

# Archetypes of destination governance: a comparison of international destinations

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## Abstract

**Purpose** – *The systemic nature of tourism products generates the need for a broad involvement of destination stakeholders in the destination management organization's (DMO) activities and makes destination governance, defined as the setting up and developing of rules and mechanisms for business strategies by involving stakeholders (Beritelli et al.), an interesting topic. Over the last seven years the authors have conducted an in-depth study of governance and performance of 13 European tourism destinations – three mountain and two seaside destinations, four urban cities and four small heritage cities (Sainaghi; d'Angella; De Carlo and Dubini) – which represent an interesting sample to study this topic. This paper aims to discuss these issues.*

**Design/methodology/approach** – *A qualitative methodology is adopted; applying a theoretical model (Airoldi et al.) to the sample, the authors analyzed the governance structure of the selected destinations in terms of typologies of stakeholders involved, contributions provided, rewards obtained, decision-making processes and mechanisms which link these four components.*

**Findings** – *The clinical cases (Yin; Eisenhardt) reported in the paper reveal several archetypes in destination governance structures defined according to different variables: destination manager characteristics; amount (absolute and relative) of financial contributions managed by the destination manager; financial model (firms and public bodies participation in destination manager annual budget); number of actors participating in the governance structure; number of actors participating in permanent meta-management activities.*

**Practical implications** – *The empirical analysis offers interesting implications for both the academic debate and practitioners. From an academic point of view, this categorization enriches the academic contributions on destination governance, which are often descriptive. Moreover, the model allows identifying key variables and relationships in order to analyze and assess destination governance structures. At the same time, this framework offers interesting insights for destination managers responsible for the design and management of the governance structure.*

**Originality/value** – *This paper proposes a model originally projected to analyze firms' governance for the analysis of DMOs governance. The authors decided to apply this model because it offers a new perspective to study destination governance, which considers the complexity of the environment and the different kinds of relationships between stakeholders.*

**Keywords** Governance, Tourism management, International travel

**Paper type** Research paper

## 1. Introduction

The systemic nature of tourism products generates the need for a broad involvement of destination stakeholders in the destination management organization's (DMO) activities and makes destination governance, defined as the setting up and developing of rules and mechanisms for a business strategies by involving destination stakeholders (Beritelli *et al.*, 2007, p. 96), an interesting topic.

As Ritchie and Crouch (2000) and Vanhove (2005, p. 108) effectively pointed out:

The fundamental product in tourism is the destination experience. Competition, therefore, centres on the destination. For most tourists this experience takes place in a rather small geographic area. This is an entity which from the tourism management point of view is managerial.

In this context, the main purpose of the DMO is to improve the development and management of tourism processes by enhancing coordination and collaboration between the stakeholders concerned at all levels (Dwyer and Kim, 2003). However, the complexity of managing and marketing destinations is high in light of the variety of stakeholders, both domestic and foreign, involved in the development of tourism planning and products and to the diversity of the interests – often conflicting – of all the institutions, citizens and firms in the destination (Buhalis, 2000; Bramwell and Sharman, 1999; Jamal and Getz, 1995; Selin and Beason, 1991).

Bramwell and Sharman (1999) identify three potential benefits deriving from consensus-based collaboration. First, it may avoid the costs of solving conflicts among stakeholders (Healey, 1996). Second, it may legitimate collective actions if stakeholders are involved in the decision-making processes which affect their activities (Benveniste, 1989). Third, the willingness to collaborate may enhance the coordination of policies and related activities. Their argument is underpinned by stakeholder theory, which was pioneered by Freeman (1984), who defined as a stakeholder “any group or individual who can affect or is affected by the achievement of the organization’s objectives”.

In tourism literature, research calls for a broad involvement and collaboration of diverse bodies and firms in tourism networks (Murphy, 1988; Mandell, 1999; Lemmetynen and Go, 2005) and especially in destination planning and management (Marsh and Henshall, 1987; Keogh, 1990; Jamal and Getz 1995; Sautter and Leisen, 1999; Ladkin and Bertramini, 2002; d’Angella and Go, 2009).

Building on previous contributions in the management field of studies and in light of the similarities between a complex firm and a tourism destination (Kaspar, 1995), this paper proposes a model originally projected to analyze firms’ governance (Airoldi *et al.*, 1994), for the analysis of destination’ governance. We decided to apply this model because it offers a new perspective to study destination governance. In particular, it helps understand what kinds of destination stakeholders are actually involved in the DMO – which centralizes most of destination’s governance tasks; what kinds of contributions they provide, distinguishing between financial contributions, trust, willingness to share operative processes; their participation at decision-making processes and what types of relationships link destination stakeholders and the DMO, distinguishing between “institutional” and “market” ties.

Matching governance functions and coordination mechanisms, four governance archetypes emerge: normative, leading firm, entrepreneurial and fragmented. However, none prevails on the others in terms of effectiveness and none can be considered as a universal answer to destinations’ governance problems.

## 2. Literature review

In literature, tourism governance has been investigated according to different perspectives. A group of contributions focuses on the evaluation of the centralization/decentralization of tourism governance (Caffyn and Jobbins, 2003; Yuksel *et al.*, 2005). From these studies emerge that decentralization may encourage stakeholders’ participation, favour debates and consensus-building practices. However, at the same time, the spreading of power among several stakeholders requires clear “rules of the game”, because it may make accountability perceived as less clear.

Other authors stress the participative aspect of governance (Kooiman, 1993; Goymen, 2000; Shaw and Williams, 2004; Pechlaner *et al.*, 2008). In particular, Kickert defines governance as “(more or less) stable patterns of social relations between interdependent actors, which take shape around policy problems and/or policy programmes” (Kickert, 1997, p. 6). In other words it is a network – organized in a

formal or informal way – characterized by a certain degree of fluidity and hybridism (Rhodes, 1996; Healey, 1997). In contributions centred on policy analysis, networks are deemed an important leverage for managing public-private relationships and understanding structures of tourism governance (Palmer, 1996; Tyler and Dinan, 2001; Pforr, 2002, 2006; Dredge 2006). This is the perspective adopted even by Svenssen *et al.* (2005, 2006), who based their studies on the assumption that resource dependencies oblige firms and institutions to cooperate to reach together goals otherwise impossible to achieve by a single body.

Nordin and Svensson (2005) explored the impact of governance on destination development demonstrating that, public-private relationships based on trust, risk sharing, informal structures and strategic consensus have a positive influence on the destination's capacity for innovation (Sabatier and Jenkins-Smith, 1993). Thus, it becomes interesting to examine the different kind of stakeholders involved in destination governance, planning and marketing (Sheehan and Ritchie, 2005). In particular, contributions about tourism destination planning stress the need of involving public and private actors to gather consensus and to make firms' and institutions' strategies converge towards the same goals (Ladkin and Bertramini, 2002; Bramwell and Lane, 2000; Healey 1996; Jamal and Getz, 1995; Gill and Williams, 1994).

Nevertheless, as Goymen (2000) stated in his paper, "participation is easier advocated than achieved" because it depends on the way destinations give an answer to some key questions, such as: how to create a balance between contributions and rewards? How to gather consensus and, at the same time, create the boundaries within which stakeholders are permitted to act?

This article wants to be part to the ongoing debate on destination governance focusing on the issue of governance forms and effectiveness. Concerning this specific topic, several authors based their contributions on the transaction cost theory (Coase, 1937; Williamson, 1975), approaching the issue of destination governance linking control systems and collaborative relationships to high or low amount of transaction costs (Bieger and Weibel, 1998; Beritelli *et al.*, 2007; Pechlaner *et al.*, 2008).

Other authors underpin their studies in the field of strategic management (Rumelt *et al.*, 1994). Among them, a milestone is the work by Flagestad and Hope (2001), who propose two antithetical models of governance: community-based versus corporate-based. The first one consists of independent firms (tourism service providers) guided by individual strategies without any one in a hierarchical or dominant position over the others. In this context, the strategic management of the destination pivots from stakeholder management activities. On the other hand, in the corporate model, destination management activities are carried out mainly by a business corporation which establishes a network of relationships with local tourism service providers. This model identifies two polar situations in terms of distribution of "power" between destination's stakeholders – hierarchical versus equal relationships – and in terms of the role carried out by the DMO.

However, we opine that this categorization of destination governance does not take some important features into consideration, such as the business model of the DMO and the nature of the involvement of different kinds of destination's stakeholders in the DMO's management and activities. Thus, we propose a new approach for the identification of destination governance models which considers mechanisms and governance's structures useful for the establishment of a fair equilibrium between contributions provided and rewards obtained by each stakeholder. The model depicted in this paper enriches the perspectives of analysis described above in two ways. First, it helps better comprehend the different kinds of collaborative relationships among stakeholders involved in destination's governance. Second, it takes into consideration even the issue concerning the control over governance functions by looking at the types and number of stakeholders included in the decision making processes.

### 3. Methodology

#### 3.1 Sample

The sample includes a wide number of previous case studies focusing on destination management, carried out in the last seven years by the authors. The evidences come basically from three different research activities:

1. A PhD thesis (Sainaghi, 2003) that develops a dynamic destination management model (Sainaghi, 2006). The cases of Livigno, St Moritz, Corvara, Portoroz and Taormina come from this source.
2. A research project financed by the Milan Chamber of Commerce (The competitiveness of Milan as a tourism destination) that focuses on searching best practices in urban destination management. The cases of Milan, Berlin, Vienna and Barcelona are taken from this project.
3. A research project focused on cultural cities and interested to analyze the relationships between organizations responsible to manage heritage attractiveness and local tourism (De Carlo and Dubini, 2008, 2010). The four cases related to cultural cities – Siena, Parma, Mantua, Perugia – come from this contribution.

The three researches have different goals but a common question: understanding what are the actors involved in the destination management, what are the structure and mechanisms able to create and equilibrium.

The considerations developed in the paper are based on the 13 cases cited above.

The large size of the sample has permitted to apply a multiple case study method (Yin, 1994; Eisenhardt, 1989). In the composition of the sample, we have extended the variety in terms of:

- Prevalent type of tourism: the sample includes four cases of small towns that focus on heritage tourism (Mantua, Parma, Perugia and Siena); three cases of large urban centres with a mix of business tourism and short breaks (Barcelona, Berlin, Milan and Vienna); three cases of mountain destinations (Livigno, St Moritz and Corvara) and lastly, two beach destinations (Portoroz and Taormina).
- Range and variety of artistic heritage, landscape and tradition: some of the cities in the study owes their fame to a few renowned heritage attractions (e.g. Milan, Siena) or else, to a group of monuments of a specific period (e.g. Vienna and Berlin) that tend to overshadow other elements of the city as a whole; while others have been able to work on diverse occasions to attract a more balanced tourist flow (e.g. Barcelona, Parma, Perugia). Finally, some cases have been compared where the cultural patrimony is the result of expertise accumulated over the years that is embodied in a tradition of outstanding hospitality (e.g. Portoroz, St Moritz), to others where tourist development is linked to the uniqueness of the natural setting (e.g. Taormina, Corvara).
- Level of renown/reputation as a tourist destination: some of the destinations in the study are already stars of international tourism as seen by an enormous influx of visitors either for their world-famous attractions (e.g. Barcelona) or for the high visibility linked to particular events (e.g. Siena). In contrast, other destinations attract far fewer visitors (e.g. Parma, Mantua).
- The impact of tourism on the local economy: the cases we analyzed show a relatively diverse impact of cultural tourism on the local economy, from situations in which the influence of tourism is negligible because the city's heritage is not exploited for tourism purposes (Perugia), to cases where the influence of tourism on local economy is due to a vibrant industrial presence or other services (Milan, Berlin) to other cases where cultural tourism is the principal economic driver (St. Moritz, Taormina).

The first step was to define the geographic boundaries for each case, with the premise that the administrative boundaries of the municipality or country may not be relevant to define the scope of government of the destination. In each case, a desk-based analysis was initially

conducted using secondary data regarding the allocation of resources, infrastructure, accommodation, characteristics of the local economy and the results of the destination (tourist numbers, visitor flows to exhibitions and events, employment, hotel occupancy and so on).

Following this initial step, about a dozen interviews were conducted with pertinent individuals (public officials, directors of cultural institutions and foundations, leaders of tourism development consortia, trade association representatives etc) from each city, in order to closely examine the processes and structures of destination and cultural asset management.

For each case, an extensive research report was drawn up covering all the elements under consideration. All the case studies follow a similar structure: an in-depth analysis of the corporate governance functioning, a review of the main destination management processes and an evaluation of the destination results.

### *3.2. Variables*

To operationalize the Airoidi's model, the following choices have been conducted.

The first variable of the model, named actors, describes local subjects involved in the DMO. We decided to include in this category public and private bodies if, at least, one of the following criteria is met:

- they pay something to the DMO. The financial mechanisms could be very different and go from the payment of annual fees, to taxation related to the number of beds or overnights, or in proportion to some received services by the DMO;
- they are formally involved in the DMO governance structure. All the associated members, independently to the entry mechanisms, have been considered part of the DMO;
- they are employed by the DMO. This last criterium will capture differences in size of the DMOs, dividing between "big" and "small" local associations. The presence of many (or small) employees could enhance (or reduce) the ability to carry out destination management processes.

After having identified actors, researchers should be able to understand:

- how many local subjects are involved in the destination governance body;
- what are the main categories of stakeholders involved; and
- the nature of these actors (public, private or a mix).

The second variable of the model is represented by contributions. To operationalize this variable, the authors have considered:

- the amount of financial resources paid by all associated members, as above defined;
- the degree of involvement degree in the management of destination products or processes; and
- the competencies and skills of the DMO's employees.

Concerning the compensations – the third variable – that actors involved in the DMO body can receive, these tend to assume an indirect nature. For example, if the destination is able to develop new products or to attract new targets, the local firms can increase occupancy or prices or both. Usually is not easy to evaluate the link existing between destination processes and firm performances. For this reason the authors have defined the compensation variable focusing on the nature, the extent, the coherence between activities carried out by the DMO and needs of local companies.

The variable corporate governance structures and mechanisms has been operationalized along two directions: the first, called "vertical", links the actors with the destination management processes. The point here is to understand how many, and what kind of actors have been selected to manage the DMO. This vertical link includes:

- stimulating the participation of individual stakeholders in a shared development project, overcoming the resistance that individuals may occasionally show on based on individual interests;
- formalizing the coordination mechanisms between the DMO and individual stakeholders as well as among stakeholders;
- selecting new members who join the system of stakeholders as defined above, and the exit of other members;
- identifying mechanisms for monitoring and determining possible sanctions for opportunistic behaviour on the part of members; and
- defining contribution mechanisms to the governing body and sharing the results.

The second direction, called “horizontal”, connects contributes and compensations. The point here, is to understand whether or not coherence exists between the destination management processes carried out by the DMO and the different kinds of contributes paid by local stakeholders.

To measure these variables, the authors have compared cases, evaluating the relative positioning of each destination. A three-point scale has been used (high, medium, low).

Before discussing the empirical findings, is important to describe the different nature that corporate governance body can have. In some cases there is one prevalent local agency, called DMO, that is the metamanager. The relationships between this actor and local firms could be regulated by laws and hierarchy, on the one hand, or along looser, less formal connections, on the other. In other cases there is not one metamanager, but a fragmented supply that have developed one or more “light” local agencies, with few financial resources, few employees and with a limited wideness in term of destination management processes. Finally, in some destinations there is no formal DMO; the destination management processes are more tied to the functioning of a leading company, usually a private company. This firm is leading because it has a large size (in absolute or relative weight), it manages substantial financial resources and it is able to originate important positive externalities to local firms.

#### 4. Findings

Findings (Table I) clearly show a wide range of empirical choices in order to configure the governance structure. Each case reflects specific local and country conditions.

The variable actors describes polar situations in which, on the one hand, a small number of subjects, members of a specific category, have created the DMO and exert strong control over it. These subjects could be public (as in Livigno) or private (as in Milan). On the other hand, the sample shows a completely different solution: the local agency is able to involve a wide number of actors, usually belonging to different sectors, and prevalently private and public (as in Parma).

Concerning contributes, empirical findings could be summarised along three different situations. The first one, is represented by the “wealthy DMO”, where the amount of financial resources brought in by institutional actors is high (Livigno, St Moritz, Vienna). This situation permits to increase the skills of DMO’s employees. In fact, the financial resources assure the possibility to increasing both the staff and the specialisation. A second case is represented by neither rich nor poor DMOs. This situation is well represented in the sample. Is interesting to note, that also with an average level of financial resources, is possible to create skilled DMO (Corvara, Berlin and Parma). Finally, the third situation is represented by relatively “poor” DMOs; many cultural cities are in this situation. Wealth and relative poverty are measured only focusing on financial resources brought in by institutional actors. This is an important note, especially to interpret the case of Barcelona. The local DMO has a budget of roughly 20 million of Euro, but only a small part of it is generated by associated members, while a large amount is tied to the sale of cards and products. The involvement appears not to be correlated with the level of financial resources. In fact, there are rich DMOs with low

**Table I** The characteristics of governance's structure in the 13 case studies

Variables	Cultural cities			Urban destinations			Mountain destinations			Seaside destinations			
	Siena	Parma	Manua	Perugia	Berlin	Sien	Barcelona	Milan	Livigno	St Moritz	Corvara	Portoroz	Taormina
<b>1. Actors</b>													
How many	L	L	H	H	H	L	H	L	L	H	H	H	L
What categories	Many	Many	Many	Many	Many	Hotels	Many	Hotels	Municipality	Many	Many	Many	Region
<b>2. Contributors</b>													
Institutional financial resources	L	M	L	L	M	H	L	N.a.	H	H	M	M	M
Main financial body	Private (bank foundation)	Private (annual fee from members)	Public (municipality)	Public (municipality)	Private (self financing, acc. tax)	Hotels (acc. tax)	Private (self-financing)	Private (self-financing)	Public (Municipality)	Private (acc. tax)	Private (acc. tax)	Public (Municipality)	Public (Region)
<b>Managerial/ entrepreneurial contributions</b>													
Skills DMO's employees	L	H	H	L	L	L	H	L	H	H	H	M	L
<b>3. Compensation</b>													
Coherence processes and stakeholders' needs	M	H	H	M	M	M	M	M	H	M	H	M	M
<b>4. Corporate governance structures and mechanisms</b>													
<b>Vertical structures</b>													
How many	L	M	L	L	L	M	L	L	M	M	H	M	L
What categories	Many	Many	Many	Many	Many	Hotels	Many	Trade-fair	Hotels	Hotels	Many	Public	Hotels
<b>Horizontal structures</b>													
Achievement of strategic goals (yes/no)	Y	Y	N	N	Y	Y	Y	N	Y	Y	Y	N	Y

involvement (Vienna), neither rich nor poor destinations with a high level of collaboration (Parma) or poor local agency with high involvement (Barcelona).

The compensation measures the coherence between destination management processes carried out by the DMO and the needs of local company. The compensation is usually indirect and then is it possible to measure this coherence focusing on prices, occupation index, seasonality, awareness, customer retention and so on. Many destinations are able to generate an average coherence. Only four cases are judged "high" according to this variable. In three of these four DMOs there is a high level of involvement.

Finally, focusing on corporate governance structure and mechanisms, usually DMOs prefer to select a small number of actors (low) that are involved in the board committee. Administrators are preferably selected from many sectors or, more rarely, belong to the hotel sector. The effectiveness of the DMO appears to be medium or high in many cases. In fact the ratio between compensation and contributes is judged low only in two cases (Perugia and Siena).

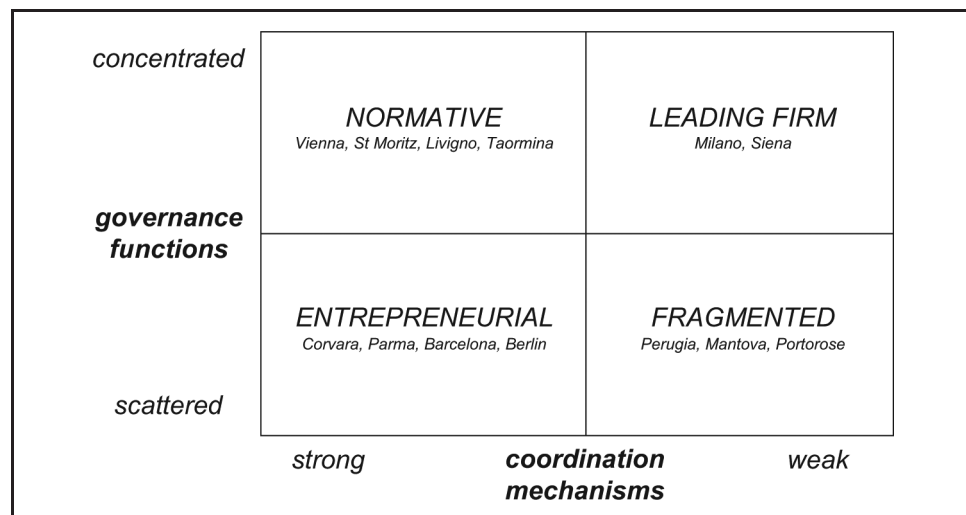
## 5. Discussion

The diverse configuration of actors, contributions and recompense, governance mechanisms and structures reveals a variety of possible institutional arrangements, which may be the result of deliberate strategy or the result of spontaneous behaviours and coordination mechanisms settled into a pattern. Their establishment is strongly influenced by such factors as the features of heritage resources and attractions, the level of destination reputation, the impact of tourism on the local economy; in short, all factors that were considered in constructing the test sample.

From the broad range of possible configurations, it is however possible to highlight four archetypes characterized by first, its combination of coordination mechanisms among stakeholders, and second, a different degree of concentration of government functions (Figure 1).

The first model, regulatory, is based on the centrality of a local authority that ensures local political representation of the interests of different categories of stakeholders. This same body also sets standards that regulate the mechanisms of entry and exit. Funding can be both public and private, in this case determined on the basis of strict rules of participation. Vienna, St Moritz, Livigno and Taormina fall into this archetype. The structures and mechanisms of government are regulated by the legal statutes or in other ways that are fairly rigid and cannot be modified in the short term.

**Figure 1** Destination governance archetypes



The second model is defined as entrepreneurial because its creation and development are based on voluntary membership by the different partners involved in the system of local tourist offer, whether private companies or public institutions. The structures and mechanisms of governance are defined by its founders and are easily modifiable by the general assembly. The monetary contributions are paid by different types of institution according to various criteria for collection. Corvara, Parma, Barcelona and Berlin are examples of this model.

The third model is labelled leading firm because the governance of the destination is based on a single entity represented by a leading local company or institution (the Trade Fair, in the case of Milan, or the local banking foundation, in the case of Siena), which carries a key role in attraction of tourists or distribution of financial resources. In this context, the coordination mechanisms among stakeholders are typically weak since the leading company is unable to provide incentives, or support the participation of local actors in a collective strategy.

The fourth, defined as fragmented, is characteristic of many destinations that have experienced spontaneous tourism development, thanks to opportunities linked to specific demand segments or the presence of an abundant artistic heritage and natural resources. In these contexts, such as Perugia, Mantua and Portoroz, the mechanisms for coordination are limited to promotional functions, oriented towards the short term; however, they lack a real strategy at destination level. This model tends to ignore the more strategic processes such as the attraction and allocation of financial resources, the collection and sharing of relevant information, the quality control of services and the selection of distribution channels.

In this context, event management can be a highly effective tool to enable coordination mechanisms that first grew out of the event itself; these mechanisms then tend to take hold permanently. Significant examples of this can be found in the Festivalletteratura of Mantua and art exhibitions in Perugia.

The four archetypes present specific points of strength and weakness but potentially they are all able to ensure effective governance. Thus, we opine that even the normative model can be successful. This statement at first sight can appear in contrast with Nordin and Svensson (2005, p. 161), who affirm that:

[...] old forms of governance generally based on command and control forms of imperative orders appear to be increasingly ineffective, as there has been a decline in hierarchical or top-down methods for determining goals and means.

In fact, in the normative archetype, even if the governance is characterized by a top-down approach and public bodies play a pivotal role, firms are included in strategic decision-making processes. Thus, in line with Pechlaner *et al.* (2008), Shaw and Williams (2004), Kickert (1997) and other contributions, the key for effective governance seems strongly connected with participation.

## 6. Conclusions

The four models above provide a useful and realistic elaboration of the more general distinction between “corporate destinations” and “community destination” that is usually found in the literature.

The paper offers two innovative contributions to the literature on destination governance. First, it proposes a new model to depict destination’s governance based on four key elements: the actors involved, the contributions provided, the compensations obtained and corporate governance structures and mechanisms. This approach offers a new perspective of analysis which enriches previous categorizations proposed in literature: corporate-community models and the traditional market-hierarchy-network.

Second, it provides evidence on the variety of arrangements destinations implement to create a balance between contributions and rewards, gather consensus and, at the same time, create the boundaries within which stakeholders are permitted to act.

In particular, the analysis of archetypes allows greater insight into problems of governance as well as constructive information for the design of destination management structures. First, the process of governance is very complex, given the presence of multiple actors who must work together, although their single objectives often compete. This is particularly true in situations where financial resources are scarce, especially in large cities or destinations at an early stage of tourism development.

Second, the inherent role of the DMO is to set objectives and constraints without exerting hierarchical control over players in the destination; thus the difficulty of the governance process is intensified by the need to minimize free-riding behaviours, which, in the short term, appear to be rewarded.

Third, the economics of a system of a DMO are usually characterized by indirect income, generated and controlled by operators who run services; whereas expenditure is directly generated by the DMO itself; this underlies the problem of short term financing of overall destination management processes until the conditions are available for a destination management organization to finance itself.

Furthermore, the criteria for appointing DMOs administrators tend to emphasize political skills rather than technical competence; this can be problematic because the role of the destination managers is not purely advisory or staff-oriented, but instead, centres on process management. It is, in fact, at this level where some trade offs may be needed to resolve conflicts of interest, such as the adequate representation of social forces and the speed of decision-making; or how the destination's development objectives are carried out, and the degree to which stakeholders have a say in the ways and means to achieve them.

Finally, the brief duration of public positions that affect the appointment of destination administrators is often inconsistent with the longer time needed to evaluate the effectiveness of destination management actions. Indeed, some investments required to achieve positioning objectives have medium to long-term returns.

To successfully address these problems, our analysis suggests designing structures so that they are able to meet the following conditions:

1. A balance between the objectives of maintaining consensus and acting effectively with reasonable speed. Consensus is an essential key to building social control, to minimize free riding and ensure an adequate flow of resources. This objective is achieved, for example, by representing the various categories of stakeholder bodies in meta-management bodies, and ensuring that institutional communication highlights the role played by the DMO in the destination. The second objective, reaching speedy and effective decisions, requires clarity of vision, steadfastness in pursuing objectives, efficiency in decision-making and commitment over time on the part of the actors. This balance is easier to maintain in situations where results are regularly measured and there are few decision-makers with clear-cut powers. The synthesis between these two objectives can be achieved by:
  - reducing imbalances in information about the competitive and economic results achieved by the target;
  - specifying the criteria for allocating public resources to different projects and stakeholders; and
  - specifying the criteria for re-distribution of wealth generated by the activities of destination management.
2. Separate political roles from those of the management umbrella. Empirical observation suggests that the most effective destination management structures clearly delineate the separation between political roles (managing consensus, find resources for infrastructure investment), and managerial roles (makers of meta-management and their funding). The separation of these roles has the advantage of allowing the development of major projects without binding them to political deadlines and – simultaneously – of making each agency accountable to its own objectives.

3. Achieve an economic balance in the operational management. The operational management of the destination should aim to a balanced economy where revenues generated from sales of the destination's products are able to cover the costs of managing them. To ensure that this balance will be achieved and maintained over time, it is essential to activate different types of contribution to the destination management body by private entities operating within the destination. This contribution can take various forms, ranging from a percentage of revenues for the companies that are more directly involved in tourism (typically, hotels) or contributing to a specific project, an annual fee for participation in the destination management body. The greatest resistance to activating forms of contribution of this kind arises from the lack of transparency in the allocation of funds, which is often perceived by operators as an additional tax rather than a contribution to joint projects. An alternative source of revenues can be identified in the activities and products managed by the destination management body. A further significant source of funding is the realization of major projects.

However, further studies are intended to strengthen the results in light of the limitations of the present work. In particular, the multiple case study methodology applied has limitations connected with the number of cases analyzed. Nevertheless, considering previous studies on this topic, we opine that the destinations already included in the sample offer a robust sample to underpin our conclusions.

Moreover, authors are still working on the measurement of the variables. Yet, a significant effort has been already done for the quantification of the variables, which have been measured using three categories "high, medium and low" (Table I).

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