

Destination Management Organizations As The Missing Link In Nigeria's Tourism Development

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Abstract

The Nigerian tourism industry has sufficient manpower and the natural and economic resources that could make it more attractive, resourceful and competitive. There are, however, both general and tourism-specific factors that inhibit its growth and development. Among the tourism specific factors is the dearth of synergy among the various stakeholders in the industry, and the absence of reasonable engagement with tourism destinations by Destination Management Organisations (DMOs). This paper highlights the critical importance of destination management and the indispensability of DMOs for the functional efficiency of Nigeria's tourism in the 21st Century. Using the method of literary analysis of the World Tourism Organization's (WTO) guidelines and recommendations for the establishment of destination management organizations, and the current mechanisms for the development of tourism in Nigeria, the discourse identifies structures that could readily assume the functions of destination management, presents the disadvantages of the tourism's operations without proper destination management. The discourse argues that DMOs in collaboration with relevant organs of government are instrumental to sustaining such linked processes as policy making and integrated planning, product development and packaging, promotion and marketing, distribution and sales and destination operations and services as key primary activities of the tourism value chain. They are, indispensable to sustainable tourism development in Nigeria. Recommendations are made to the effect that the Nigerian Tourism Development Corporation (NTDC) should initiate and champion the cause of establishing functional DMOs for the Nigerian Tourism industry.

Key words: Organization; Destination Management; Strategic Planning; Tourism Development; local Communities

Introduction

The Tourism industry in Nigeria has remained grossly underdeveloped owing to several factors, some of which are general to developing economies, like failure of leadership, dysfunctional institutions, economic instability, and others, while other factors are specific to the tourism industry and entrepreneurship. Among the tourism specific factors is the dearth of synergy among the various stakeholders in the industry, and the absence of reasonable engagement with tourism destinations by Destination Management Organisations (DMOs). Destination management organizations (DMO) are generally seen as the qualified promoters of a holistic tourism industry in a domain, who ensure the lessening of tourism's negative impacts on the environment and local communities as well as the sharing of opportunities for a vibrant exchange among peoples. This is the background with which the United Nations' World Tourism Organization (UNWTO), in 2007, advocated that tourism operators and governments provide mechanisms for responsible and sustainable *destination management*, defined as: *the coordinated management of all the elements that make up a tourism destination (attractions, amenities, access, marketing and pricing)* (UNWTO, 2007). Destination management attracts tourists to destinations and sustains the harmony between tourists, destinations, host communities and the environment. In Nigeria, apart from the government owned NTDA, which ought to serve as a DMO, other tourism agencies include, National Institute for Hospitality and Tourism (NIHOTOUR); Hospitality and Tourism Management Association of Nigeria (HATMAN); Federation of Tourism Association of Nigeria (FTAN); National Association of Nigeria Travel Agencies (NANTA); and the National Commission for Museums and Monuments (NCMM). There are other related organizations, agencies, and associations. However, none of these appears to have any specific and exclusive professional portfolio for destination management in the sense recommended by the WTO.

This paper highlights the critical importance of destination management and the indispensability of DMOs for the functional efficiency of Nigeria's tourism in the 21st Century. There is first, the clarification of the concepts of 'destination management' and 'Destination Management Organization'. This is followed by an elaboration on the place and

functions of DMOs in the advancement of domestic and international tourism from the perspectives of international provisions and recommendations, with special attention to the United Nations World Tourism Organisation's (UNWTO) guidelines published in 2019. The final part of the discourse critically examines the current state and arrangements in the Nigerian tourism sector with a view to highlighting the measures and modalities for entrenching functional and efficient DMO regimes.

Destination Management as a Concept

Destination management in tourism involves the coordination of every aspect of tourism destinations to ensure maximum possible standards for the satisfaction and preference by tourists as visitors. There is, perhaps, the need, first, for an in-depth understanding of 'destination' as an operative term here. The WTO's definition of destination is both precise and all-encompassing. Accordingly:

A tourism destination is a physical space with or without administrative and/or analytical boundaries in which a visitor can spend an overnight. It is the cluster (colocation) of products and services, and of activities and experiences along the tourism value chain and a basic unit of analysis of tourism. A destination incorporates various stakeholders and can network to form larger destinations. It is also intangible with its image and identity which may influence its market competitiveness (WTO, 2019: 10).

The notable features in this definition are, first, that tourism destinations are not tied to administrative or analytical boundaries. Administrative boundaries, in this context can be understood as specific limits of governments or other entities' jurisdiction over the physical domain that is designated as tourism destination, while analytical boundaries are boundaries that could be created by the combination of tourists' activities and the destination's management and planning patterns. Secondly, a tourism destination implies more than a physical space, including a combination of all that make for the attractiveness and competitiveness of the domain. Thirdly, tourism destinations involve various participants and interest groups that may have similar or diverse objectives and orientations towards the value chain; and finally, that they are not necessarily confined to

particular objects or space but are transferable and replicable in space and time. This means that while such terms as 'site' 'attraction' are sometimes used interchangeably with 'destination', they differ in the sense that they are tied to specific cultural or physical characteristics while the latter is more encompassing, sometimes incorporating various sites and attractions. It is largely defined by market forces (Stange & Brown, 2010) rather than by physical characteristics. Furthermore, it implies that tourism destinations' perception can be modified to optimise their competitiveness.

Viewing it from a multi-dimensional perspective, Saraniemi and Kylänen (2011: 133) view 'destination as a set of institutions and actors located in a physical or a virtual space where marketing-related transactions and activities take place challenging the traditional production—consumption dichotomy'. Though this definition aligns with contemporary trends and developments in the marketing and consumption of tourism products, it does not contain tourism-specific terms and concepts, thereby possessing a connotation that could apply to marketing destinations other than tourisms. A number of definitions have emphasised the physical attributes of destinations as what qualify them as such, including, for instance, one that views a stand-alone hotel, without a conference centre, amusement park or similar facility designed to hold and/or entertain guests or visitors, as not a "tourist destination" (Law Insider, 2021). For the purpose of this discourse, the WTO's recent definition as stated above shall suffice.

Several tourism researchers have further attempted to clarify the nature of the tourism destination. Hu and Ritchie (1993:26) conceptualised it as "a package of tourism facilities and services, which like any other consumer product, is composed of a number of multi-dimensional attributes". Buhalis, (2000) claims that destinations are amalgams of tourism products, offering an integrated experience to consumers. Based on the various models of tourism development outlined by Pearce (1992), it is sensible to define a destination as an amalgam of products and services available in one location that can draw visitors from beyond its spatial confines. Bieger (1998:7) specifies that "...a destination can therefore be seen as the tourist product that in certain markets competes with other products".

From the foregoing, destination management simply implies the ability to organise and mobilise resources and persons in designated destinations for the attainment of set objectives, optimal efficiency and satisfactory performance; it requires coordination and expertise. This is in line with some basic definitions of the concept of management seen as the process of designing and maintaining an environment that allows stakeholders, working together in groups, to efficiently attain set objectives (Koontz and Weihrich, 1990). The UNWTO Guidelines present *destination management* as the coordinated management of all the elements that make up a tourism destination, such as marketing efforts, local resources, accommodation, events, environmental concerns, tourist attractions and transportation. Furthermore, responsible and sustainable destination management should be understood as a process that effectively and harmoniously addresses the interactions between the visitors, the industry that serves them, the community that hosts them and the environment (WTO, 2019). All the natural, cultural and material resources that make up a destination's perception fall within the manageable assets of that destination. Destination management is, therefore, of vital and strategic importance to contemporary tourism development with the narrowing frontiers of national boundaries in favour of global participation. It should be viewed as part of a wider system that includes such themes and measures as urban planning, economic inequalities, housing and smart technologies (Fyall & Garrod, 2020) that have created virtual destinations that are anchored on governance, innovation, technology, accessibility and sustainability (WTO, 2019).

Functions of Destination Management Organisations in the 21st Century

The WTO (2019: 10) once again describes a destination management organization (DMO) as “the leading organizational entity which may encompass the various authorities, stakeholders and professionals and facilitates partnerships towards a collective destination vision”. DMOs are essentially organizations that comprise civil authorities, sometimes multi-sectorial stakeholders, and professionals, working with local communities to ensure the common good, understood in terms of sustainability and competitiveness of tourism destinations. Though DMOs incorporate the marketing of tourism destinations into their professional agenda, they are different from Destination Marketing Companies (DMC) that

are primarily about marketing (Pike, 2016). In fact, in recent times, the emphasis among tourism entrepreneurs seems to have shifted significantly from marketing to management, which is more encompassing. This paradigm shift has been attributed primarily to emerging complexities and resultant challenges from digital transformation and new technologies. There have also been emerging tourism-related disciplines, sub-disciplines and services that have created new platforms, accommodation services, and others aimed at managing the growing visitor base. Marketers have thus been compelled to become managers, often using the public, private, community (P.P.C.) approach for greater inclusiveness and efficiency. In fact, a DMO may best serve to facilitate dialogue among the private sector, public sector, and other stakeholders that may otherwise never collaborate or understand how their decisions reverberate down a destination's long tourism value chain. Because of this unique capability, DMOs prove invaluable for supporting tourism development, especially in developing destinations where tourism is an important economic driver and mechanism for equitable social capacity building. Developing a DMO iteratively relies on identifying and redefining a destination vision through collaboration (Stange & Brown, 2010).

The WTO has urged not only the formation and establishment of DMOs for the 21st Century tourism endeavours, but also the alignment of such organisations' goals and objectives with the 2030 agenda and the Sustainable Development Goals to optimise tourism's contributions. Additionally, DMOs should fashion and implement destination management models that are built on coalitions, and which embrace responsibilities. Continuous monitoring for compliance with set objectives and standards within the tourism value chain also falls within these responsibilities. In fact, the guidelines for institutional strengthening of DMOs laid down by the WTO were specifically aimed at facilitating the above development. The guidelines were also intended to lead organisational entities at destination levels; set up criteria and indicator framework for all DMOs across the world and make recommendations for improved planning and management performance and institutional governance. The overall objectives were to guide against unilateral models and varying characteristics in priorities and development levels, but to ensure such common objectives as maximising visitors' value and equity perception, preserving

material and cultural assets, and catalysing benefits for local communities and residents in destinations.

The strategic importance of destination management to the 21st tourism development and entrepreneurship is better understood and appreciated against the backdrop of the many responsibilities and functions of DMOs as amplified in the WTO guidelines, which include: strategic planning; policy formulation and implementation; gathering and providing market intelligence; developing businesses and products; digitization and innovation; monitoring; crisis management; training and capacity building; promoting, marketing and branding; funding and fostering investment; all of which can only be done in collaboration with other stakeholders and specialised agencies (WTO, 2019). Accordingly, DMOs are able to execute their mandates more effectively when they seek to build bonds with other stakeholders, adapting to peculiarities of cultural and geographical domains, and practising inclusiveness in the endeavours. They are also to prioritise strategic leadership, effective execution, and efficient governance.

These responsibilities and functions of DMOs, if and when properly executed, increase the advantages of destination management-oriented establishments in such general terms as increased capacity to keep pace with emerging trends in the industry, enhanced ability to innovate and adapt to consumer patterns, resilient to challenges, high level of effectiveness in planning and product development, and agility in decision making. In particular terms, they optimise the competitive edge of establishments through better product development and distribution and service delivery. Competitiveness, which essentially implies the ability to use resources for quality innovative service delivery, and make for increased value addition and attractiveness, among others, has been identified as key to successful tourism entrepreneurship in the 21st Century.

Tourism and Destination Management in Nigeria

The functions of the DMOs may vary from national to regional and local levels depending on the current and potential needs, as well as on the nature of governance and public administration. Since Nigeria fell into military dictatorship less than a decade after it gained independence from Britain, and remained that way for a relatively long period, most

of the apparatuses of governance and the rules that governed the conduct of business relationships and transactions, including tourism's marketing and promotion, were governed by dictatorial decrees rather than by democratic and tested economic principles. The overwhelming government control of every aspect of national life and economic participation significantly reduced the channels through which genuine DMOs could have emerged. Development of sustainable governance institutions requires partnerships beyond traditional organizational boundaries to include community and non-governmental actors in decision making and management. The governance models differ according to the areas to be covered and they increasingly require new ways of thinking and collaborating.

DMOs emerge as key players in the development and management of tourism at destinations, although their mandates and scope of action are determined by their contexts, maturity of the destinations, levels of decentralization, priorities in the destinations, resources, and other factors. Therefore, the starting point for a DMO is normally to assess the destination's current situation for which a consultation process should – under normal circumstances – be conducted whereby all key stakeholders, including civil societies, public and private players, in the destination participate.

The successful performance of the DMO will be determined by its capacity to obtain the credibility and trust of all stakeholders in the destination and beyond its boundaries. As the leading organizational entity in the destination, the DMO needs to get the support of all acting stakeholders and be considered as the legitimized entity, from the institutional, legal and operational points of view, to lead the management of tourism in the destination. For this to happen, an appropriate governance model for both the DMO and political environment within which it operates, stands as a crucial element.

Owing to the foregoing, the concept and praxis of destination management is not yet well established in both the Nigerian tourism industry and academic circles, and as such, material on its in-depth studies and analysis is sparse. For instance, there is a study on destination management related issues (Adeleke & Ogunsusi, 2019) that explores

challenges in nature-based tourism in Nigeria. However, it does not explore the Nigerian contents and frameworks for destination management strategies in any significant manner that delineates DMOs from other tourism service organizations and travels and tours organizations. Similarly, though there are some organizations that are currently presented as DMOs, such as *Destination Connect* based in Lagos and *Exodus International Services* based in Abuja – the Federal Capital Territory, there are no relevant data on the levels and extent to which these establishments meet with the WTO criteria for DMO. This means that there may, strictly speaking, be no strong DMO's in Nigeria's domestic tourism at the moment. The inevitable consequence of this is the dearth of synergy, coordination, and competitiveness among tourism service providers in the management of the country's tourism constituents and resources.

It can be argued that there is a very weak culture of tourism in Nigeria, which may be due to a number of factors. First and foremost is the argument that cultures are created, even though they are also inherited. It is possible to create and sustain a culture of tourism in a national domain through the engagement and mobilization of the essential elements, beginning with local communities and residents in tourism destinations. No tourism destination can be sustainable and competitive in the long term without vocal and practical inputs from the local communities and residents in its tourism planning and management.

Ensuring that tourism is a mutually beneficial activity for tourism stakeholders, local communities and residents is part of DMOs' mandate. DMOs are in charge of making local communities aware of the socioeconomic contributions of the tourism sector and should engage local communities and closely monitor the attitudes of residents in regards to tourism development. This way, a culture of tourism can be created right from the local community level.

Consequences of Poor Destination Management on Nigeria's Tourism Growth

Destination management, as revealed by the foregoing paragraphs, constitutes an indispensable component of successful tourism operations in the contemporary world order. Consequently, its absence or even weak presence in the tourism value chain can be detrimental. Although Nigeria has numerous active tourism destinations and numerous undeveloped and latent tourism assets, and in spite of the boisterous potencies of these

assets, the industry is currently grossly underperforming. While government monopoly that appeared to have characterised the industry previously has significantly reduced, tourism in Nigeria has yet to fully function in line with contemporary global trends and standards. The absence of effective destination management, therefore, has the following negative effects:

Low Capacity for Growth: Functional DMOs play the role of building the capacity of tourism operators to keep pace with emerging trends in tourism products and services. They serve as the links between tourism destinations and external forces that propel the industry, which must be understood by operators and incorporated into the daily strategies for remaining relevant. This means that operatives that lack destination management services and expertise also lack the capacity to keep pace with these emerging trends.

Low Innovation and Adaptation Level: One of the vital tools for functional and effective tourism destination operations is the ability to design new products and services that suit the consumption patterns of tourists. While tourism destinations may not always have the ability to satisfy the diverse patterns of tourists' expectations and consumption habits, adaptation and innovation can often readily fill the gap. Without effective destination management, such innovations and adaptations be absent. This is very important, as the success of tourism entrepreneurship depends on such market forces that emanate from consumer patterns. It is not tourism destinations that determine consumer patterns; the reverse is the case.

Vulnerability to Challenges: The volatility of tourism enterprises derive from that which is applicable to the business community at large. Unforeseen and predictable challenges can emerge from economic, political, socio-cultural or other circumstances. Effective destination management can provide useful strategies for resilience and adequate coping mechanisms in the face of such challenges. Many tourism destinations in Nigeria have not been able to maintain their attractiveness and competitiveness, sometimes owing to low patronage or changing circumstances. The collaborative and inclusive methods of destination management organizations and their ability to promote, brand, market, fund

and foster investment, among others, could enhance destinations' resistance capacities at such instances.

Low Level of Effectiveness in Planning and Product Development: Strategic planning and constant product development raise the operation standards and performance levels of tourism destinations, giving them some edge in the highly competitive world of their engagements. DMOs are able to gather market intelligence, obtain and work with relevant data to provide such planning strategies and product development. This means that without such destination management, destinations' outputs in this respect will be significantly low.

Poor Decision Making: Smart business decision making requires expertise and a wide range of relevant information. The viability of tourism destinations are closely tied to their agility in decision making when the need arises. Effective destination management will always readily provide the tools for such decision making as the operators are usually abreast with market trends and indicators, with educated foresight on short and long term implications. Tourism destinations are not a *one-man-show*, and cannot be operated as such. They must be governed and operated by tested and grounded principles of the industry.

Recommendations

- Given the powers, mandates and the legal framework that established the NTDC, the Corporation should initiate and oversee the formation of DMOs in the six geopolitical zones of Nigeria, itself being the major operator.
- NTDC in collaboration with the National Orientation Agency should do more to promote the culture of tourism among citizens. In this regard, government and private institutions should be mandated to initiate measures for incentive tourism packages for their employees and their families.
- Tourism organizations and destination operators should collaborate with experts in the corporate tourism world and in the academia for data collection and analysis to enable better strategic planning and innovation.

- Tourism organizations and destination operators should embrace and employ digital technology in their operations to attain wider customer base and facilitate remote digital communication and collaboration.
- Tourism operators and destination managers should take adequate measures at broadening their stakeholder partnership base, taking cognisance of the multi-sectorial nature of the tourism industry.

Conclusion

In an increasingly complex tourism sector – with new actors breaking into the scene, rising competition among destinations, technological transformation, new business models, rapidly changing consumer patterns and trends, raising awareness on the need to ensure sustainable tourism in its three dimensions (economic, social and environmental), the need to preserve the welfare of the residents and local communities and ensure a harmonious interaction with the tourist and visitor, and promote a culture of tourism –, destination management has become essential. DMOs in collaboration with relevant organs of government are instrumental to sustaining such linked processes as policy making and integrated planning, product development and packaging, promotion and marketing, distribution and sales and destination operations and services as the key primary activities of the tourism value chain. Other support activities that involve transport and infrastructure, human resource development, technology and systems development and other complementary goods and services, which may not be related to core tourism businesses but have a high impact on the value of tourism require synergy and coordination to actualise their impacts. Veritable sustainable development of tourism in Nigeria requires the services of Destination Management Organisations.

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