
Jesús Álvarez Valdés

Escola Universitaria d'Hoteleria i Turisme CETT

Diagnosis-Implementation-Monitor Methodology for the Development of Sustainable Competitiveness in Tourism Destinations

The DIM methodology is a model diagnosing the sustainable competitiveness in tourism destinations on the long term. It has been developed analyzing case studies of destination management, destination management models and theory. It is based on the idea that a successful tourism destination is the result of integration of the competitive and cooperative strategy which can be achieved following the three phases of the Methodology. Some elements of the Methodology are: Analyzing the present and desired situation, applying SWOT analyses and other diagnosis tools, designing strategies, involving all the stakeholders and shareholders in the development process and a monitoring programme.

Key words: competitiveness, quality, sustainability, destination management model, strategy, diagnosis, tourism clusters, cooperation, monitor, integral tourism information system

By **Jesús Álvarez Valdés**

Escola Universitaria d'Hoteleria i Turisme CETT

Can Marçet 36-38

08035 Barcelona

Telephone number + 34 93 504 04 25

Fax + 34 93 428 67 77

Jesus.alvarez@cett.es

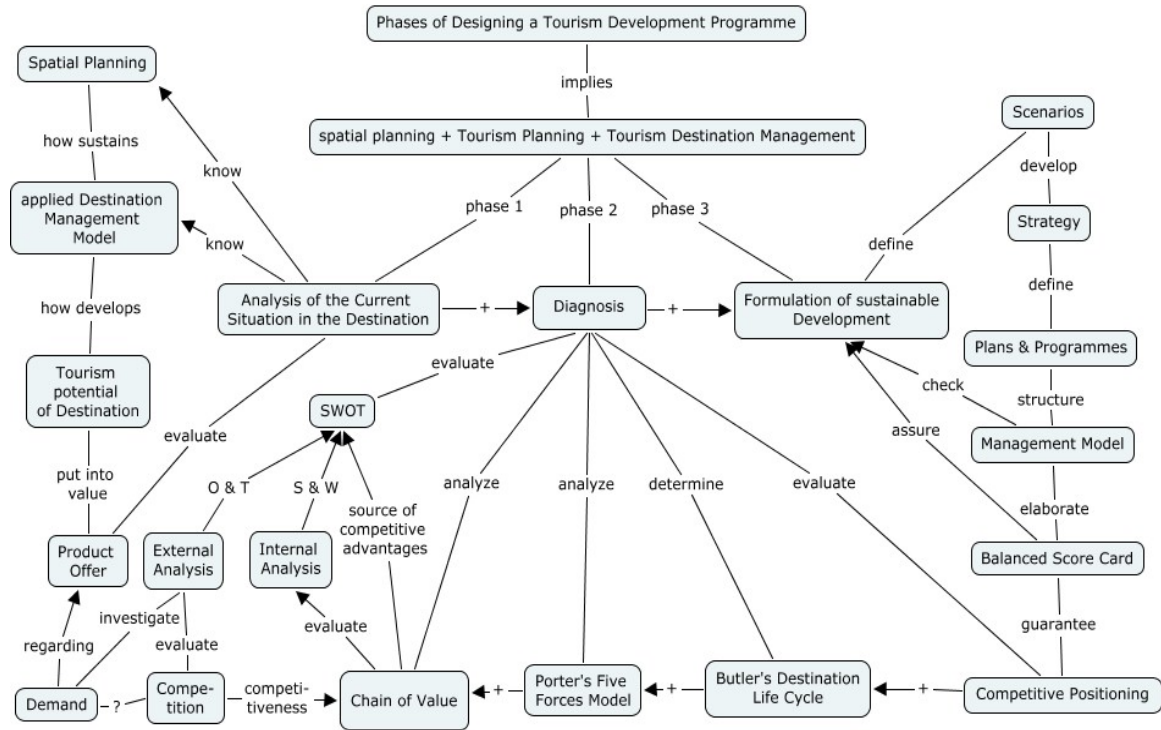
Prof. Dr. **Jesús Álvarez Valdés** has a Doctorate in Company Administration (University of Sao Paulo, 2003), and has a Masters Degree in Tourism Management and Direction (University of Alicante, 2003) and the Masters Degree in Company Administration (University of Havana, 1996). He has professional experience in teaching, investigation and consultancy. Currently he is the Coordinator of Tourism Research at Escola Universitaria de Hoteleria i Turisme CETT in Barcelona, where he also teaches Tourism Marketing; Tourism Planning; Methodology of Tourism Investigation; Master Hotel Company Management and the Master Management of Commercial and Collective Restaurants.

The growth of international tourism and the globalization process increases the number of competitor tourism destinations, affects tourism development and impacts on the receiving destination. It has made clear how important adequate destination management is. The research done by the tourism competitiveness research teamⁱ of Escola Universitaria d'Hoteleria i Turisme CETT Barcelona (Spain), included analyzing tourism destination management case studies like the Case of Toledo (López López, 2005), the Case of the Euroregion Galicia (Pardellas de Blas & Padín Fabeiro, 2003) and the Case of Mar Menor (Ponce Sanchez, 2004). Furthermore destination management models has been revised like the PER model (Ivars, 2003), the Balanced Score Card (Kaplan & Norton, 1992) adapted by Valls (1996), Porter's Five Forces Model (1998) as well as theory from Valls (1998), Doswell (1997), Hazebroucq (1999). This resulted in the DIM Methodology, a model that diagnoses the sustainable competitiveness in a tourism destination and will be put into practice as the next phase of investigation.

Tourism functions as a system (Mill & Morison, 1998) with interrelated elements that need to have a functional structure to be able to speak of a Tourism Destination, versus a Tourism Pole. There has to be cooperation in order to compete: "coopetition". For this purpose, Quality, Competitiveness and Sustainability have to be achieved in the tourism destination since these three elements together determine whether a tourist experience is satisfying or not.

The DIM Methodology organizes a group of diagnostic tools that analyze the present situation in order to design future development strategies and establish the guidelines for feedback and monitoring of the strategy. It consists of three phases which organize the diagnostic process, the strategy development and the establishment of a competitive and sustainable destination management model.

Figure 1. Conceptual Map DIM Methodology



Source: Escola Universitaria d'Hoteleria i Turisme CETT Research Team

Phase 1

Analysis of the current situation: the ones responsible for the strategy formulation and making the destination more dynamic provide an updated characterization of the destination.

1. Investigate the spatial planning legislation and the regulation of tourism activity in the destination.
2. Establish the tourism potential of the destination.
3. Analyse the current product offer and its commercial distribution channels.
4. Characterize the current demand of the destination and its segments using different criteria.

5. Determine the competitors of the destination for different existing products and markets. This step is based on theory by Porter on competition (1980,1998).
6. Evaluate the Tourism Management Model used in the destination and the participation of the public and private stakeholders and representatives of the society.
7. Determine the funds and investments available for management and realization of future tourism activities.

Phase 2

Diagnose the competitiveness and sustainability of the destination. It means applying different analysis tools to evaluate the sources of competitive advantages and the economic, social and environmental sustainability of the destination.

1. Perform an Internal Analysis of the Strengths and Weaknesses of the destination.
2. Perform an External Analysis of the Opportunities and Threats caused by the environment.
3. Elaborate a SWOT matrix of the destination.
4. Perform the SWOT analysis evaluating the strategic options of the different combinations of Strengths and Opportunities to oppose to the Threats and Weaknesses.
5. Determine the added value that each element of the chain of value of the destination contributes to the competitive management.
6. Evaluate the impacts of the five forces of Porter's five forces Model (1980).
7. Determine the stage in the Destination Life Cycle (Butler, 1980) of each product/market.

8. Elaborate a competitive positioning map of the different products/markets of the destination.
9. Determine the sources of competitive advantages.
10. Diagnose the sustainability of tourism in the destination using qualitative and quantitative indicators, determining the carrying capacity, the environmental conservation and the economic and social impacts of tourism. For further reading *The Guide for Sustainable Development* published by the WTO (1999) is recommended.

Phase 3

Formulate the desired situation of future development of the destination by formulating the short and long term development strategy. This phase is especially important for mature destinations that need to decide on repositioning and diversification strategies for its supply simultaneously taking measures to reconvert and update its offer once the diagnosis confirms symptoms of overcapacity and loss of sustainability.

1. Formulate the different scenarios of growth and positioning: apply forecasting techniques that permit the simulation of different scenarios of future development and the elaboration of contingency plans.
2. Formulate the Competitive Strategy. The elaboration of the destination's strategy, vision, mission and strategic objectives permit the development of a set of values that differentiate the destination's competitive and sustainable management from other destinations. It includes defining the competitive advantages and the position procured in the market (Heath & Wall, 1992).

3. Design the plans of action necessary to implement the strategy. The implementation of the plans of action will permit the accomplishment of the strategic objectives. The participation of all the stakeholders is of main importance.
4. Implement a Management Model in the destination that guarantees sustainability. It includes the constitution and empowering of the organization responsible for leading the tourism activity, coordinating the participation of the different stakeholders of the sector according to its role in the destination management.
5. Determine the budgets necessary to realize the different plans and programs and how they are going to be financed.
6. Investigate the current deficiencies in the existing legal body and take the corresponding corrective actions.
7. Design the monitoring programme to implement and control the strategy chosen using the Balanced Score Card (Kaplan & Norton, 1992) as a basis.

The monitoring programme evaluates the objectives proposed and measures its degree of accomplishment, its time frame and the use of assigned resources. It concerns a systematic tool using integral tourism information systems to generate feedback about the strategy implementation. It will permit constant adjustment of the strategic planning process to prevent undesired situations and measure the impacts the plans might have on the tourism system.

Conclusions

For a tourism destination to be competitive it is necessary to identify the comparative advantages with the aim of converting them into competitive advantages and create a consistent tourism system that has a reference frame the tourism politics, the plans, the programs and development processes, collaborating with the public and private sector. The

DIM Methodology is currently tested in practice as the next phase of investigation. It is based on analyses of tourism destination management case studies, revising destination management models and theory. It will validate that what distinguishes a successful tourism cluster from other types of organizational forms, is the integration of the competitive and cooperative strategy.

Notes

¹ The research team is coordinated by Prof. Álvarez Valdes and includes Prof. Mireia Ros, Prof. Marta Oliva, Prof. Alicia Nuzzolese and student Diplomatura en Turisme Ruben Hernando from Escola Universitaria d'Hoteleria i Turisme CETT Barcelona (Spain). Furthermore International Tourism Management & Consultancy students Diana Wolf and Evgueni Spassov, from the NHTV University of Applied Sciences Breda (The Netherlands), contributed to the research.

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