The Transformation of Destination Management Systems

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Aim of the study

The main aim of the research is to reveal the existence and current state of DMSs’ development in Bulgaria at national and local level.

The specific tasks to be completed include:
- outlining the concept of DMSs, their evolution and functionalities;
- revealing the regulatory and strategic framework for DMSs development in Bulgaria;
- analysis of the DMSs development in the country.
Methodology (1)

- **Literature review** aiming to explore the link between DMOs and DMSs, to define the concept of DMSs and their evolution, as well as their current functionalities;
- **Review of existing legislation and regulations** in order to outline the framework of DMSs development in Bulgaria, potential constraints and future developments;
- **Survey of the internet performance of Bulgarian DMOs** – the Ministry of Tourism and all 265 municipalities – the survey is carried out based on pre-determent indicators regarding the functionalities of existing websites and platforms, on one hand, and the information content – on the other.
### Methodology (2)

<table>
<thead>
<tr>
<th>Municipality</th>
<th>Population</th>
<th>Accommodation capacity</th>
<th>Attractions</th>
<th>Specialized tourist information</th>
<th>Language versions</th>
<th>Functionalities</th>
<th>Type of information (content)</th>
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<tbody>
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<td>Information dissemination</td>
<td>Transport to and within</td>
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<td>Reservations</td>
<td>Accommodation</td>
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<td>Interactive communication</td>
<td>Eat and drink</td>
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<td>Interactive mapping</td>
<td>Events, MICE, wedding</td>
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<td>Customization</td>
<td>Attractions</td>
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- **Questionnaire survey among selected local DMOs** – 14 DMOs, self-assessment, 3 groups of questions, related to the internet accessibility, quality of information system and performance in web 2.0 applications.
- **Case study of best DMS practice** – based on the platform of Moby 2;
- **In-depth interviews with key experts** (DMS developers).
DMS concept definition (1)

- DMSs are usually managed by DMOs and are a logical extension of the destination management;
- DMSs can be implemented at national, regional or local level;
- Conceptualizations, depending on the view of the system and its functions:
  1) DMS as an information system
  2) DMS as a distributional channel
  3) DMS as a strategic management system
  4) DMS as an inter-organizational information system (IOIS)
DMS concept definition (2)

DMSs are the systems that:

“Consolidate and distribute a comprehensive range of tourism products through a variety of channels and platforms, generally catering for a specific region, and supporting the activities of a destination management organization (DMO) within that region. DMSs attempt to utilize a customer centric approach in order to manage and market the destination as a holistic entity, typically providing strong destination related information, real-time reservations, and destination management tools and paying particular attention to supporting small and independent tourism suppliers” (Frew and Horan, 2007, p. 63).
Aims of DMSs

• To effectively co-ordinate the marketing activities and branding of a specific destination and the comprehensive range of products it has to offer;

• To provide timely, accurate, unbiased, quality assured destination and product based information (both accommodation and non-accommodation);

• To facilitate the effective distribution and sale of a comprehensive range of tourism products from a destination;

• To present the destination as a holistic entity;

• To provide an appropriate and sustainable relationship building mechanisms with customers through effective, meaningful and continuous communication;

• To increase the satisfaction level of its suppliers, the local community and all its stakeholders through building and maintaining meaningful relationships;

• To facilitate the management of a destination by supporting DMO activities and through the provision of tools, support and training for its stakeholders.
DMSs evolution

• **Autonomous** - characterised by poor tourism planning, no decisional centres, fragmented supply and low levels of information systems (IS) use; DMSs are unlikely to emerge and DMO is the only possible actor managing the destination, informing suppliers by a fax or GSM message when tourists asks for a service;

• **Cooperation** - the supply is relatively structured, there is a limited number of ad hoc decisional centres and most suppliers have legacy ISs; DMO is still the only stakeholder managing the DMS and DMS is able to register service requests, availability and process transactions directly on the suppliers’ IS;

• **Leadership** - the supply is structured, the DMO is the single decisional centre that coordinates the supply and DMSs play a major role in the coordination, promotion and distribution of the destination;

• **Distributed leadership** - characterised by a strong maturity of the tourism destination suppliers in terms of the accumulation of high managerial and technological capacity; suppliers have a reduced need for a DMO, tending to self-organising.
Functionalities

- Information dissemination
- Online reservation, customization and packaging
- Transactional support
- Interactive communication, including interactive mapping
- Survey on tourism clientele
- E-democracy functionality for information provision, capacity building, decision-making, implementation and monitoring.
Review of regulatory and strategic documents

The following developments could be expected:

- Ongoing establishment of regional management organizations with DMO functions and respective operational tools, including DMSs development.
- Further development of the National Tourism Register and the Unified Tourist Information System (UTIS). The system would allow the collection and integration of tourism related data from different public and private institutions for analytical and evaluation purposes to track the dynamics of tourism development in real time.
- Development of national TICs’ network, including only certified TICs, but no clear idea of the technological operational system is in place.
- Upgrading of the official tourist website www.bulgariatravel.org to provide accurate, up-to-date and detailed tourist information, and with improved functionalities.
- Expansion of iLoveBulgaria platform by increasing the members and enriching it with new interactive content.
- Creating of a new platform to unify the information from previous applications, upgrade them with new functionalities to allow for online reservations, reviews and assessments, etc. and using different channels depending on types of users.
Factors influencing the internet presence of local authorities/DMO

- Factors: by population size, by accommodation capacity, by declared attractions, by DMO form

- By population size:
  - >100000: Distinct tourism portal/site = 90%, Total presented in Internet = 80%
  - 20001-100000: Distinct tourism portal/site = 70%, Total presented in Internet = 60%
  - 5001-20000: Distinct tourism portal/site = 50%, Total presented in Internet = 40%
  - <5000: Distinct tourism portal/site = 30%, Total presented in Internet = 20%

- By accommodation capacity:
  - >2000: Distinct tourism portal/site = 80%, Total presented in Internet = 70%
  - 501-2000: Distinct tourism portal/site = 60%, Total presented in Internet = 50%
  - 101-200: Distinct tourism portal/site = 40%, Total presented in Internet = 30%
  - <100: Distinct tourism portal/site = 20%, Total presented in Internet = 10%

- By declared attractions:
  - >20: Distinct tourism portal/site = 90%, Total presented in Internet = 80%
  - 6-20: Distinct tourism portal/site = 70%, Total presented in Internet = 60%
  - <6: Distinct tourism portal/site = 50%, Total presented in Internet = 40%

- By DMO form:
  - distinct DMO: Distinct tourism portal/site = 100%, Total presented in Internet = 100%
  - DMO integrated in the local administration: Distinct tourism portal/site = 95%, Total presented in Internet = 90%
Language versions of the distinct tourism portals and sites

- 42.9%
- 36.5%
- 11.1%
- 3.2%
- 4.8%
- 1.6%
- 1.6%
- 1.6%
- 1.6%
- 1.6%
### Structure of analyzed portals and sites by number of functionalities

<table>
<thead>
<tr>
<th>Total</th>
<th>by population size</th>
<th>by accommodation capacity</th>
<th>by declared attractions</th>
<th>by DMO form</th>
</tr>
</thead>
<tbody>
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</tbody>
</table>

- **Total**
- **by population size**
- **by accommodation capacity**
- **by declared attractions**
- **by DMO form**

Legend:
- 1
- 2
- 3
- 4
Completeness of the information provided at destination sites

<table>
<thead>
<tr>
<th>Total</th>
<th>by population size</th>
<th>by accommodation capacity</th>
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</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>&gt; 100000</td>
<td>&gt; 2000</td>
<td>&gt; 100</td>
<td>&gt; 20</td>
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<tr>
<td></td>
<td>20001-100000</td>
<td>501-2000</td>
<td>101-200</td>
<td>6-20</td>
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<tr>
<td></td>
<td>5001-20000</td>
<td>201-500</td>
<td>&lt; 100</td>
<td>&lt; 6</td>
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<tr>
<td></td>
<td>&lt; 5000</td>
<td>&lt; 2000</td>
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</tbody>
</table>

Distinct DMO integrated in the local administration

Legend: 1-3, 4-5, 6-7, 8
Types of information provided at destination sites

- Attractions: 100.0%
- Accommodation: 90.5%
- Eat and drink: 87.3%
- Activities: 77.8%
- Maps: 77.8%
- Events, MICE: 71.4%
- Transport to and within: 60.3%
- Entertainment, night life: 55.6%
Internet accessibility of the destinations

Page Rank of the destination

- from 1 to 3: 79%
- from 4 to 6: 14%
- from 7 to 9: 7%
- no answer: 0%

ALEXA National rating list

- 0 - 5000: 21%
- 5000 - 100000: 21%
- above 100000: 50%
- no answer: 7%
# Quality of the information system

<table>
<thead>
<tr>
<th>Quality of ICT tools and information</th>
<th>Share (%)</th>
<th>Navigation and menus</th>
<th>Share (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Modern ICT system and tools, optimized for mobile devices or a mobile version of the site</td>
<td>64%</td>
<td>Easy navigation systems, convenient menus, describing the destination and related activities</td>
<td>57%</td>
</tr>
<tr>
<td>No modern tools, not optimized for mobile devices, but contains complete information</td>
<td>36%</td>
<td>Easy navigation systems, convenient menus, describing the destination, but without relevant activities</td>
<td>43%</td>
</tr>
<tr>
<td>An outdated system, both technologically and in terms of the information provided</td>
<td>0%</td>
<td>Difficult navigation systems, unfriendly interface, only description of the destination, without specific activities</td>
<td>0%</td>
</tr>
</tbody>
</table>
Performance of the destinations in web 2.0 applications

- Presentation on Facebook: 100%
- Presentation on Youtube, Twitter, Pinterest, Instagram: 93%
- Presence of a blog or visitor forum: 36%
- Existence of various forms of personalization: 36%
- Availability of online consultant, prices, marketing incentives and promotions, prize games, etc.: 50%
CONCLUSIONS (1)

- DMSs existed even before the Internet era but the development of ICT led to the transformation of traditional websites into DMSs with expanded functionalities aiming to better satisfy the current and potential customers. New technologies, stakeholders and partnerships are the driving forces for the evolution of DMSs resulting in the transformation of DMOs’ operational tasks.

- The development of DMSs is inextricably linked to digitization - the process of transforming information from analogue to digital by means of ICT and with the main purpose of automating a process or the whole activity. As a result, digitization itself is transformed from a tool for automated data processing into a means of attracting and retaining customers, generating revenue and creating new internet markets.
CONCLUSIONS (2)

 The digital transformation of the DMO’s operation is a lengthy process involving both technology and infrastructure changes, primarily for the purpose of automating internal processes, but also for the management of information assets and flows directed to/from various stakeholders and consumers. The human factor should not be underestimated in this respect - qualified staff is required for servicing and maintaining the DMS.

 Although the DMS is considered to be a customer oriented system, customer’s role in obtaining information and services is also in a process of transformation – from the active “searcher” role into the passive role of “receiver”. From that point of view DMSs should develop in the direction to reach the customer in the right time and on the right place.
CONCLUSIONS (3)

- In general, the potential of DMSs is still underutilized in Bulgaria at all territorial levels. The internet presence of destinations is quite good and most of municipalities with significant tourism potential and level of development have distinct web sites/portals.
- No complete DMS (as defined in the literature) was identified neither at local nor at national level and the main efforts seem to be focused on dissemination of information only and not on destination management.
- Probably that situation also reflects the readiness of stakeholders to get into partnerships (especially the tourist enterprises and customers) due to lack and cost of infrastructure, technical equipment, lack of skilled employees, and security and trust from potential customers.
- It could be concluded that DMS development in Bulgaria is somewhere between the autonomous and cooperation stage as described in the literature.
Thank you!