

DESTINATION MANAGEMENT PLANNING:

Getting the Tourism You Want and Staying Competitive

**Regional DMP Development
in Iceland**
(Oct 2016)

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Yellow Railroad
International Destination Consultancy



We put your destination on the map

Today

1. Setting the Scene:

- ❑ The global picture
- ❑ Trends

2. Destination Management Planning: Purpose

- ❑ What is a DMP?
- ❑ Why is it important?

3. Destination Management Planning: Process

- ❑ Critical success factors

4. Next Steps for Iceland – Regional DMPs

5. Questions and Discussion

1.

Setting the Scene

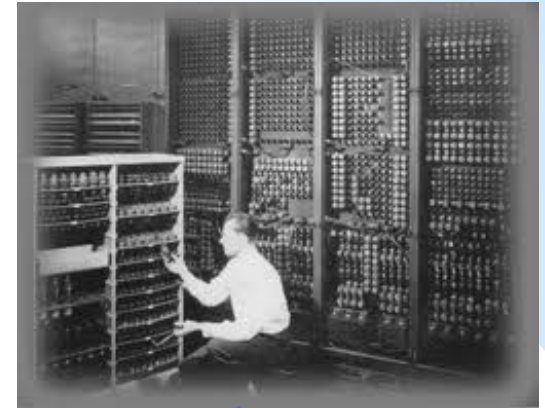
.....The Global Picture



A Changing World

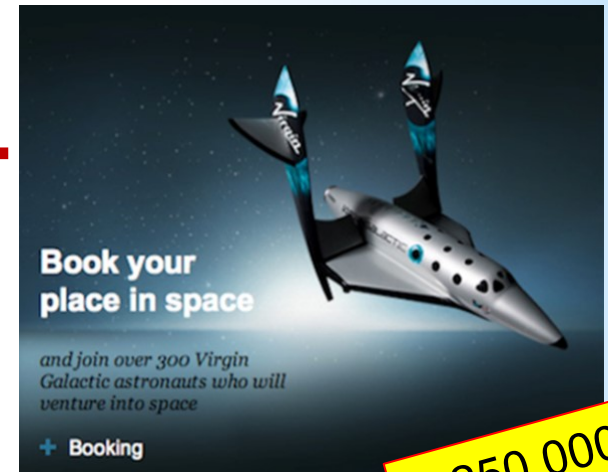
Just 35 years ago (1981).....

- * NASA space shuttle maiden flight
- * BMW 1st in-car computer
- * IBM launches 1st personal computer



A Changing World

In 10 years time (2026)



\$ 250,000

Pessimistic Scenario:

- ❖ Travel no longer a pleasure?
- ❖ Virtual reality?
- ❖ Cost of oil, energy, water

Optimistic Scenario:

- ❖ Escape - Change of scenery?
- ❖ Real vs. digital world?
- ❖ New experiences:
e.g. space travel, attractions, luxury

Global Trends: Future-Blind



Global Trends: Future-Blind

- “The horse is here to stay but the **automobile** is only a novelty—a fad.”
 - Michigan Savings Bank President, advising Henry Ford's lawyer not to invest in the Ford Motor Co., **1903**.
- “Heavier-than-air **flying machines** are impossible”
 - Lord Kelvin, President of Royal Society, **1895**
- “The Americans have need of the **telephone**, but we do not. We have plenty of messenger boys.”
 - Sir William Preece, chief engineer of the General Post Office, **1876**
- “**Television** won't last because people will soon get tired of staring at a plywood box every night.”
 - Darryl Zanuck, movie producer, 20th Century Fox, **1946**
- “The **i-Phone** is nothing more than a luxury bauble that will appeal to a few gadget freaks.”
 - Matthew Lynn, Bloomberg, **2007**

Global Trends 1

Socio-Economic & Geo-Political



Global Trends

Socio-economic:

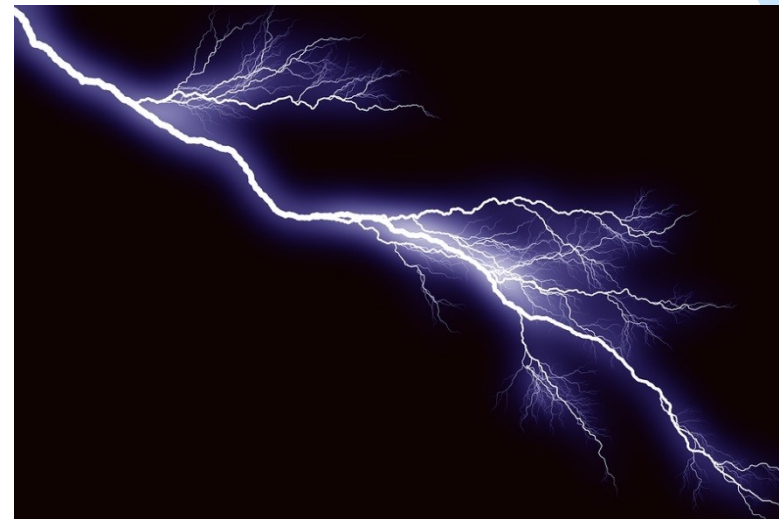
- Ageing society (traditional markets)
- New family structures
- Urbanisation: 70% in cities by 2050
- Economic uncertainty
- Climate change & energy price: fossil vs. alternative.....travel quota?
- Power of Gen Y & millenials (1981+)
- Growth of new marketsdifferent demands
- Pension age = less leisure time ?
- Globalisation = homogeneity → “desire for different”



Global Trends

Geo-political:

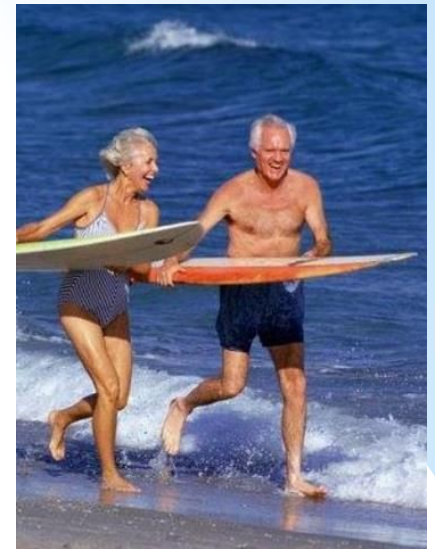
- Crisis as normality?.....terrorism, natural disaster, disease
- But.....safety fears = more cautious (staycation?)
- Sanctions (Russia)
- Brexit and EU reform?



Global Trends

Behaviour:

- Younger longer (“60 = new 40”) – “mid-youth”
- Personal fulfilment: new skills
- Health consciousness → wellness / leisure spa
- “Save & splurge”: luxury for less
- Low cost airlines → expect more for less = shrinking margins
- New markets (BRIC): more luxury
- Traditional markets: restrained consumption



Global Trends 2

Travel Motivation



Travel Motivation

- * “Feel Fulfilled”
- * “Fly and Flop”
- * “Bling and Buy”



Travel Motivation: “Feel Fulfilled”



- “Old”, western Europe
- North America
- Australasia & Japan

- **Escape**
- **Undiscovered**
- **Authenticity**
- **Experience**
- **Personal fulfilment**

Travel Motivation: “Feel Fulfilled”

Typical Products / Experiences:

- Nature & wildlife
- Culture & heritage
- Activity & adventure



Travel Motivation: “Fly & Flop”



“Sunticipation”

- Demographic profile
- Families
- Resort-based
- Price is important

- Northern Europe
- “New”, eastern Europe
- Russia

Travel Motivation: “Fly & Flop”

Typical Products / Experiences:

- Beach
- All-inclusive resort
- Theme parks



Travel Motivation: “Bling & Buy”



Main Source Markets:

- “New”, eastern Europe
- Middle East
- Asia
- South America

- Brand-driven
- Personal indulgence
- Social status
- Symbol of wealth
- Evidence of success
- “Eco-indifferent”

Travel Motivation: “Bling & Buy”

Typical Products / Experiences:



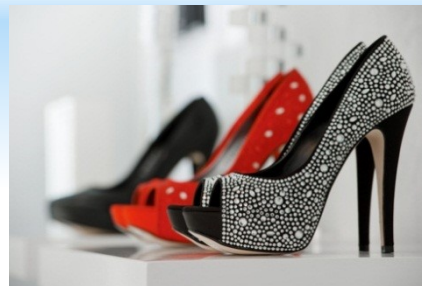
- Shopping



- 5-star hotels



- Luxury brands



Iceland: Future Scenario?

Implications for Iceland?



.....or ?



Iceland: Future Scenario?

Implications for Iceland?



2.

Destination Management Planning: Purpose



- What is it?
- Why is it important?

Destination Management Planning

What is destination management?



➤ Making a plan

➤ People working together

- for the benefit of visitors,
- and the good of the community



Destination Management Planning

What is destination management?



“Destination Management is a process of **leading, influencing and coordinating** the management of **all the aspects of a destination** that contribute to a visitor’s experience, taking account of the **needs of visitors, local residents, businesses and the environment.**”

Destination Management Planning

Destination management: “the virtuous circle”



Destination Management Planning

What is a destination management plan?



“A Destination Management Plan (DMP) is a **shared statement of intent**

to manage a destination over a stated period of time, articulating the roles of the different **stakeholders** and identifying clear **actions** that they will take and the apportionment of **resources**.”

Visit England

A DMP is a dynamic never-ending process!

Destination Management Planning

Key elements of a DMP



- Defined area
- Assessment of current tourism performance and impact (positive and negative)
- Destination appeal, access, infrastructure, landscape, built heritage, public realm, visitor facilities and services
- Destination image, brand and marketing
- Visitor products and experiences + development priorities
- Governance structure and communications
- Vision



5-year strategy + action plan

Destination Management Planning

Why is destination management planning important?



- Regional cooperation
 - Stronger together
 - Shared resources
 - Efficiency/joined up approach
 - Local solutions
 - Focused approach - priorities
- 
- Mutually desired result (increase benefits & reduce negatives)
 - Better visitor experience
 - Enhanced quality of life
 - Improved competitiveness
 - Better business
 - Reduced costs

From a visitor perspective

Seeking
the dream



Destination Management Planning

From a Visitor Perspective:

- Highly competitive world
- Many destinations to choose from



From the destination perspective

Delivering
the dream.....



.....as long as it doesn't turn into a nightmare for local residents!

Credibility - Delivering the Promise

Unspoilt nature



Credibility - Delivering the Promise

Unspoilt nature



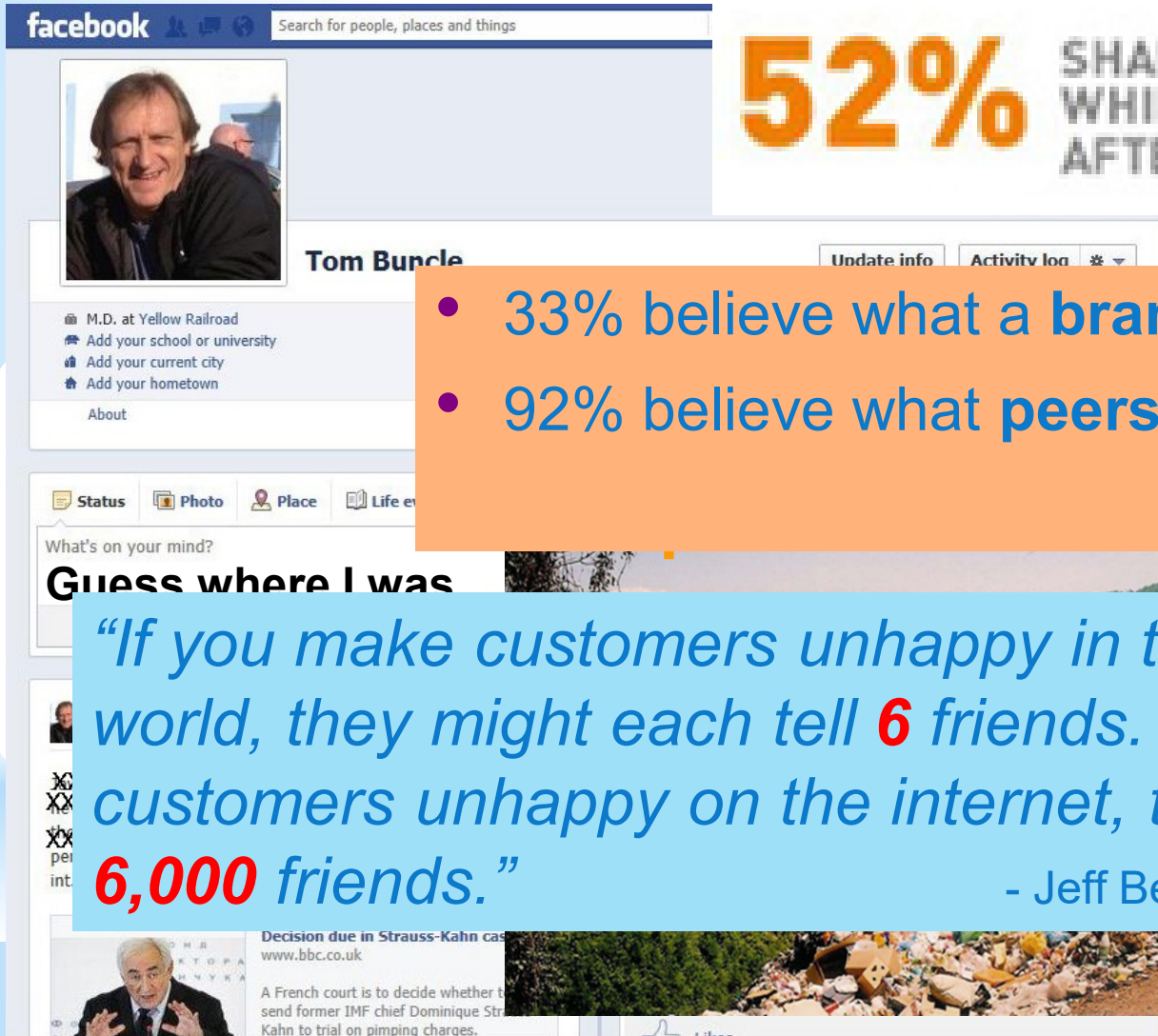
Credibility - Delivering the Promise

52% SHARE TRIP DETAILS BOTH WHILE TRAVELING AND AFTER RETURNING HOME

- 33% believe what a **brand** says about itself
 - 92% believe what **peers** say about a brand
- (Nielsen)

*“If you make customers unhappy in the physical world, they might each tell **6** friends. If you make customers unhappy on the internet, they can each tell **6,000** friends.”*

- Jeff Bezos - CEO Amazon.com



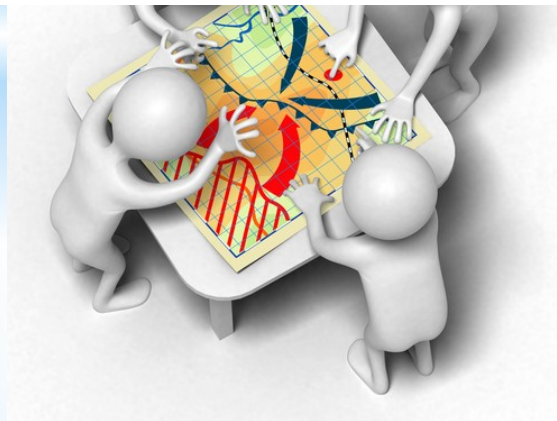
**“If you don’t know where
you’re going, any road will
take you there”**

Lewis Carroll,
author of ‘Alice in Wonderland’



.....or nowhere!

3. Destination Management Planning: Process



- Step-by-step guide
- “Dos” and “don’ts”

Destination Management Planning

Overview – 5 stages

1. DMP governance structure
2. Where are we now?
3. Where do we want to be?
4. How do we get there?
5. How do we know we've got there?



DMP Process -1

Where to Start?

- Governance Structure -



Stage 1: Governance Structure

Key steps



Decide:

- **The area:** visitor-resonant, administrative boundary, or 'coalition of the willing'?
- **Stakeholder relationships:** private, public, local, regional, national
- A **lead body** to oversee the process (e.g. steering group)
- A **person** within that body, who will be responsible for the DMP development process
- **Roles and responsibilities** for participants
- **Communications & reporting** - internally & externally
- **Relationships to national policy/strategy bodies**

Stage 1: Governance Structure

Outputs



- Clear understanding of DMP role and value
- Agreement on area, team and roles



Clear governance & reporting
structure

DMP Process – 2

Where Are We Now? - Diagnosis -



Stage 2: Where Are We Now?

Key steps

1. Destination performance
2. Destination product/experience audit
3. Visitor profile
4. External trends
5. Visitor perceptions of the destination
6. Competitor analysis
7. Local issues
8. Stakeholder aspirations and roles
9. What do we still need to know?



Stage 2: Where Are We Now?

Outputs

- SWOT analysis
- Competitor analysis



Clear, honest, shared
understanding of current situation in
the destination

DMP Process - 3

**Where Do We Want To Be?
- Direction of Travel -**



Stage 3: Where Do We Want to Be?

Key steps

1. Context: national & regional policy
2. Aim (e.g. jobs, population retention, economic prosperity)
3. Vision: in 5 years' time?
4. High-level objectives: targets
(e.g. growth in spend, visitor numbers, seasonal extension et al)



Stage 3: Where Do We Want to Be?

Outputs

- Stakeholder agreement on way forward



Shared vision for the destination

DMP Process - 4

**How do we get there?
- Roadmap -**



Stage 4: How Do We Get There?

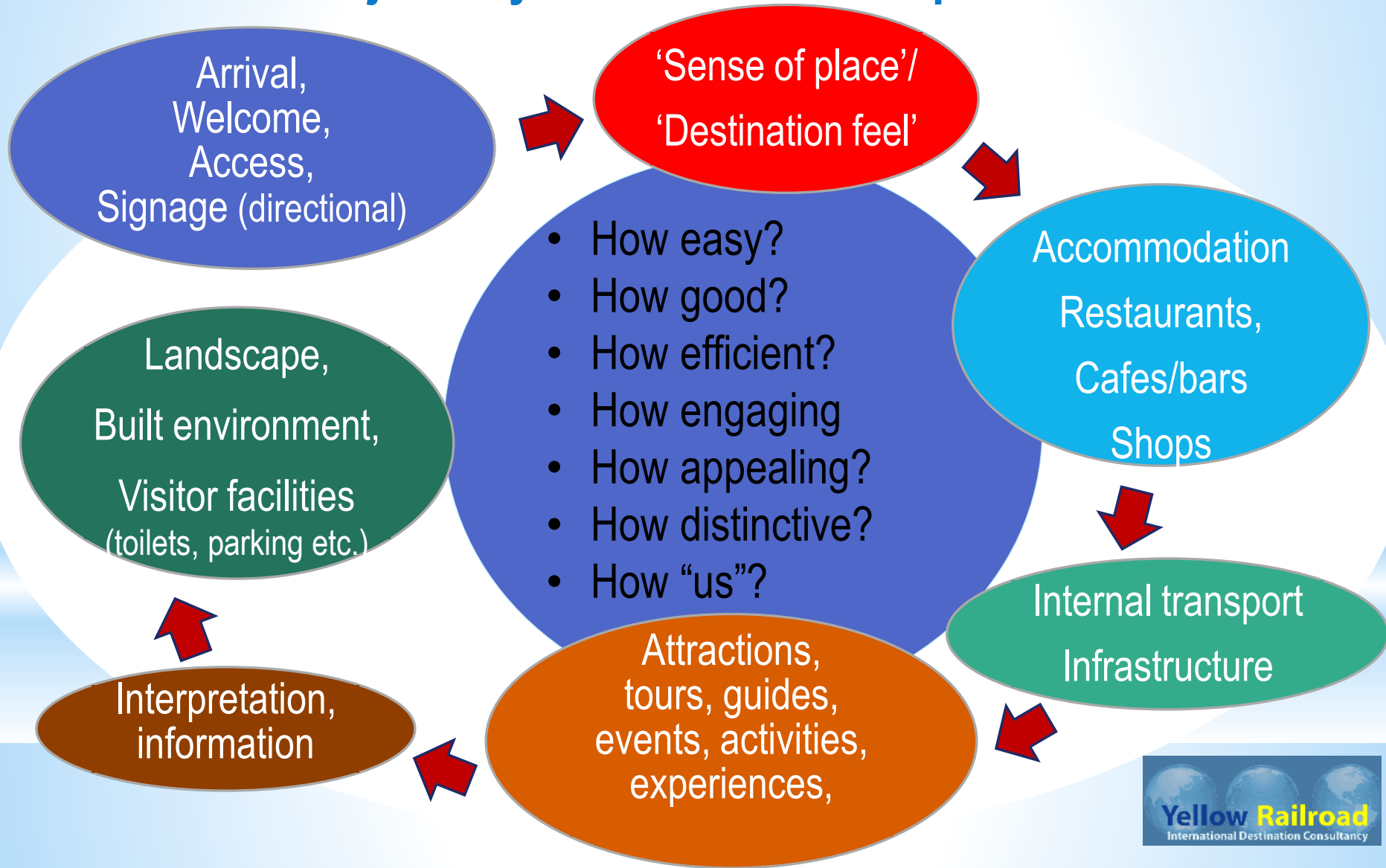
Key steps

1. Market priorities
2. Infrastructure & product improvements/developments
3. Skills
4. Relationships
5. Governance structure
6. Action plan



Destination Management Planning

The customer journey: from arrival to departure



Stage 4: How Do We Get There?

Outputs

- Strategy
- Action plan
(incl. priorities, KPIs & evaluation methods, who does what by when, & resources)
- Governance & roles



DMP:

- Aims & actions agreed
 - Roles allocated
 - Resources pooled

DMP Process - 5

**How Do We Know
When We've Got There?
- Monitoring Progress -**



Stage 5: How Do We Know We've Got There?

Key steps

1. Key performance indicators/targets
2. Evaluation methods
3. Timing and frequency of evaluation



Stage 5: How Do We Know We've Got There?

Outputs

- Measures of success



- Progress evaluated on a regular basis
 - DMP subsequently refined

DMP Process - 6

Critical Success Factors



Destination Management Planning

Critical Success Factors

- Clearly defined area
- Knowing what you (& the community) want
 - Volume vs. spend, quality vs. diversity, short-term vs. sustainability
 - Type of tourism = type of visitors
- Understanding your markets
 - Who they are/might be
 - Why they travel & what they want
- Honest appraisal of your product
 - Strengths & deficiencies
 - Development needs
- Leadership & governance
- Cooperation
 - Focus on common goal
 - Shared commitment = joint effort + pooled resources
 - Human relationships !!!



Destination Management Planning

Critical Success Factors:
Remember “the virtuous circle”!



4.

Next Steps



Next Steps

Priorities for action

- **Decide area**
- **Agree structure & roles**
- **Select project leader**



Next Steps

Timeline (est.)



- Area, structure, & project leader agreed: **Jan 2017**
- Toolkit for project leaders: **Jan/Feb 2017**
- Pilot DMP **Jan – July 2017**
- Knowledge transfer/training workshops: **Jan/Feb 2017**
- DMP development: **March 2017 – March 2018**

.....and finally

Remember, there's more to a destination than just tourism



Place of Origin – The Story



Sardines



Place of Origin – The Story

Cornwall, England



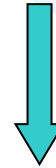
Place of Origin – The Story



'The Greeting' by Walter Langley



~~Sardines~~



Cornish Pilchards

© EU

- 1871: 16,000 tonnes
- 1997: 2 tonnes
- 2014: 4,000 tonnes
- £2m for Cornwall

'Sense of Place' – The Story





Discussion

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