

## **From the intentions to the reality: the real status of empirical knowledge in tourism destination management domain**

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### **Abstract**

Despite the declarative consensus among tourism stakeholders regarding the importance of scientific knowledge as the basis for a competent tourism management, and despite the permanent discourses concerning the assessment of tourism impacts as the *sine qua non* condition to ensure a sustainable tourism development, the real situation seems discouraging and confusing: most of tourism destinations have not an observatory or a monitoring system composed of reliable indicators to assess the tourism impacts. In Portugal, for instance, aside from the statistical data provided by the accommodation sector and reported by the INE (Portuguese National Statistical Institute), the activity of other tourism sectors – tour operators, transports, restaurants, entertainment, cultural and sport activities, etc. – is not taken into consideration. At regional level, this lack of crucial data transforms the whole picture of tourism into a pale and almost fictional caricature. This circumstance not only makes impossible the assessment of the specific impacts of each of the various tourism products, but also hinders an efficient management of tourist destinations. The main goal of this paper is to highlight the paradox between the discourse and practice in this domain, and to propose a set of procedures to overcome it, since the existing alternative – the so-called Tourism Satellite Account (TSA) – does not provide any valid input for tourism destination management at regional level. Using interviews with representatives of different tourism sectors as primary data, this study also sheds light on the tourism stakeholders' points of view regarding the difficulties to operationalize a tourism monitoring system, and also on the best practices they suggest to deal with this issue.

**Keywords:** knowledge, indicators, tourism impacts, monitoring of tourism activity.

### **1. Introduction**

Nowadays, sustainable development in tourism represents a primary concept of development. Tourism is a fast growing phenomenon and its sustainable development represents a necessity. Besides the positive economic outputs of tourism, we should also mention its negative impact on the particular destination, the environmental degradation, as well as socio-economic elements of local community (Miocic, Razovic, & Klarin, 2016).

According to Burhart and Medlik (1974), there are several motives that justify the production of tourism statistics, namely: the need to evaluate the impact that tourism has on the destination; determine tourists' contributions to the economy of the destination; support the planning process of tourism infrastructures; and facilitate the promotion and marketing of the destination. The production of statistical information on the tourism sector, has a significant importance because it allows tourism destinations to achieve satisfactory levels of competitiveness in both national and international markets. As such, it has become essential to assess the status of the production of tourism statistics at national and international levels, taking into account the recent developments in this area (Brandão, 2007).

Tourism stakeholders' discourse recognizes this, however, when it comes to the real implementation of planning and monitoring actions and the creation of reliable scientific knowledge, not much seems to be done. This study aims to analyse the disparities between discourse and actions of tourism stakeholders and, through the use of interviews, understand the difficulties that a tourism monitoring system upholds and the best practices that are suggested to deal with this issue.

## **2. Tourism stakeholders and the reality of monitoring**

The World Tourism Organization (UNWTO) classifies “tourism destination” as one of the most used concepts in the field of tourism, however, different actors use it very differently. It can be referred to as a narrative, an attraction, a geographical unit, an empirical relationship, a marketing object or a place where tourism happens. This brings the questions of whether it makes sense to continue to use it, since it can spread confusion rather than clearness (Framke, 2010). Buhalis (2000: 98) defines destinations as being a “defined geographical region” that is understood by its visitors as unique, with a “political and legislative framework for tourism marketing and planning”, that offer an amalgam of tourism products and services, consumed by the visitors under the brand name of the destination. Cooper *et al.* (1998) defined destinations as the focus of facilities and services that are designed to meet the demands and needs of the tourists (Buhalis, 2000).

Therefore, a destination can be defined as a combination of all the products, services and, ultimately, experiences that are provided locally to the visitors. This vision enables us to, not only assess the impacts that the tourism activity has regionally, but also to manage the demand and supply in a way that maximizes the benefits for all stakeholders. At the same time, it enables destination management organisations (DMOs) to have the power and resources to plan and positioning the region and undertake actions to achieve the strategic objectives (Buhalis, 2000).

DMOs are often the only advocates for a holistic tourism industry in a region; they work to ensure the mitigation of negative tourism impacts, both to the environment and to the local community. One of their objectives is to facilitate the dialogue between the private and public sectors as well as other stakeholders.

It is possible to identify several types of DMOs:

- **National tourism authorities** (NTAs) or **organisations** (NTOs), that are responsible for the management and marketing of tourism on a national level;
- **Regional, provincial or state DMOs**, that are responsible for the management and/or marketing of tourism in a geographic region that was defined for that purpose;
- **Local DMOs**, that are responsible for the management and/or marketing of tourism based on a smaller geographic area or city;
- **Product based**, that bring together stakeholders related to a specific type of tourism (Aurélien & Desiré, 2014).

With the growth of the tourism sector, destinations have been confronted with both opportunities and stress. On one hand, the growing tourist arrivals make destinations popular but they risk to achieve just short term rewards. On the other hand, these short-term rewards can often be overtaken by negative impacts that affect both the destination and local communities. It's in this sense that the role of DMOs reveals itself of such importance, it is necessary to assess and manage the growing of tourism industry in order to maximize its benefits, minimize the negative impacts and establish goals that are beneficial to all those involved. In order to reach a satisfactory level of sustainable tourism<sup>1</sup>, destination leaders and stakeholders need to embrace a set of principles and techniques (Stange & Brown, 2011).

One of the tools that helps manage more sustainable destinations is monitoring. To monitor the impacts of tourism and to adopt a sustainable tourism practice, destination leaders and stakeholders must work together to understand a number of factors. Thru resident participation, organisations can better understand what needs to be done for the well-being of the region and its community. This means that it is crucial for residents to be a part of the process (Stange & Brown, 2011).

The importance of creating a tourism supply inventory reveals itself indispensable in this process, a broad understanding of which tourism products and services exist in a destination represents a critical early step in tourism development. High-quality statistics allow a DMO to make strategic changes to program and optimize resources. DMO can gather data from a variety of sources to provide a better understanding of tourism supply and demand at the destination and beyond, they can use tourism statistics to catalogue destination products, assess capacity, monitor changes, and better ensure market

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<sup>1</sup> It consists of achieving a balance between the environmental, economic, and socio-cultural aspects of tourism development so as to guarantee long-term benefits to recipient communities (Stange & Brown, 2011).

positioning by guaranteeing that rates and availability are commensurate with the competition. DMO must communicate regularly with stakeholders, to learn their concerns and ideas and reach a destination-wide consensus on salient issues. It must also advocate stakeholder's interests in the negotiations with national government agencies, investors, non-profit organizations and citizens' groups. By facilitating regular conversations among its members, DMOs can then address main issues and reach a consensus that can be shared with stakeholders at the destination. The DMO can also strengthen consensus about efforts and challenges via informational meetings, seminars, and other thematic events. In order to create a complete inventory, tourism leaders must take into account all of the sectors that compose the tourism industry such as accommodation, tour operators, attractions, etc. (Stange & Brown, 2011).

It is also crucial to create the profile of the destination, that is a common vision of the desired future for the destination, by doing this, we are motivating stakeholders to work together to achieve it. However, the common vision to mobilize scarce resources requires a common ground in which each stakeholder can represent itself as part of the projected future (Stange & Brown, 2011).

Although the importance of DMOs and the adoption of sustainable policies are becoming clear, oftentimes the politics of tourism are a struggle for power and supported by the question of who benefits from them.

According to Tosun and Jenkins (2001), governments must communicate with and involve the local population in planning and management decisions, while offering a fair distribution of the benefits and costs among all stakeholders. The reason why developing countries are regularly deficient in developing and implementing those policies and regulations is because they perceive tourism as an isolated and superficial economic tool, concerned with satisfying the needs of foreigners, rather than a strategy for poverty alleviation and wealth creation. For example, while investigating and exploring the roots of unsustainable tourism development in Urgup, Turkey, Tosun and Jenkins (1998) concluded that short-sighted policies of political and economic expedience promoted the rapid arrival of mass tourism, resulting in environmental degradation and weakened social structures. This in turn results in the local community being marginalised and disconnected from the natural and economic resources upon which that type of tourism was built (Yasarata, Altinay, Burns, & Okumus, 2010).

Managing and, consequently, monitoring a sustainable tourism destination can only be achieved if all parties involved in the process commit to pursuit sustainable principles during the development process. However, aligning these goals is not easy. The reason why lies in the fact that different stakeholders have different goals or priorities, and sometimes contradictory. Nevertheless, there is a firmly established trend for tourism destinations to recognise that stakeholders should be involved in the whole process, their involvement needs to go beyond the simplistic dualism of those involved in supply and demand. It is important to verify that the actions planned for the development are targeted to the specific pressures identified and shared by all stakeholders. Effective policy planning for sustainable tourism development must be based on an analysis of current and potential environmental, social and economic conditions and on the needs of local communities and enterprises (Yasarata, Altinay, Burns, & Okumus, 2010).

There are a lot of studies performed all around the world measuring the role of sustainable tourism in promoting welfare and development at local scale through the use of sets of indicators. Indeed, sustainable tourism indicators are widely recognized as a useful tool for evaluating policies and competitive performances; defining strategies for development and setting numerical targets; and easily communicating the current situation and future scenarios to all the stakeholders.

It is obvious that there seems to be a mutual agreement on the necessity and importance of producing systems that allow for the creation of scientific knowledge in tourism in order to maintain destinations competitive and sustainable. DMOs appear to be on common ground when it comes to identifying the needs for the implementation of these systems and on the importance of involving all agents that play a role in the tourism industry of a destination if they wish to create a homogenous offer that will bring benefits not only to the destination but to all stakeholders as well.

### **3. Case Studies of monitoring of regional destinations**

#### **3.1. European Tourism Indicators System for sustainable destination management**

In 2013, the European Commission launched the European Tourism Indicators System (ETIS) with the intent of helping destinations monitor and measure their tourism performance through the use

of a comparable approach. ETIS is a voluntary management tool, whose monitoring results are based on self-assessment, observations, data collection and analysis by the destinations.

With the identification of a set core of indicators, this system provides destinations with the basic information they need to monitor sustainability and manage the tourism activity more efficiently (European Commission, 2016).

Several regions, like Barcelona and Danube, have already implemented the ETIS. In Barcelona it was the LABturisme that dedicated its activities to the research, training and education for tourism technicians. They looked back at ten years of data collection and analysis that ticked many boxes in the ETIS scheme. Cooperation with stakeholders was of great importance to the project in order to carry out data collection. It also gave LABturisme the opportunity to show stakeholders the importance of sustainability. Barcelona has been implementing the system since 2014 (European Commission, 2016).

In Danube, as part of a regional tourism development programme, chaired by Deutsche Gesellschaft für Internationale Zusammenarbeit, the Danube Competence Centre was set up in 2010. It mobilised public, private and non-governmental organisations from all ten Danube countries to establish Destination Danube as a tourism brand. In Bulgaria, the programme coincided with a national concept for establishing tourism regions and raising awareness of the benefits of tourism on a local level. The initiative was prolonged in 2013 when the Bulgarian Danube region was the first in the destination network to apply the ETIS to assess destination sustainability and competitiveness. On the basis of their analysis, as well as seminars and surveys with local stakeholders, the team created various papers on the tourism indicator testing. The local working groups have also set 5 year targets on ETIS indicators for the four participating municipalities (European Commission, 2016).

Currently there are 60 out of 108 regions that are implementing the ETIS.

### 3.2. Tourism Destination Observatories in Tuscany

Tuscany has been one of the most popular tourism destinations for years, mainly due to the quality and quantity of its tourism offer. Following the European Commission's "Agenda for a Sustainable and Competitive European Tourism", in 2007, Tuscany was one of three European regions – along with Catalonia and PACA – that founded NECStouR, a non-profit organization that brings together regions, universities and businesses that work in the tourism industry. Its aim is to promote a dialogue between public and private agents in order to develop an integrated, sustainable and competitive tourism offer (Magliulo, 2012).

So as to test the 10 principals established by the NECStouR, Tuscany promoted the creation of 50 Tourism Destination Observatories (TDO) focused 50 different municipalities. Within the TDO, decision makers, citizens, managers, stakeholders and researchers measure and analyse the destination's performance. The goal of for these observatories is to become experimental laboratories dedicated to applied research, where the NECStouR 10 principals find their application in the form of dialogue and participatory processes among the stakeholders. They intend to analyse the sustainability and the competitiveness of a destination, to assess the validity of the project and the policies on tourism and to implement local actions (Trampetti, 2013).

Both the case studies mentioned demonstrate how in practice it is possible and beneficial to create and implement integrated tourism monitoring systems, that aim at creating scientific information, the basis of fundamental knowledge when it comes to planning the sustainable development of a tourism destination. Both the ETIS and TDO of Tuscany create a practical and adaptable system to help destination management organizations and stakeholders make healthier, more well-informed decisions when it comes to the future of their destination.

## **4. The Reality of Monitoring in Portugal**

### 4.1. Tourism Satellite Account

In 1973, the European Travel Commission, published the Program for European Tourism Statistics suggesting the replacement of the previously used method of creating statistics by using border and accommodation registrations. This decision is supported by the World Tourism Organization (WTO) and by the Organisation for Economic Development and Cooperation in 1989, both of these organizations argument that the information provided by the previously used method was limited. In a

report published in 1992, the WTO arguments that if governments didn't fail in acknowledging the importance of tourism, it might be one of the biggest industries in the world (Brandão, 2007).

These evolutions, make way for the development of the Tourism Satellite Account (TSA) that is a result of a collaboration between several international tourism organizations and interested countries. It was during the 5<sup>th</sup> WTO General Assembly, that a report presented the possibility of describing tourism as an integrated part of the System of National Accounts, highlighting the importance of such execution as a homogenous and comprehensive mean of measurement and comparison of tourism with other economic sectors. It is thus reinforced the need to create a tourist information system integrated in the System of National Accounts - the Tourism Satellite Account (Brandão, 2007).

The elaboration of the TSA as a conceptual framework consisted in a long process. It was conceived as an instrument to be provided to the tourism community based on a set of guidelines related to the complex task of measuring the economic impact of tourism in national economies. The process of construction of the TSA was led by the WTO in collaboration with interested countries and other international organisations such as the United Nations and the Organization for Economic Cooperation and Development (Brandão, 2007).

During the *Enzo Paci World Conference on the Measurement of the Economic Impact of Tourism*, in 1999, the final version of the TSA was presented and approved. After this big step, several international organizations were involved in a new round of discussions about the document as to obtain a general consensus and approval by United Nations' Statistics Commission (Brandão, 2007).

Thus, according to UNWTO, the Tourism Satellite Account (TSA) is a standard statistical framework and the main tool for the economic measurement of tourism. "The national TSA thus allows for the harmonization and reconciliation of tourism statistics from an economic (National Accounts) perspective. This enables the generation of tourism economic data (such as Tourism Direct GDP) that is comparable with other economic statistics" (Pandey & Singh, 2013).

The TSA can be seen as a set of 10 summary tables, each with their underlying data (UNWTO 2008, cited by NathPandey & Singh, 2013):

- Inbound, domestic tourism and outbound tourism expenditure
- Internal tourism expenditure
- Production accounts of tourism industries
- The Gross Value Added (GVA) and Gross Domestic Product (GDP) attributable to tourism:
  - Employment
  - Investment
- Government consumption
- Non-monetary indicators

The two indicators which show the economic importance of tourism, the gross added value of the tourism industry and the added value generated by the tourism industry, regardless whether their products and services are consumed by tourists or non-tourists.

In this sense, NathPandey and Singh (2016) emphasized the need and the importance of Regional Tourism satellite accounts. For these authors Regional tourism satellite accounts are not just the representation of the national figures to regional levels. The prime reason behind this is the fact that tourism is unevenly distributed across the nation, for designing the more efficient tourism policies at national level, it becomes more pertinent to look at the diversity of the tourism products and services at regional level, especially regarding domestic tourism (NathPandey & Singh, 2013).

In Portugal, the TSA was suspended in 2010 and reactivated in 2016. Although the Tourism Satellite Account seems to be a functional tool in measuring touristic statistics, it works mainly on a national level, leaving regional statistics out of its equation and lacking any real consideration or study.

Thus, the preparation of the regional TSA or tourism observatories becomes more relevant for diverse countries.

#### 4.2. Tourism Destination Observatories

Tourism Destination Observatories (TDO) play a fundamental role because they are process and product innovation tools; they are a knowledge and management tool; and they help develop several leadership tolls.

TDOs represent an active involvement of the stakeholders, in order to make destinations competitive; to create conditions of sustainable competitiveness; to make new investments and to achieve new development for all operators. On one hand, observatories intend to gather and analyse and process information; on the other hand, they represent a support for the local government when assigning decisions of destination development to the stakeholders. The Observatories promote the exchange of information between the different public and private stakeholders, to improve the collaboration and coordination of various initiatives. In addition to the spreading of information within the area and among the stakeholders, the exchange is also fostered between the different institutional levels in the region, for the arrangement of specific measures in favour of the destination and for the control of the effectiveness of the promotional and incentive actions (Varra, Chiara Buzzigoli, & Loro, 2012).

In Portugal, there are currently being programmed two TDO. The first being the Tourism Observatory for Sustainable Tourism of Alentejo. The guidelines for the implementation of this observatory were established by the Tourism of Portugal and following the recommendations of the World Tourism Organization to create an International Network of Observatories for Sustainable Tourism. This observatory will create partnerships with the Regional Tourism Authority of Alentejo, the University of Évora, the Polytechnic Institute of Portalegre and the Polytechnic Institute of Santarém (Turismo de Portugal, 2017).

The second Observatory is the Tourism Observatory of Central Portugal. A service of the Regional Tourism Authority of Central Portugal, this TDO will also develop partnerships with universities and polytechnic institutes of the region, namely, the Polytechnic Institute of Leiria.

It is evident that although Portugal has focused some efforts in trying to implement monitoring systems that might help improve the quality of its tourism industry, there is still a lot of work that needs to be done. Even though the TSA seems to be a helpful and functional tool, it does fail in recognising the regional needs when it comes to the production of tourism statistics, which means that having only two TDO that work on a regional level is simply insufficient.

## **5. Methodology**

The aim of this paper is to highlight the inconsistency between the discourse and action of stakeholders when it comes to monitoring of the tourism activity. In order to do so, we tried to sum-up the literature on this issue, in order to understand the reality of monitoring procedures and the role it plays in today's tourism industry. In addition, we also considered and analysed some international cases that demonstrate how a monitoring system providing updated tourism statistics can be beneficial to the destination sustainable development.

On a later stage, using interviews with representatives of different tourism sectors in the region of Central Portugal, this paper also strains to clarify the points of view of several tourism stakeholders regarding the difficulties to operationalize a tourism monitoring system, and what they consider to be the best practices that must be adopted to deal with this issue.

The main objective of these interviews is to understand, through the individual profile and institutional framework of the inquiries, the level of involvement and knowledge regarding the issue of monitoring and thus, understanding the importance that stakeholders attribute to monitoring and their perception of the difficulties it sustains. In order to understand the involvement, we will try to determine aspects such as: the frequency with which stakeholders use monitoring systems; what use they give them; what type of information they look for; among others. To assess the stakeholders' knowledge we will try to understand which monitoring instruments and indicators stakeholders recognize, use and the importance they give them. To conclude, we will evaluate the difficulties understood by the stakeholders when it comes to the operationalization of a tourism monitoring system.

## **6. Conclusions**

This paper made it evident that despite the common narrative pointing to the importance that monitoring systems have considering the current dynamics of the tourism system, there appears to be a big disparity between what is said and what is actually done.

The implementation of monitoring systems seems to be scarce. Few destinations appear to make action when it comes to making their tourism industry more sustainable and competitive, and even fewer seem to base that action on actual scientific knowledge.

Internationally, cases like Tuscany set an example of what more destinations should be doing, taking the “Agenda for a Sustainable and Competitive European Tourism” and adapting it to the needs and characteristics of their destinations.

Portugal is one of the countries that needs to dedicate more time and efforts into creating more substantiated monitoring systems that will support tourism policies and decisions not only nationally but also regionally.

The next step is understanding Portuguese stakeholders’ point of view regarding this practise and the information they need to make better decisions.

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