods for the own creation of indicators that can measure both quantitative and qualitative component (for more see Methodology by W.B.Liu and collective of authors from the Kent Business School, Hunan University and East China Normal University Shanghai).

As part of the Demina project, a separate activity was devoted to an overview of indicators that use individual countries that have been included in the project at national and regional level. The analysis results show that DMO uses indicators within their strategies, especially at national level, or indicators are set to national level. Only a small group (five) indicators are in practice used at regional level, but even there are mainly more general indicators, such as the age of the population, degree of crime, the structure of the education of the population. However, indicators should be set in accordance with the strategy and its goals. This means that the indicators set each DMO in accordance with its strategy. To set the indicators, we present a list of basic requirements. The indicator should meet the following criteria:

- Significance - indicators must be significant. The question may help: What is the meaning of monitoring the data or constructing the indicators? Will they help us answer the question whether we successfully implement our strategy, that is, efficiently, effectively and economically?
- Without significant errors - indicators must not be burdened with significant errors. Errors arise at all stages of data acquisition and processing, by incorrect data collection, incorrect analyzes and measurement or incorrect processing procedures. No data is absolutely correct, we always have to count on a mistake, though often small.
- Representativeness - it must be clear what object or phenomenon given by the indicator or certain data represent. A suitable geographical scale or appropriate time distribution of measurement must be chosen.
- Uniqueness - the data obtained should be unique, should not be redundant, repeated, double some already existing information. Each indicator should have its specificity and originality and must not repeat what is already known elsewhere.
- Measureability, possibility of obtaining data - obtaining underlying data must be technically possible. The technical side of the measurement is one of the key issues that need to be paid to attention. Regarding the indicators obtained from statistical data, it is a matter of course that this data exists or can be easily obtained at all.
- Cost and benefit - acquisition, processing and provision of any information is always associated with costs. Data acquisition, operation of monitoring systems and operation of information systems are usually very expensive. In many cases, these costs do not compare to the benefits provided by information systems, data or indicators. The requirement to proportion to costs and benefits is one of the basic factors.
- Reliability - data must be tested in its reliability. Deviations must be eliminated, if possible, the data should be collected with a certain regular periodicity.
- Comparison - most measurement procedures, sampling, statistical surveys and similar is internationally standardized. If we want to compare our destination with other (benchmarking) you need to use a standardized methodology (if any). The prerequisite for comparability is primarily the correctness and reliability of the data.

- Transparency - the data and indicators' procedure must be transparent. It must be clear what methods have been used, how calculations and the like were performed. Perfect transparency of obtaining data and indicators can largely ensure their credibility.
- Understanding - all data and indicators always assume a user, a candidate. The prerequisite for any use of data is their clear understandability, uniqueness and understandable presentation.
- Calculation - no data and less indicators make sense in themselves, but only in a certain context, in certain contexts. They tell something about something, they can be interpreted in some way. The possibility of interpretation is an important criterion in assessing any data and especially indicators. The context of a set of indicators is the destination strategy.
- Timing - data and indicators are only exceptionally timeless. Usually it is very important that they are available at the right time (for example, for example for seasonality).
- Usability - the purpose of any information is not the information in itself, but their use. Some data and information can only be obtained after a certain time, for example, if long time series are available. Assessment of data use should happen in a relatively wide time, geographical and factual context.

Methodology of *Indicators Guidebook UNWTO* (United Nations World Tourism Organization) can be used to build an indicator set. This Methodology proposes a detailed procedure to define and apply indicators focusing on tourism activities. This is an approach that results in a set of operative indicators for a given tourism destination, which is ideally integrated with the ongoing planning and management process. In total, this procedure is divided into 12 steps (UNWTO, 2004):

Research and organisation

1. Definition/description of the destination;
2. Using the participation process;
3. Identification of benefits and risks of tourism;
4. Long -term vision for destination;

Development of indicators:

5. Selection and priority topics;
6. Identification of required indicators;
7. Inventory and data sources;
8. Selection procedures;

Implementation:

9. Evaluation and feasibility/implementation;
10. Data collection and analysis;
11. Responsibility, communication and reporting;
12. Monitoring and evaluation of the application of indicators.

Whether you decide to use a set of UNWTO, OECD or EU indicators, always remember to assign indicators to your strategy and goals to the general set of indicators. For a practical demonstration, we present a simple table on how to set the indicator system.

Table 1 General framework of setting the indicators of tourism destinations at regional level

Group of indicators	Indicator – definition	Measurement unit	Data collection method	Measurement frequency	Evaluation method	Responsible Subject of Data Collection and Evaluation
Economic feasibility / social equality / satisfaction of visitors / quality of life of local residents /...	Indicator AB	Number, price, satisfaction, growth rate, costs, budget, share,...	Publicly available data and registers, DMO, information from DMO members, information from DMO partners, information and reservation systems, market research,...	Annually, half - year, quarterly, monthly, two - year, other periodicity	Basic sorting, second grade sorting, time data analysis, categorical data analysis, quality analysis, index analysis, correlation analysis, etc.	Organization of state or public administration, DMO, DMO members, DMO partners, municipality, information center, school (BP and DP) external suppliers.
	Indicator CD	Number, price, satisfaction, growth rate, costs, budget, share,...	Publicly available data and registers, DMO, information from DMO members, information from DMO partners, information and reservation systems, market research,...	Annually, half - year, quarterly, monthly, two - year, other periodicity	Basic sorting, second grade sorting, time data analysis, categorical data analysis, quality analysis, index analysis, correlation analysis, etc.	Organization of state or public administration, DMO, DMO members, DMO partners, municipality, information center, school (BP and DP) external suppliers.
	Indicator EF	Number, price, satisfaction, growth rate, costs, budget, share,...	Publicly available data and registers, DMO, information from DMO members, information from DMO partners, information and reservation systems, market research,...	Annually, half - year, quarterly, monthly, two - year, other periodicity	Basic sorting, second grade sorting, time data analysis, categorical data analysis, quality analysis, index analysis, correlation analysis, etc.	Organization of state or public administration, DMO, DMO members, DMO partners, municipality, information center, school (BP and DP) external suppliers.

Source: Own elaboration, Plzáková (2022)

Based on the settings of the indicators set, regular collection and evaluation of data, there is a regular monitoring of the performance of the destination, eliminating threats and discovering opportunities, fulfilling the 3E principle, evaluating the performance of partner contracts and the possibility of regular benchmarking with other tourism destinations.

2.3 Economy – Audit of destination – process, product, system

The ISO 19011: 2018 standard defines an audit as a systematic, independent and documented process of acquiring the audit evidence and their objective evaluation to determine the scope in which the audit criteria are fulfilled. The audit is defined as an official verification by an independent person. For example, this may be an inspection or a process control or system, in order to ensure compliance with the rules and requirements. The audit may apply to the whole organization, but also the function, process or production step. Some audits have a special administrative purpose such as document control, risks, or monitoring the completion of corrective steps.

When defining an audit in the European Model for Destination Management and Audit, we used the general definitions of three types of audit - procedural, system and product, which are listed as the main/essential in the literature and in practical instructions on audit implementation. We have incorporated the principles of 3E in the definitions and thus expanded the view of the audit of the principle of efficiency and economy. Usually, only an effectiveness view that is narrowed is mentioned and does not contain all the criteria to be performed by the audit.

2.3.1 Process audit

The process is a set of interrelated or mutually affected activities that convert inputs into outputs. When identifying processes, it is necessary to define inputs on the one hand and outputs on the other and describe the individual activities that take place inside the process.

In a process approach, the role of a customer who can be both internal (colleague, superior, subordinate,...) or external customer - visitor destination, supervisory authority of public administration (grants, legislation) is important. The process owner must first recognize the customer's requirements in order to define activities within the process in a suitable way, while defining the requirements for the process inputs.

This implies that the product implementation process is unthinkable without systematic examination of customers' requirements.

At the output of the product/ product series, it is necessary to measure the level of customer/ visitors and partners' partners with destination products, which is a key measurement process in the quality management system. Together with other types of measurements, it provides information and data on systematic analyzes, which makes the DMO management able to identify the possibilities for continuous improvement projects in the management review process.

This type of audit thus verifies that processes work within the set limits. It evaluates the operation or method compared to predetermined instructions or standards to measure match with these standards and efficiency of the instructions. Process audit is focused on:

- ✓ Inspection of conformity with defined requirements for processes defined for strategy implementation
- ✓ Examination of resources (potential, people, finance and destination partners) that were used to convert inputs into outputs
- ✓ Verifying the external and internal environment, the methods used (procedures, instructions) and the evaluation of the performance of the whole process
- ✓ Output control - tourism products according to the criteria of a competitive product of tourism.

2.3.2 System audit - based on the tourism system

The system audit is an audit performed on a tourism destination system. It can be described as a documented activity carried out to verify, examine and evaluate objective evidence that the usable elements of the system are suitable and effective and have been developed, documented and implemented in accordance and in conjunction with the specified requirements.

The aim of the DMO system audit is to check the functionality of the DMO management system with regard to:

- Requirements of relevant standards (eg DMO certification criteria, quality system, etc.)
- Effectivity, efficiency and economy of realized activities
- Standards and indicators of sustainable and competitive development of tourism destination

In the system audit we choose as standard, unless otherwise intended by the client, an approach based on the screening of individual processes forming the management system.

2.3.3 Product audit

The product audit consists of investigating a specific product or service such as a key, secondary and complementary product in order to evaluate whether it meets the requirements for the creation of a competitive product of the destination.

The main criteria for product evaluation are the verification of whether the product meets the defined specification during the entire implementation process (TPD) and the sales process (sales support, sales) and especially the requirements of the customer/visitor of the tourism destination.

Given that in the creation of tourism product in the destination, public funds, initiators and creators must always respect and apply the principle of 3E:

E1 - Economy (the cost of creating and implementation of the product is not higher than the cost and time of usual)

E2 - Effectivity (Using available resources in the best possible way – ie. quality liability)

E3 - Efficiency (achieving set goals)

The product audit is based on 6 basic components: Attractions Accessibility - Ancillary services - Amenities - Available packages - Activities. According to Buhalis, these components have an impact on the competitiveness of the destination and the TPD audit should assess their involvement in the product as resources.

4. A sustainably competitive destination

The competitiveness of destinations is based on a suitable combination of comparative and competitive advantages, and comparative benefits are those that represent the default unchangeable conditions. Examples include natural elements (landscape type, relief, climate) and historical-cultural elements (historical settlements, cultural landscape, UNESCO). In the European Model for Destination Management and Audit, the competitiveness of the destination is evaluated using fundamental attributes: brand, market position, image and destination identity. A sustainable and competitive destination is a destination whose management appreciates the competitive

advantages of the sources while maintaining the main principles defined in individual pillars of sustainable development.

4.1 Brand

Brand is a set of verbal/or visual messages, according to which goods or services can be clearly identified and distinguished them from the competition. The brand is linked to the key competitive advantages, ie the key destination products. Brand (brand) is a summary of functions and values associated with a particular product, service or company. The brand is a bearer of meaning and emotions. It can be described as a unique association that the product or company in the customer's mind differs from the competition.

Brand can achieve higher sales, competitiveness and generally better market position. Part of the brand is the overall strategy or branding containing basic value and vision, logo, slogans and much more. These are all activities that aim to create a positive feeling from the brand for customers/visitors while expanding its awareness. The basis of the brand nowadays is how its visitors perceive the destination.

For successful branding it is necessary to have a clearly defined identity of the destination.

Branding has the following mission:

- Strengthen the good reputation of the destination
- Increase the loyalty of visitors
- Ensure the quality of services and products
- Support perception of greater value in order for the product to be sold at a higher price
- To assure the visitor that his stay in the destination will bring him the required experience

The factors of the successful branding of the destination and at the same time as the criteria of its evaluation are considered:

- Destination brand differentiation from competing brands
- The value and knowledge of the brand on the source markets
- Good product quality (higher brand quality - larger market share - greater profit)
- The proportion of top services in tourism products (just additional services are usually difficult to imitate competitors)
- Originality of the product (first on the market is usually the most successful brands)
- Long -term communication support with the aim of confirming customers about the uniqueness and value of the brand
- Internal marketing involving employees training, recognition of brands inside the company, motivation of DMO and stakeholders

A well -created and set brand is understandable, predictable, distinguishable and evokes sympathy. Branding destination is inseparably linked to the position of destination on the market, image and identity of destination. Therefore, it is necessary to work with these elements of marketing management in a comprehensive and balanced way.

4.2 Market position

The position on the tourism market is the result of the process of placing a destination. Placing represents the final part of the process "segmentation - targeting - placement". Placing is what you can do with the customer's mind. The positioning describes the brand itself and at the same time how a particular brand is doing on the market with competitors' brands from the customer's point of view.

The aim of placing the product/destination is to occupy a specific place in the mind and perception of visitors based on the specifics of the product offered, the selected way of communication and creating the overall image of the product with respect to competing products (destinations). Placing is referred to as the core of product management.

When monitoring the success of the placement we identify the current position of the destination/product, compare this position with the desired position, define the main competitors in conjunction with the placement, estimate the resources that are necessary to achieve the required position and evaluate the capabilities of marketing tactics of this desired position.

4.3 Destination image

Image is a brand of destination in the customer's mind (Pike, 2004). Image can be understood as the sum of images of real or imaginary features of the brand and ideas about the needs that can satisfy. Image destination indicates the attitude of different target groups to destination and its products (visitors, stakeholder employees, partners, public,). Therefore, the image destination is one of the most important elements affecting the final selection of the destination by the customer/visitor. Image changes according to target groups, and therefore there are several destination images, not only one (Palatková, 2006).

It should be noted that the image of a particular destination often has more weight than its reality. However, when creating an image, it is necessary to consistently ensure that it is based on the truth. If the visitor motivated by the marketing campaign had a negative experience in the destination, this would significantly damage the image not only of the destination but also DMO.

The image of the destination is slowly and gradually as a result of the location of the destination and the power of the destination brand. Image destination can be both positive and negative and can arise both naturally (as a result of the previous visit) and artificially (using DMO marketing activities), but also depends on the historical context, the scope of knowledge and the influence of Mass media.

When examining and evaluating the image destination, information is obtained from visitors directly in the destination and immediately after their return from the destination and also from respondents who have never been to the destination.

Motivations to visit, information sources and socio-demographic factors have the most significant influence on the image of a tourism destination.

4.4 Identity

The identity of tourism destination can be defined as a kind of collective identity, where the community of residents living in a certain destination identifies not only its tradition and cultural-historical specifics, but also with basic philosophy, goals, means and the procedure of local

destination management (Zelenka, Pásková, 2012). The task of DMO is to involve residents in the process of developing tourism and especially in the production of the destination, because the degree of participation of residents and considering their needs within local tourism is one of the basic principles of sustainability of tourism in the destination. For a successful product, visitors and residents are important based on knowledge and mutual tolerance of cultural-historical aspects. The positive impact of the authenticity of the destination and the way of communicating DMO with residents and visitors has a decisive influence on a positive destination. Possible preferences of satisfying the needs of visitors before saturating the needs of residents will usually be manifested by the aversion of the host community towards visitors, the emergence of tourist ghetto, or a decrease in sociodiversity, which usually results in the departure of middle and higher social class residents overloaded by tourism.

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