

## WP5.2

### Act. 5.2 DMC ESTABLISHMENT AND PROMOTION OF EXCOVER PRODUCTS

#### D.5.2.1: COMMON SETS OF CRITERIA TO ESTABLISH THE DMCS

## Definition & Guidelines



## SUMMARY

1)	<b>WHAT IS A DESTINATION MANAGEMENT COMPANY?</b> .....	3
2)	<b>DMC, DMO, TO, TA - ANALOGIES AND DIFFERENCIES</b> .....	4
	2.1 DMO - DESTINATION MANAGEMENT ORGANISATION .....	4
	2.2 TO – TOUR OPERATORS .....	5
	2.3 TA – TRAVEL AGENCIES (AND OTA – ONLINE TOUR OPERATORS) .....	6
3)	<b>HOW TO IDENTIFY A DMC IN YOUR DESTINATION?</b> .....	7
	3.1 SURVEY TO SELECT DMCS THAT WILL PROMOTE EXCOVER PACKAGES .....	9
4)	<b>WHAT IF I DON'T IDENTIFY A DMC IN MY DESTINATION?</b> .....	18

## 1) WHAT IS A DESTINATION MANAGEMENT COMPANY?

The first historically documented use of the term dates from 1974<sup>1</sup>. That was the year that Phil Lee persuaded the San Diego Convention and Visitors Bureau to officially adopt the term as a means of differentiating the **elevated value proposition of the destination expert**, the DMC, from the ground services agency. In the travel industry, there's often a **disconnect between the provider** (hotel, restaurant, events, tour guides) **and the destination itself**. Sure, you can go online and book any product or service on the other side of the world. But you won't have any real idea of what the experience is like, what the common pitfalls are and what local factors might influence the outcome.

**DMCs are for profit organizations** that provide local tourism services to travel agents, tour operators and individual travelers.

In the first instance, a DMC helps to streamline the whole booking process, avoiding double bookings or unreliable suppliers. Also finding the best services in relation to the client's overall budget, offering one reliable point of contact, overcoming potential language barriers, etc.

Secondly, thanks to their extensive knowledge and experience of the touristic resources of the destination, DMCs are able to offer unique ideas for events and excursions to their clients. Ideas that would otherwise be impossible to find through standard agencies on the internet.

Thirdly, a destination management company usually works very closely with their client. Assisting in a number of business and creative ways. A DMC establishes a position of trust with its client, shaping out arrangements for travel and events according to the business' needs and objectives.

**DMC providers are the key to unlocking quality local experiences** and can **bring knowledge only locals can provide**. They can tell you the best times to visit, the essential experiences to have there, and how to keep the trip safe and comfortable. What's more, a DMC partner can give you insight into what services you'll need, helping you to plug gaps or bringing new considerations to your attention. Essentially acting as a third party, connecting local businesses with potential travellers, the presence of a DMC means that their **clients** only have to **deal with one point of contact rather than multiple different suppliers**.

DMC travel exists for a very simple reason: to facilitate the organising of unique and tailor-made travels and events for any size group with the least amount of hassle for DMC tourists. Destination management

---

<sup>1</sup> "ITII\_DMC\_Report.Pdf," 6.

companies take care of the entire travel supply channel, coordinating between hand-picked agencies and trusted suppliers to create unique experiences. And on top of this, most of our DMCs provide emergency preparedness and relief services, giving you much more to work with if something does go wrong.

The DMC functions as the eyes and ears on the ground, ensuring that suppliers fulfil their obligations and intervening on behalf of the travel agency and client if there is a problem in the plan. It may be true that people are able to more confidently research and book trips on their accord with the help of the internet, but the due diligence, creative ideas, risk management, up to date information and quality assurance that DMCs offer is invaluable. Aiming to take the stress away from travel planning, DMCs create highly personalised, bespoke itineraries and packages.

## 2) DMC, DMO, TO, TA - ANALOGIES AND DIFFERENCIES

There is much overlap now among the terms Destination Management Company, Destination Management Organization, Tour Operator and Travel Agency, but the traditional DMC is a company that understands and manages or books the local destinations for a travel agent, a wholesaler and nowadays, thanks to the internet, also to the final customer. Usually, a DMC does not operate its own tours and is therefore not a tour operator, but a destination management company. A tour operator is traditionally a wheels operator who creates and operates itineraries, while a travel agency is generally an outbound travel company selling to citizens in their home country tours and packages put together by tour operators, airlines or hotel groups, and they usually deal with a tour operator or DMC and not directly with the suppliers at the destination they sell. **These lines however have been blurred**, and there are **companies today that act as ground handler, wholesale tour operator, DMC, and even travel agent**, at the same time. Some even have their own accommodation or portfolio of lodges and therefore act as supplier as well. Let's see the main definition for the different terms:

### 2.1 DMO - DESTINATION MANAGEMENT ORGANISATION

Destination Management Organisations (**DMOs**) are **no-profit organizations that have the bigger picture in mind** and work towards a common goal. Tasked with **coordinating all elements of a tourist destination**, from attractions, marketing, accommodation to amenities, DMOs strive to **build the competitiveness of the whole destination while keeping sustainability in front of mind**<sup>2</sup>. Depending on the governance structure of an area, a DMO may be broadly responsible for a country, it might have a regional focus or it can operate at local level for the enhancement and valorization of smaller destinations. Whatever their

---

<sup>2</sup> "Tourism Destination Management," 22.

scope, the **efforts of DMOs are underpinned by the desire to spread the benefits of tourism across their community and establish strong brand identity for the destination**. Rather than trying to stimulate direct purchase off their platforms, **DMOs act as an intermediary for local businesses and try to guide tourists towards the efforts of individual suppliers**<sup>3</sup>. DMOs achieve this through ‘above-the-line’ marketing activities such as highly visible campaigns, outdoor media, radio and television. In the same breath, DMOs often spend time focusing on B2B marketing where they seek the interest of inbound tour operators to bring travellers to the destination.

## 2.2 TO – TOUR OPERATORS

The definition between DMC AND TO is blurred. **Tour operators work as an intermediary between the service suppliers and the customer**. Because of their presence and interaction with the public they are able to respond to the changing demands of the markets. However, tour operators vary in size and the nature of their operations; they are often **divided between the mass tour operators and specialist operators**.

**Tour operators can also be inbound or outbound**, meaning that inbound tour operators take care of the arrangements in the destination and outbound operators handle the arrangements from the area which generates customers. Outbound tour operators usually co-operate with the inbound tour operators who can organize meet and greet services, negotiate contracts with coach companies and hotels, organize excursions and offer other specialist services.

The most significant difference considering the size and strategies is between the mass tour operators and the specialist or niche tour operators. Mass tour operators are large in size and cover numerous amounts of destinations. **Specialists, on the contrary, are usually focused on a certain market or selling holidays to a certain geographical area, which makes them very similar to DMC**.

**Which is the difference: if the TOs are located in the geographical area of the destination they are selling, they can be considered DMC, while if they are located close to the generating market they are considered TO. DMC are most aware of the specificity of the product they are selling, while TO are more aware of trends and customers’ needs.**

---

<sup>3</sup> Pike and Page, “Destination Marketing Organizations and Destination Marketing.”

## 2.3 TA – TRAVEL AGENCIES (AND OTA – ONLINE TOUR OPERATORS)

According to the Italian law CODICE TURISMO (Allegato al Decreto legislativo 23.05.2011 n° 79, G.U. n. 129 del 06-06-2011) “**Travel and tourism agencies are tourism companies that jointly or separately carry out production, organization and intermediation of travel and accommodation** and any other form of tourist service a customer service, whether they are reception or assistance, with or without sales. directed to the public, including assistance and reception tasks for tourists, in compliance with Legislative Decree 6 September 2005, n. 206.

From a legislative point of view, the definition of travel agency falls within the broader definition of "travel and tourism agency", which refers to **both tour operators and travel agencies**, such as "companies that jointly or separately carry out production activities, organization and intermediation of trips and stays and any other form of tourist service at the service of customers, **both incoming and outgoing**".

As specified above, the TO is a production company, not a mere wholesaler. The distribution of travel, on the other hand, is entrusted to travel agencies, traditional or online, even if it is characterized by a growing process of disintermediation of services by the other players in the supply chain.

In this direction, we can more specifically define travel agencies as companies that perform distribution functions, connected to the sale of tourist products, acting as retail intermediaries for production companies, on behalf of which, for a fee, "commission" promote and sell tourist services, generally, but not exclusively, to tourists. It is essential to distinguish the different categories of agencies according to whether they carry out outgoing or incoming activities.

As for outgoing, the travel agency sells packages to residents of a destination for outbound travel both as an intermediary and a producer. The TA that exclusively carries out intermediation activities between the suppliers of tourist services and the buyers are commonly defined as "pure" retailers. These agencies sell directly to the public individual travel services (transport, accommodation, etc.), pre-assembled packages from TOs or reception services (meetings and transfers) and access (visits and excursions), offered by different suppliers, as well as ancillary products (car rental, insurance policies, etc.).

The incoming activity, on the other hand, can be carried out:

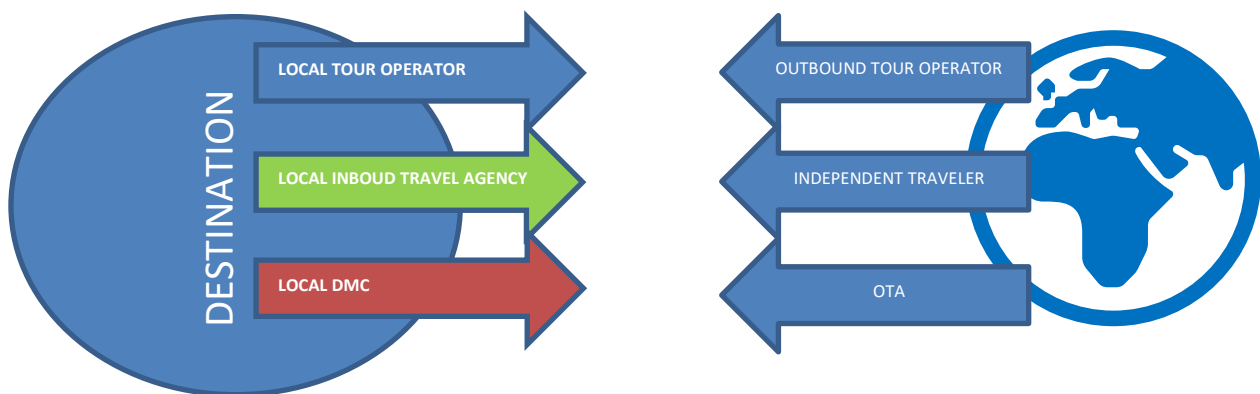
- on their own, proposing packages for small groups or individuals, based on specific requests (tour organizer);
- as a correspondent of TOs in the destinations where the tourists arrive (correspondents or general sales



agents);

- as a receptive agency in terms of creating a series of services within the destination and its surroundings (transfers, excursions, personal shoppers, etc.) on behalf of other companies in the sector.

Finally, web agencies are now also widespread, which operate exclusively online.



### 3) HOW TO IDENTIFY A DMC IN YOUR DESTINATION?

In summary the role of the DMC in your destination can be played by:

- ◆ ALREADY ESTABLISHED DMC
- ◆ INBOUND LOCAL TOUR OPERATOR
- ◆ LOCAL TRAVEL AGENCIES (as said they can be retailers or producers)

Following the brief definitions described in previous pages, it is now possible to define the **main characteristic of DMCs**:

#### 1. INBOUD: THEY TAKE NON-RESIDENTS TO YOUR DESTINATION

They provide a vital link between the suppliers of your destination tourism product and both the travel companies and individual tourists interested in buying your product. DMCs work in close

contact to local suppliers and make the local arrangements for hotel reservation, airport pickup and delivery, arrange for activities and excursions, hire local guides, attend to all the details of the stay, and help in emergencies.

## 2. LOCAL

They must be located in your destination area

## 3. PROVIDERS OF PRODUCTS AND EXPERIENCES

They should be able to create and sell tourism packages composed of tangible and intangible assets, as tourism is an interactive process “between the tourist and space, which must be understood in a very broad sense.” (Including not very tangible characteristics such as *natural, cultural and man-made resources, attractions, facilities, services and activities around a specific centre of interest which represents the core of the destination marketing mix and creates an overall visitor experience including emotional aspects for the potential customers. Authentic personal experiences; Social interactions; Meeting and interacting with the locals; Experiencing something different from their normal day-to-day life; Understanding and learning about different lifestyles and cultures; Participating in the lifestyle and experiencing it, rather than observing it; Challenging themselves—physically, emotionally and/or mentally; Visiting authentic destinations that are not necessarily part of the tourist route*)

## 4. NETWORKING WITH TOURISM STAKEHOLDERS AND LOCAL GOVERNANCE

Building relationships in destination management often involves networking; an activity where people form business relationships, share information and identify mutually beneficial opportunities to cooperate.

## 5. ENGAGED NOT ONLY IN SELLING BUT ALSO IN DESTINATION MARKETING AND PROMOTION

They should be involved in a destination marketing network and possibly collaborating with local DMO and other stakeholders to promote the destination nationally and internationally.

## 6. ENGAGED WITH LOCAL COMMUNITY

They should have relations with local residents. Especially for the EXCOVER Project, local community resident support of and involvement in tourism is essential.

## 7. ENSURE SUSTAINABILITY

Tourism growth and development must ensure that the destination maintains its economic viability and its environmental, social and cultural integrity, as well as the authenticity, resources and character of the destination that made it attractive in the first place are protected.



### 3.1 SURVEY TO SELECT DMCS THAT WILL PROMOTE EXCOVER PACKAGES

For the selection of one or more local DMCS that will have the task of promoting the EXCOVER packages, a quantitative research methodology in the form of an online survey will be implemented to address the research objectives. You will undertake a mixed method approach - utilising both an online survey and telephone/email follow up where necessary with the 'unresponsive' set, to maximise the number of participating operators.

The survey will be submitted to:

1. the local DMCS, inbound travel agencies and inbound tour operators identified in the TOURISM SUPPLY CHAIN quantitative mapping under item "EXCURSIONS AND TOURS" - **Category:** Local travel agencies and tour operators - Local DMC\* - Local DMO\*\*
2. DMCS, inbound travel agencies and inbound tour operators located near the destination that promote the territory at a regional level.
3. Local outbound travel agencies and tour interested in promoting and selling the destination where they are located.

The Survey shows different questions based on the answer to question 7, differentiating Inbound travel companies and outbound travel companies,

#### Which is the primary activity of your company? \*

*Check only one.*

- Inbound - Taking visitors to the destination *Go to question 8.*
- Outbound - taking residents outside the destination *Go to question 18.*
- Inbound and Outbound *Go to question 8*

## DMC SURVEY EXCOVER PROJECT

Excover is a European funded project which has the aim to enhance small local destinations not very well known by the wider public. The Project partners has chosen some small cities as destinations to be promoted and has been working with local communities to discover the hidden heritage, both tangible and intangible, of the destinations. If you are interest in including EXCOVER products and packages in your catalogue and in promoting them, please fill out the questionnaire. You will be part of a wider planning of marketing activities soon to be defined.

**\*Campo obbligatorio**

1. Email \*

---

EXCOVER - EXPERIENCE, DISCOVER & VALORISE HIDDEN TREASURE TOWNS AND SITES OF THE ADRIATIC AREA.



2. Name of your Company \*

---

3. Where is your company located? \*

---

4. In which year was your company established? \*

---

5. How many people are employed in your company?

*Contrassegna solo un ovale.*

- 1-5  
 6-10  
 11-20  
 +21

6. In which of the following industries do you classify your company? \*

*Seleziona tutte le voci applicabili.*

- Travel Agency  
 Tour Operator  
 Destination Management company

Altro:  \_\_\_\_\_

7. Which is the primary activity of your company? \*

*Contrassegna solo un ovale.*

- Inbound - Taking visitors to the destination *Passa alla domanda 8.*
- Outbound - taking residents outside the destination *Passa alla domanda 18.*
- Inbound and Outbound *Passa alla domanda 8.*

*Passa alla domanda 8.*

**INBOUND**

If you are an inbound travel agency or tour operator, interested in promoting Excover packages, please answer to the following questions.

8. Which of the following statements best describe your organisation?

*Contrassegna solo un ovale.*

- Our organisation promotes the destination as a 'stand alone' destination
- Our organisation promotes the destination as part of a wider package/itinerary
- Our organisation tends not to promote the destination as a destination/place to visit
- Altro: \_\_\_\_\_

9. Approximately how many visitors/customers did your organisation serve in the last 12 months? \*

*Contrassegna solo un ovale.*

- 0-500
- 501-1000
- 1001-2000
- +2001

10. Where do your visitors mainly come from? \*

*Seleziona tutte le voci applicabili.*

- Italy
- Europe
- Worldwide

11. Which type of tourist segment do you serve? \*

*Seleziona tutte le voci applicabili.*

- Sun and sand Tourism
- Cultural Tourism
- Wildlife Tourism
- Active Tourism
- Ecotourism
- School Trip Tourism
- No specific target

Altro:  \_\_\_\_\_

12. Does your company offer tourism experiences? \*

*Contrassegna solo un ovale.*

Yes

No

Altro:

---

13. Do you involve local community and residents to create your packages? \*

*Contrassegna solo un ovale.*

Yes

No

Altro:

---

14. Are you part of local tourism network that involves different tourism suppliers? \*

*Contrassegna solo un ovale.*

Yes

No

Altro:

---

15. Which marketing and sales tactics di you put in place to attract new customers and grow your business?



*Seleziona tutte le voci applicabili.*

- Tour operator partnerships
- Google Adwords advertising
- Travel trade shows
- Email marketing
- Social Media Advertising
- Content marketing
- Printed catalogues
- Other traditional communication and promotional tools

Altro:  \_\_\_\_\_

16. Is your company engaged in implementing sustainable initiatives?

*Seleziona tutte le voci applicabili.*

- We are involved in increasing awareness on sustainable tourism in our customers
- We consult local stakeholders and local associations
- We think residents can influence the success of tourism in a destination
- We involve residents who can give tourists an unforgettable experience of welcome Altro:  
 \_\_\_\_\_

17. Are you interested in promoting EXCOVER packages, while being part a greater communication program?

*Contrassegna solo un ovale.*

- Yes
- No
- Maybe

Thank  
you for  
your time

We would like to thank you for your time and cooperation. We will get in contact with you shortly to exchange ideas about the promotion of EXCOVER packages.

OUTBOUND

If you are an outbound travel agency or outbound tour operator and you are interested in promoting and selling the destination where you are located, please answer to the following questions.

18. Do you have a deep knowledge of the area where you live and work, its attractions and the main tourist services and resources?

*Contrassegna solo un ovale.*

- Yes
- No

19. Which marketing and sales tactics do you put in place to attract new customers and grow your business?

*Seleziona tutte le voci applicabili.*

- Tour operator partnerships
- Google Adwords advertising
- Travel trade shows
- Email marketing
- Social Media Advertising
- Content marketing
- Printed catalogues
- Other traditional communication and promotional tools

Altro:  \_\_\_\_\_

20. Will you be interested to take part to a training program to promote EXCOVER packages to tourists and visitors?

*Contrassegna solo un ovale.*

- Yes
- No
- Maybe

Thank  
you for  
your  
time

We would like to thank you for your time and cooperation. We will get in contact with you shortly to plan a short training program and to exchange ideas about the promotion of EXCOVER packages.

## THE SURVEY – GOOGLE MODULE

### 4) WHAT IF I DON'T IDENTIFY A DMC IN MY DESTINATION?

If your territory or destination does not have DMCs, inbound travel agencies and inbound tour operators, you will have to **promote the creation of one**. According to the Italian legislation, to sell travel services you must possess a license and fulfil certain requirements.

We suggest to start with local outbound travel agencies located in your area as travel agents have full knowledge of tourist products – destinations, modes of travel, accommodation, and other areas of the service sector.

A destination training for travel agents will be requested in order to help travel trade obtain a better understanding of the Territory and sell the destination with confidence. The training could include:

1. **Destination training** to provide essential knowledge to understand the territory as well as help the travel agent to create the kinds of experiences related to Excover products. It can be a webinar, a seminar or downloadable PDF and videos.

2. FAM Trips for outbound travel to experience what the destination has to offer first-hand and to increase their product knowledge about a destination so they can better sell it to tourists.

### 5) CONCLUSION

At the end of this activity, each partner will have identified one or more DMCs willing to deal with the promotion and marketing of the EXCOVER products.