Destination management and stakeholders' collaboration in urban destinations

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ABSTRACT
Gaining and maintaining collaboration in the destination management organization (DMO) context is not only challenging but mandatory for urban destinations to preserve a lead position. Thus, it is necessary to understand how to bundle stakeholders to improve destination’s performance. This decision has practical implications from the institutional stakeholder’s viewpoint in terms of developing skills and knowledge required for a future agile destination management organization. This paper focuses on group decision making as the key success factor to achieve and preserve collaboration in the destination management organization context. It applies stakeholder theory as a framework for the assessment of the DMO’s performance with regard to its capability to gain stakeholders’ support for decisions which contribute towards optimizing rewards while minimizing risks. In the tourism literature, research calls for a broad involvement of diverse bodies and firms in tourism networks (Go & Lemmetyinen, 1995; Murphy, 1988) and especially in destination planning and management (Sautter & Leisen, 1999; Jamal & Getz 1995; Keogh 1990). Moreover, contributions about tourism destination planning stress the need of involving public and private actors to gather consensus and to make firms’ and institutions’ strategies converge towards the same goals (Pforr, 2006; Ladkin & Bertramini, 2002; Bramwell & Lane, 2000; Bramwell & Sharman, 1999; Mandell, 1999; Getz et al., 1998; Healey 1996; Jamal & Getz, 1995; Gill & Williams, 1994). Lastly, the tourism literature seems to have addressed the issue of collaboration evaluation in terms of strength and formalization of linkages (Mandell, 1999; Timothy, 1998) and benefits (Jamal & Getz, 1995; Bramwell & Sharman, 1999). Nevertheless, the issue of the evaluation of DMO-destination firms relationship in terms of both costs and rewards is fairly uncommon. The more stakeholders perceive low costs and risks, and high benefits deriving from the DMO activity, the more they are willing to collaborate. As DMOs’ activity is based on both public and private - financial and not financial – contributions, it is important to understand what advantages stakeholders may benefit from, as a result of the contributions they provide. According to the relevance of this issue for the DMO evaluation, this paper focuses mainly on the institutional performance dimension. The empirical research focuses on Barcelona, Berlin, and Vienna. From the analysis of the three urban destinations emerges that one of the DMO’s main activities involves the interaction with tourism firms, particularly for the sake of new products development or the organization of big events. A strategy of ‘social inclusion’ allows for contingent activities to be carried out jointly, stable relations, goals convergence, a decrease in free riding behaviour and consequently, a lasting collaboration between stakeholders in the DMO context.
1. INTRODUCTION

The destination management organization (hereafter also abbreviated as DMO) relationship with stakeholders is central in this study. But there is a shift in the latter due to alternating variations in the institutional support, contingent factors, changes in ideas and interests pursued by stakeholders and/or the DMO (Friedman & Miles, 2002). Firstly, the complexity of managing and marketing destinations is due to the variety of stakeholders, both domestic and foreign, involved in the development of tourism planning and products and to the diversity of the interests – often conflicting – of all the institutions, citizens and firms in the destination (Buhalis, 2000; Bramwell & Sharman, 1999; Jamal & Getz, 1995; Selin & Beason, 1991). Secondly, public and private tourism stakeholders typically have divergent goals and interests that are shaped by a geographically dispersed arena. Thirdly, the competitive landscape is characterized by “disruptive innovation” as a consequence of the spread of ICT devices and globalization; in turn this has caused increased volatility on the demand side: more trips per year, shorter average stay per trip; less travel restrictions and the consequent economic shift toward “experiential services”. All these reasons together with the characteristics of the tourism industry and product - the fragmentation of tourism industry, the systemic nature of the tourism product, which is perceived as “all-in-one experience” - are good explanations for collaboration from both firms and DMO points of view.

This paper focuses mainly on the relationship between the DMO and not institutional stakeholders in urban destinations and it aims to understand how the DMO realizes its collaboration strategy, which are the stakeholders involved and how to evaluate the collaboration forms implemented in terms of costs and rewards from a stakeholder perspective.

As firms operating in urban destinations where business activities are important, hotels, museums, restaurants, shops and other tourism firms rely first of all on business events they can’t control – such as congresses, incentives, fairs and exhibitions – because mainly organized by somebody else. In this perspective, firms' competitiveness depends on firms' own strategy and the strategy of the DMO in which they are embedded. For this reason the conventional conceptual business model which considers firms as stand alone entities is inadequate (Gunn, 1988). The same logic can be applied to the DMO. It needs an appropriate portfolio of tourism services and products that attracts tourists on a global level. Therefore the DMO must consider stakeholders perceptions because of the contributions they can make to a competitive destination.

The destination management organization has to deal with this complexity and, as claimed by the World Tourism Organization (1979), its primary function is to act as an “orchestra director”, coordinating the public and private-sector organisations involved in tourism. In some other cases the DMO works as a hub firm, or a facilitator, providing an overall trajectory for the destination tourism development. It can also function as a controller, permitting firms to carry out certain activities. In any event, the main purpose of the DMO is to improve the development and management of tourism by enhancing coordination and collaboration between the stakeholders concerned at all levels (Dwyer & Kim, 2003). In this paper, collaboration is defined as a formal institutionalized relationship among existing networks of institutions, interests and/or individuals. It’s a process of joint decision making involving key stakeholders aiming at avoiding or resolving conflicts by advancing shared visions and goals (Gray, 1989; Jamal & Getz, 1995; Hall, 1999).

In light of the aforementioned developments, a DMO must be capable to respond in a poly-inclusive manner (Fenema & Go, 2003). Poly-inclusiveness is about incorporating mental, technological, social relations and material concerns in the decision-making process. This can only be done by developing an agile organization, within a strategic framework that supports DMO’s relationships with stakeholders.

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1 As Gray reviewed in her article (1985), in literature many authors analyzed the problem of firms’ strategies dependent upon decisions taken by other organizations (Emery & Trist, 1965, O’Toole, 1979, Pfeffer & Salancik, 1978; Trist, 1977, 1983; Kast, 1980; Sonnenfeld, 1982). In all these contributions collaboration is required to solve problems which go beyond what a single firm can control. Ackoff (1974) defined such problems “messes”, Aldrich (1976) “indivisible”, Rittel and Webber (1973) “inherently wicked”.
stakeholders that are dynamic, responsive and sensitive to their needs and priorities. Agility can only come about if stakeholders perceive on another as trustworthy partners (Wicks et al., 1999; Fukuyama, 1995).

2. LITERATURE REVIEW

As Atkinson, Waterhouse and Wells stated (1997), the “modern organization is a web of contracts” and its planning process plays an important role in identifying and undertaking activities with firm’s stakeholders. Results of such activities are relationships between the firm and its stakeholders. According to Atkinsons et al., every firm has primary and secondary objectives. The former I refer to are the goals of the DMO as defined jointly by managers and shareholders; the latter can be defined as stakeholders’ objectives which are functional in nature, designed to reach the firm’s primary objectives. Only by ensuring congruence between the DMO goals and the objectives of the firms collaboration in this relation can become long-lasting.

These principles can be applied to the tourism system context, which is pressured into more collaboration, particularly in the planning and marketing areas. Bramwell and Sharman (1999) identify three potential benefits deriving from consensus-based collaboration. First, it may avoid the costs of solving conflicts among stakeholders (Healey, 1996). Second, it may legitimate collective actions if stakeholders are involved in the decision-making processes which affect their activities (Benveniste, 1989). Third, the willingness to collaborate may enhance the coordination of policies and related activities. Their argument is underpinned by stakeholder theory, which was pioneered by Freeman (1984), who defines as a stakeholder “any group or individual who can affect or is affected by the achievement of the organization’s objectives”.

Other benefits deriving from collaboration are highlighted by contributions in the managerial field, which focuses on clusters and networks as a source of competitive advantage for their stakeholders (Jarillo, 1988; Porter, 1998). As Morieux, Blaxill and Boutenko (2005) state, a growing body of research concentrates on the role of interaction designed for shaping competitive advantage across organizations. According to these authors, the decline of interaction costs is not the only explanation for the increase of networks and they propose the “interaction value” – which derives from both allocative and generative interactions - as another causal factor. “Allocative interactions” concern coordination of a pre-existing set of resources or activities. Nevertheless, despite the increase of knowledge and information, there is a gap between the capabilities firms need to be competitive in such complex environment and the current firm structure. That’s the reason why “generative interactions”, which enhance new organizational forms, can provide additional knowledge (Dyer & Singh, 1998; Morieux et al., 2005).

However collaboration can also lead to organizational constraints (Gomes-Casseres, 1994) as each firm has to consult its partners before taking major decisions. Moreover it can result in the presence of conflicting interests and the lost of control on certain activities.

In tourism literature, research calls for a broad involvement and collaboration of diverse bodies and firms in tourism networks (Lemmetyinen & Go, 2005; Murphy, 1988) and especially in destination planning and management (Sautter & Leisen, 1999; Jamal & Getz 1995; Keogh 1990). During the nineties authors begun to examine the different kinds of stakeholders involved in destination management, planning and marketing (Sheehan & Ritchie, 2005) and, at the same time, they studied collaboration as a key factor for destination competitiveness (Gill & Williams, 1994; Ritchie, 1993; Selin & Beason, 1991). Moreover, contributions about tourism destination planning stress the need of involving public and private actors to gather consensus and to make firms’ and institutions’ strategies converge towards the same goals (Pforr, 2006; Longo, 2005; Ladkin & Bertramini, 2002; Bramwell & Lane, 2000; Bramwell & Sharman, 1999; Mandell, 1999; Getz et al., 1998; Healey 1996; Jamal & Getz, 1995; Gill & Williams, 1994).
Healey (1996) claims that a sustainable urban region strategy requires collaborative and "inclusionary" consensus-building practices. These practices create three kinds of shared capital: social capital – trust, flows of communication and willingness to exchange ideas – intellectual capital – mutual understanding – and political capital – formal or informal agreements and projects –.

The interdependence of public bodies and firms in tourism destination represents an important causal factor for collaboration. From a stakeholders perspective, the destination can be seen as an open-system of interdependent (the action of one stakeholder impacts on the others) and multiple (private and public) stakeholders. There are many reasons for such interdependence. First, they share limited community amenities and resources. Second, there is a potential negative impact of tourism development on the socio-cultural and natural environment which can negatively affect both firms and public bodies. Third, the fragmentation of tourism industry and the systemic nature of the tourism product, which is perceived as “all-in-one experience” even if it encompasses several services provided by different tourism firms.

In this context, destination management organizations are responsible for both destination marketing and planning. Due to government constrains, as a consequence they must act within a regulatory framework which enables the DMO to install a platform which in turn facilitates the business to improve their competitiveness (Bieger, 2000; Molteni & Sainaghi, 1997; Buhalis, 2000; Flagestaad & Hope, 2001). On the other hand they must offer a supporting role to their stakeholders. Therefore the DMO must install a platform in which both these functions coincide so as to result in a desired agility.

The tourism literature seems to have addressed the issue of collaboration evaluation in terms of degree of strength and formalization of linkages (Mandell, 1999; Timothy, 1998) and benefits (Jamal & Getz, 1995; Bramwell & Sharman, 1999). Nevertheless, the issue of the evaluation of DMO-destination firms’ relationship in terms of both costs and benefits is fairly uncommon.

As concern a DMO, institutional performance deals with stakeholder satisfaction. The more stakeholders perceive high benefits deriving from the DMO activity, the more they are willing to collaborate. As DMOs’ activity is based on both public and private – financial and not financial – contributions, it is important to understand what advantages stakeholders may benefit from, as a result of the contributions they provide. According to the relevance of this issue for the DMO-destination firms relationship evaluation, this paper aims at answering to the following research questions:

- How can DMO enhance stakeholder collaboration to improve its competitive performance?
- Why should stakeholders collaborate within the DMO?
- How can the collaboration between the DMO and the tourism firms be evaluated from a stakeholder perspective?

3. RESEARCH QUESTIONS AND STRATEGY

The research strategy is, according to Yin, based on multiple case studies because they are useful to understand the development of a complex phenomenon observed within its context (Yin, 1981, 1994). I chose multiple case studies because analytic conclusions independently arising from the cases are more reliable than those deriving from just one case. Moreover, the findings provide a consistent base for generalization. In this perspective, I analyzed Barcelona, Berlin and Vienna because:

- They are the first destination in their country in terms of overnights;
- They present a complex market structure and commercial mix made up by leisure, MICE (meeting, incentive, congress and exhibition) and business tourism;
- They are internationally known as both business and leisure destination;
- They are managed by a structured destination management organization and supported by deliberated strategies (Mintzberg, 1987) at destination level;
They have undertaken a strategic planning process which requires further tuning and fostering of collaboration among stakeholders to prolong success.

However, even if similar according to the elements listed above, there is some differences between these cities. First, the destinations are not homogeneous in size, even if they are the main tourism destinations in their country. Berlin is the most populated, with 3,388,000 inhabitants; Vienna and Barcelona are smaller, respectively with 1,626,440 and 1,578,546 citizens. Also according to the number of overnights, the three cities have a different size: Berlin is the biggest destination with 14,620,315; followed by Barcelona, with 12,208,179 and Vienna, with 8,768,660.

As regards the market segment served, the sample presents a complex market structure and commercial mix, as the cities attract cultural tourism, creative tourism, MICE and business tourism. They are internationally known as both business and leisure destinations. In relation to the rankings in the MICE statistics, the cities selected for the research are all well ranked as congress destinations in both the international statistics provided by UIA (Union of International Associations) and ICCA (International Congress and Convention Association) in which they are included in the top 20 congress destination. Given the difficulty to map out business and MICE tourism, these statistics are deemed to be a good proxy to weigh this segment and are supposed to be the two main sources of figures about these issues.

The temporal boundaries of the case studies go from 1993 to 2005. I decided to start the analysis in 1993 because is the year when Turisme de Barcelona was founded; it’s the first year of unified statistics about tourism in Berlin and it’s the first year of activity for Wien-Tourismus, after the changes in the tourism act which occurred in 1992. For these reasons the three cases are comparable.

The empirical analysis is based on both qualitative and quantitative data. The sources of evidences are: documentations, archival data and interviews. The documentations analyzed are DMOs’ annual reports and reports made by research institutes. Archival data regarding monthly arrivals and visitors, nationalities and occupancy rates of the last fifteen years have been collected and organized in a database to study the seasonality of the cities, the trend of national and international arrivals and overnights from the beginning of the nineties to 2005. Lastly, more than 20 extensive interviews with councillors, hoteliers and managers of: the DMO, public bodies, chamber of commerce, exhibition centres, travel agencies and trade associations have been made.

3.1. Empirical setting

Barcelona today is Spain’s second largest city and one of the country’s principal tourism destinations. The success of Barcelona as tourism destination started in 1992, when it hosted the Olympic Games. For the city, this event was the beginning of a creative process of reinventing itself through a new approach to urban design and the development of new events. In about ten years it has become one of the favourite short-break leisure destinations, and it is a growing centre for MICE (meeting, incentive, congress and exhibition) industry.

The commercial mix of the city has changed completely. The overnights in Barcelona from 1990 to 2005 increased by 192%, with a compound annual growth of 7.4%. This growth is due especially to an increase of international tourists. In 1990 domestic tourists were 51% while in 2005 they counted only for 30%. Even the mix according to the purpose of the visit has changed considerably. From 1990 to 2005 holiday travel increased substantially, shifting from 23% to 42%. Business travel and travels relating to trade fairs and congresses in Barcelona increased too, but at lower rates than the holiday segment. As a result, now Barcelona has repositioned itself as a more leisure-oriented destination.

In the repositioning process big events played and still play a fundamental role. By 1992, a large number of events have been developed as well as new products, which have increased the

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2 The empirical analysis is part of the research project “The metamanagement of cultural destinations”, financed by the Italian Ministry of University and Research (MIUR). The author is grateful for the financial support provided.
attractiveness of the city as a tourism destination. This remarkable repositioning effort has been strengthened by a strong involvement of both the local authorities and the firms of the destination in a consistent strategic planning activity as well as by the leading role played by Turisme de Barcelona, the destination management organization of the city.

The development of tourism as a strategic asset of Berlin started after the fall of the wall, when the city became the capital of the unified Germany. During the Nineties some big events, such as the Love Parade and the 30th edition of Berlin Marathon, increased the awareness of the city. At the same time, to increase the attractiveness of the destination, several important reconstruction works have been made, such as the rebuilding of Potsdamer Platz and the Museumsinseln (the museums island), which now is an UNESCO site. As a result of these actions, at the end of the last century Berlin counted 11 million of overnights and it is the German city with the higher amount of foreign tourists.

As regards the third city, Vienna is Austria’s largest city and the main tourism destination with more than 8 millions of overnights, a value added of around 3.1 billion euros and 53,000 employees in the tourism field. In 2005, it attracted 10.8% of the total Austrian overnights.

Tourism has been included in the destination policy as a key factor for the competitiveness of the city since 1955, when the city’s promotion of tourism act (n. 1955/13) passed. It established:

- The body responsible for the city’s tourism promotion (Fremdenverkehrsverband, then Wien-Tourismus);
- The local accommodation tax, which obliges hoteliers to paid 2.8% of the room rack-rate to Wien Tourismus.

The act stated the decision to develop Vienna as a tourism destination concentrating skills and resources in one body: the destination management organization (Wiener Fremdenverkehrsverband).

All the cities are characterized by a consistent planning activity.

In Barcelona, from 1990 to 2003, four strategic plans have been discussed and implemented. The first one has been written down in 1990. Tourism and culture were considered as strategic assets for the development of the city. For years later, in 1994, the second strategic plan stated tourism as a priority for the development of the city, and MICE infrastructures as well as a new port infrastructure and new cultural centres were required. In the third strategic plan (1999), the need for a unique director and coordinator for tourism planning, development and promotion was stated. Moreover, it assessed the necessity to put in place evaluation mechanisms. In 2003 the area involved in the strategic planning activities has been enlarged. In fact, the First Metropolitan Strategic Plan included the city and 36 towns in the surrounding area. Destination firms, such as Fira de Barcelona, Barcelona Airport, Port de Barcelona have been involved in work-tables about specific lines and goals of the plans.

The first Berlin strategic tourism plan - “Tourismuskonzept für die Hauptstadtbregion Berlin” - was developed in 2004 by the economic department of the Berlin Senat (the City Hall) and Berlin Tourismus Marketing (BTM), the DMO of the city. Moreover, in the planning process the Chamber of Commerce, trade associations, the fair ground and public bodies were involved in more than 70 meetings. Furthermore, the strategic plan was and still is supported and integrated by the five year plan developed by BTM. The Tourismuskonzept defines the tourism strategies pursued by the city, it states the objects to be pursued, the actors to involve, the budget and the length of the several projects developed. The three main goals declared are: i) to reach 15 million of overnights by 2010; ii) to position Berlin as an international destination by increasing foreign tourists; and iii) to focus the tourism offer on specific segments, such as the congressional and creative ones.

In Vienna tourism is considered so relevant that it’s included in two different strategic plans:

- Strategic Plan for Vienna, realized in 2000 by Vienna City Hall – department of planning and urban development;
Project Vienna 2010, proposed in 2002 by the hoteliers at the Tourism Conference and realized by Wien-Tourismus with the active support of the tourism firms.

The two plans have different goals: the first one aims at implementing urban development projects; the second one aims only at developing tourism. Notwithstanding these diverse goals, the plans are complementary and partially overlapping.

As said before, the Project Vienna 2010 has been developed by the strategic division of Wiener Tourismusverband in collaboration with the destination firms. A working group has been created to gather tourism firms – museums, cultural associations, restaurants, shops, - as well as experts in urban strategic planning, event organizers and trade associations. The state of the art of the project is evaluated every year as well as the marketing plan, which is implemented on an annual base.

The project covers the period 2003-2010 and it defines the goals of the destination: i) to reach 10 millions of overnights in 2010 and an overall tourism value added around 3.2 billion euros; ii) to increase the MICE segment until the threshold of the 20% of the overall overnights (in 2005 it counts for the 11.8%); and iii) to depict Vienna as a creative, cultural and leisure destination.

3.2 The theoretical model

To understand the relationships between the DMO and the different stakeholders, I apply the model proposed by Friedman and Miles in 2002. Starting from the typology developed by Archer in 1995, they develop a matrix to map out the stakeholders configuration according to associated contractual forms and strategic actions. This model follows from the overarching regulatory structure and embodies 4 cells which offer stakeholder options for participation. It considers two variables: on the one hand the convergence of ideas and interests, which can be either compatible or incompatible. On the other hand the nature of the connections, which can be temporary-contingent or stable-necessary.

Figure 1 Stakeholder configuration and related contractual forms and strategic actions. Adapted from Friedman and Miles, 2002, p. 7-8

In literature another dynamic model to map out stakeholders was proposed in 1997 by Mitchell, Agle and Wood. Even though reliable and already applied to 83 companies (Agle, Mitchell & Sonnensfeld, 1999) I decided to apply the model by Friedman and Miles because it’s based on contracts rather than perceptions. I opine that the former captures both the stakeholders’ and the DMO’s points of view in contrast to latter. Moreover, Friedman and Miles already empirically tested their model to answer the “how” and “why” research questions in a manner which is appropriate according to case study methodology (Yin, 1994).
The model depicted in figure 1 can be perceived from a spatial and temporal perspective. The first cell (I) includes stakeholders who are formally involved in the DMO structure as shareholders or as members of its governance bodies. Collaboration requires both a physical and a metaphorical inclusion. It’s physical in terms of equity sharing and participation in decision-making processes. It’s metaphorical in terms of trust and willingness to share activities, resources and goals. In the second cell (II) there are firms with similar interests but linked only temporarily with the DMO. In this quadrant there are potential free riders whose opportunism is controlled by formal or informal agreements, such as the community, trade national and international associations, interests groups and so on. In the third cell (III) are included actors characterized by incompatible interests and weak connections. Mainly this quadrant involves competitors. Lastly, the fourth cell (IV) represents all the actors whose activity is necessary to the DMO but whose interests are likely to cause conflicts. For example, the organisers of a congress can pursue objectives which are purely connected to the success of the event in terms of number of participants, cultural events and entertainment organized for the participants, but their objective to accommodate the maximum number of delegates may conflict the issue of congestion during a particular season which can affect the destination.

4. CASE ANALYSIS

4.1 Single case analysis: Barcelona

As clearly assessed in the second strategic plan, a body responsible for the coordination, the support and the promotion of the city as a tourism destination was needed. For this reason, in 1993 the City Hall, the Chamber of Commerce and the Foundation Barcelona Promotion (Fondació Promoció Barcelona) founded Turisme the Barcelona – the DMO of the city –, a public consortium responsible for the tourism promotion of the city. In 2005 it was almost autonomous from the financial point of view because the 80.6% of its budget came from the selling of its own tourism products, mainly products and services provided by Barcelona tourism information centre (CITB) - such as hotel reservations and selling of tourist guides or maps - and the Turisme Bus, which in 2005 carried 1,654,145 passengers (+12% over 2004). The remaining 20% is contributed by the City (12.5%), the Chamber of Commerce (5.4%), the Fondació Barcelona Promoció (0.3%), Turisme de Catalunya (0.6%) and Barcelona Province (0.5%). In both the second and the third strategic plans, Turisme de Barcelona has been identified as responsible for the promotion of the destination and for the coordination activities between the destination’s firms.

The DMO is made up of two different levels: the political level and the corporate one. The main body at political level is the general council. It includes the representatives of the main public institutions of the city: the major and the vice-major – who represent interests and needs of the city – the president of the Chamber of Commerce – who represents firms’ interests – and the president of the Hotel Association – who represents interests of the accommodation industry. The Hotel Association (Gremi d’Hotels de Barcelona) includes 85% of Barcelona’s hotels, both in chain or stand alone accommodations. Even if it’s a member of the General Council, the hotel association doesn’t finance Turisme de Barcelona. The General Council meets 2 times per year. It approves strategies, budgets, and strategic plans. Moreover, it ascertains the coherence between goals and activities carried out by Turisme de Barcelona and the objectives of the Metropolitan Strategic Plan (the major of the city is involved both in Turisme de Barcelona and in the Strategic Plan Association).

At corporate level – which consists of 5 divisions, staff departments and the general management – the Executive Board and the General Management employ only managers with previous experiences in the tourism field. They are responsible for the development of Turisme de Barcelona strategic plan (4 years), coherent with the goals of the destination strategic plan; the development of the annual marketing plan, which contains guidelines about which targets and markets to address the tourism offer; and new products development.

In other words, decisions are taken at corporate level and approved by the General Council.
Tourists are welcomed by a network of 20 permanent tourist offices (CITBs), located in the city centre.

In 2005 Turisme de Barcelona undertook around 250 promotional initiatives, in line with the goal of promoting internationally the destination, mainly in new geographical markets and towards new targets (cruisers, creative people). The investment in promotion and marketing amounts to more than 2 million euros.

Tourists are welcomed by a network of 20 permanent tourist offices (CITBs), located in the city centre and in the most tourism areas of the city. Each information point is provided with a Call Centre to supply customized information about the city in different languages via fax, email or phone and a hotel online reservation platform. So that CITBs act as a travel agency and sell their own allotments in more than 20 hotels. Moreover, tourist offices sell products and services (such as Barcelona Shopping Line, Barcelona Card, walking tours) not only in their sites, but also on their websites. Thus, CITBs are both information and reservation points and distribution channels for tourism products. The income deriving from their commercial activities, in 2005, counts for 42.2% of the total income of Turisme de Barcelona. The exact amount in 2005 was 8,467,982.13 euros, with a rise in value of 55.3% over 2004. In the same year, CITB helped 3,672,000 tourists.

New products development has been one of the most relevant tools to increase Barcelona attractiveness. In the last 15 years the DMO developed a consistent variety of new products which are, as said before, the main source of income for the consortium. The three main products, summarized in table 1, are: Barcelona Shopping Line, BCN Card and the Tourism Bus.

Table 1 Barcelona main tourism products

<table>
<thead>
<tr>
<th>Objective</th>
<th>BCN Shopping Line</th>
<th>BCN Card</th>
<th>Tourism Bus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Description</td>
<td>5 Km along the “Diagonal” avenue and through the main streets (by walking or by Shopping Line Bus)</td>
<td>Card including transports and 80 discounts for museums, shows, restaurants, etc. from 1 to 5 days</td>
<td>3 tours, 44 stops, guide in 6 languages, discounts for museums, shows, restaurants. Prices: 1 day 18€, 2 days 22€.</td>
</tr>
<tr>
<td>Target</td>
<td>Leisure + Cruise pax + MICE</td>
<td>Leisure + Cultural + MICE</td>
<td>Cultural + Leisure</td>
</tr>
<tr>
<td>Members or Partners</td>
<td>108 shops + 5 shopping centers + 4 malls</td>
<td>Museums, restaurants and shops, TMB (public transport company)</td>
<td>TMB (public transport company), museums, shops</td>
</tr>
<tr>
<td>Promotion and marketing</td>
<td>595,000 Shopping Maps delivered + research function on their website</td>
<td>Sold in CITB, on-line and by tour operators and travel agencies</td>
<td>Turisme de Barcelona promotes and sells it; TMB manages the service and owns the buses</td>
</tr>
<tr>
<td>Results</td>
<td>545,438 tourists used the Bus (-22% over 2000)</td>
<td>100,853 cards sold (+24.6% over 2004)</td>
<td>1,654,145 passengers (+12% over 2004).</td>
</tr>
</tbody>
</table>

All these products require the involvement of tourism firms as partners or members.

Barcelona Convention Bureau is the internal division responsible for the organization of conventions and congresses. It has been founded in 1983 by Barcelona Municipal Tourism Board. In 1993 has been absorbed by Turisme de Barcelona, which finances 60% of its budget. The remaining 40% is provided by its members. For this reason, the activities carried out by the convention bureau aim at promoting only its members and consist of: i) the organization of congress, conference and convention; ii) the distribution of leaflets and brochures about Barcelona; and iii) the promotion of the city as a MICE...
destination. It acts as a facilitator, without controlling the activity of the firms involved in the organization of congressional events. In 2005 it is supported by 45 destination firms and it counts 289 members. The latter pay an annual fee to benefit from services provided by the convention bureau, while supporters buy space for commercials and thus they pay to put their logo in the convention bureau leaflets and institutional communications.

Lastly, every year Turisme de Barcelona writes down its “memoria”, a kind of annual report of its activity, its resources and the competitive performance of the destination. In this way it conveys to its stakeholders how it, and the destination as well, have performed.

Thus, through these joint activities the interests of both the DMO and tourism firms converge.

Applying the model to Barcelona the dynamics which occurred in the last 15 years in the relationship between the DMO and tourism firms emerge. In particular, there is a clear shift from the second cell towards the first one that is a shift from a contingent connection towards a stable and necessary one. This change is due to new products development which requires an active participation of tourism firms. Figure 4 shows how, over time, Turisme de Barcelona involved tourism firms in its activities through new products development.

Figure 2 The Relationships Between Turisme de Barcelona and Destination Stakeholders

<table>
<thead>
<tr>
<th>Ideas and interests</th>
<th>Connections</th>
<th>Necessary</th>
<th>Contingent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compatible</td>
<td>INCLUSION</td>
<td>2001</td>
<td>OPPORTUNISM</td>
</tr>
<tr>
<td></td>
<td>•City Hall (founder – financial body – board)</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>•Chamber of Commerce (founder – financial body – board)</td>
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<tr>
<td></td>
<td>•Barcelona Promotion Found. (founder – financial body)</td>
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<tr>
<td></td>
<td>•Hotel Association (board)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>•BCB members: exhibition and congress centers, PCO, travel agencies, tour operators, .. (money)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Incompatible</td>
<td>COMPROMISE</td>
<td>1998</td>
<td>COMETITION</td>
</tr>
<tr>
<td></td>
<td>•Barcelona Convention Bureau’s sponsors and members (money)</td>
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<td></td>
<td>•Small suppliers (money)</td>
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<td></td>
<td>1987</td>
<td>2000</td>
<td>2000</td>
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<tr>
<td></td>
<td>•Turisme de Catalunya (money – comarketing)</td>
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<td></td>
<td>•Shops (card and Shopping line)</td>
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<td>•Museums (card)</td>
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<td>•Restaurants (card)</td>
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<td></td>
<td>•Barcelona Metropolitan Transports (card + tourism bus)</td>
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<td></td>
<td>•Citizens (voluntary collaboration)</td>
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Through this inclusion strategy contingent activities carried out together became stable, their goals converge, free riding decreases and, as a consequence, collaboration becomes lasting.

The last dynamic which is now occurring in Barcelona concerns citizens’ attitude towards tourism and, thus, the DMO activities. The negative economic and social externalities due to the fast and remarkable tourism growth are affecting mainly citizens in terms of standard and cost of living.

4.2 Single case analysis: Berlin

Berlin Tourismus Marketing (BTM) – a public-private limited company – has been founded in 1993 by a group of hoteliers, Partnerhotels, which considered the development of tourism promotion of the city at international level as necessary. Today BTM Partnerhotels is still the major shareholder of BTM (40%), while the minority shareholders are the Berlin Bank (25%), the Berlin Land (15%), the Karstadt Warenhous, the cultural institute (10%), the exhibition centre (5%) and the body responsible...
for the tourism promotion of the Brandenburg Region (5%). The founders are members of the board of directors, which represent the political level of the DMO. They meet four times per year to approve strategic and operative activities taken by the president of BTM. The Land is the only body which can put a veto on few strategic decisions as investing in equity holding.

At the top of the corporate level there are the president of BTM and the COO, both with previous experience in the tourism field. Since 1993 these two positions have been held by the same managers.

The BTM budget in 2005 amounts to 11 million euros (+102% over 1995). The public contributions count for 36.3%, while the remain amount of money comes from its own incomes and the fee each member of Hotel Partners, which were 20 in 1993 and 400 in 2005, pays according to its number of rooms. A small hotel’s annual fee is about 350 euros, while a big hotel with more than 1,000 rooms can pay up to 12,000 euros. In 2005 the money collected from the fees is 842,000 euros and, as every year, has been assigned to projects proposed by BTM but shared and approved by hoteliers.

The main activities carried out by BTM are: the tourism promotion of the destination, the welcome of tourists and the development of new products. As regards the latter, the main six tourism products available in the city are: Berlin Welcome Card, City Tour Card, Museum Card, Congress Card, daily tours and tourism packages. All the cards require the involvement of the tourism firms, such as the public transport company, restaurants, museums, shops and theatres. In particular, the first two products are both destination cards; the first one is developed by BTM in collaboration with the public transport company, while the City Tour Card, realized in 2004, is run by a private firm in collaboration with the public transport company. The presence of this new competitor resulted in a reduction of the cards run by BTM. The museum card offers mainly discounts for museums tickets but also for restaurants and shops. The congress card is focused on all the services and tourist attractions which are usually experienced by congress delegates and their accompanying persons such as public transports, museums and restaurants. Thus, it needs the collaboration of congress and fair centres, PCOs, museums and firms which manage tourism attractions.

Concerning business tourism, Berlin Tourismus Marketing has an internal division – Berlin Convention office (BCO) – dedicated to the promotion of the city as venue of congresses and corporate events. The main purpose of BCO, founded in 2001, is to position Berlin as congress destination both at national and international level. It works with and for its sponsors and its partners. The sponsors are 44 “congress hotels”, which pay an annual fee to be included in the BCO meeting guide and to have their logo depicted in all the promotional material and in the official BCO communications. The partners are 17 suppliers of meeting facilities and technical services which in 2002 founded the association “Berlin Preferred Agencies” to better support BCO activities. The relationship between the association and BCO goes beyond commercial links. In fact, 2 of the 17 partners are in the BCO’s board and collaborate with: BTM, the fair centre (Messe Berliner Gmbh), the hotel partners and all the firms involved in the organization of MICE events. Berlin Convention Office is a member of the German Convention Bureau. It pays an annual fee and, in turn, it benefits of the activities undertaken by the national bureau and they jointly make promotional initiatives.

Applying the model by Friedman and Miles emerges how all these products have been the starting point for the development of lasting collaborative relations between the DMO and the tourism firms. The collaboration goes beyond purely commercial relations, especially regarding the BCO, which has involved its Preferred Agencies in its board.

The link between hotels and both the DMO and BCO is the oldest and the strongest. In fact, hoteliers were one of the founders of both Berlin Tourismus Marketing and, later, the BCO; therefore they are shareholders and members of the supervisory board.

The role played by the DMO for new products development hasn’t constrained the creativity and the entrepreneurship of private firms. In fact, the new destination card “City Tour Card”, has been developed by City Tour Card Verlag GmbH in collaboration with the public transport company, even if the latter is, at the same time, a partner of BTM for the Berlin Welcome Card.
The convergence towards the first cells shows the inclusion strategy pursued by the DMO. In particular the active role played by hoteliers in the genesis of the DMO itself, contributed to enhance the involvement of tourism firms in the Berlin Tourismus Marketing activities.

4.3 Single case analysis: Vienna

The Wiener Fremdenverkehrsverband main function is the development of tourism activities and it represents the interests of the different stakeholders involved. Basically, a) it promotes Vienna as a tourism destination; b) it coordinates tourism firms and it conveys the integrated tourism offer of the city; c) it controls the quality of the services and the prices; d) it carries out market research and it gathers data on the tourism industry. In 1992, the tourism act has been modified. The Wiener Fremdenverkehrsverband changed its name in Wien-Tourismus (WT) and it became responsible for the coordination of the firms involved in the tourism policies, and of the drafting of the strategic tourism plans.

Wien-Tourismus is a public body consisting of 2 different levels: a “political level”, which includes the Board of Directors and the CEO, and a “corporate level”, which includes the operative divisions.

The Supervisory Board is elected every 5 years and made up of Vienna’s parliamentarians according to the parliament composition, in order to represent all the political parties. All the members - 14 members and 3 consultants - are required to have previous job experiences in the tourism field. It meets 4 times per year to approve the budget and the strategy and to adopt the balance sheet. All decisions have been taken unanimously.

The corporate level consists on 5 divisions, each of them responsible for its own budget and the hiring of its own employees. In particular, one of these division is the Strategy department, constituted in 2002 in order to develop the Project Vienna 2010, is made up of WT members and representatives of: the General Manager Council of the 5-star hotel trade; the 4-star Alliance; the Austrian Hoteliers’ Association; the Incoming Tourism Forum; Wiener Messe Besitz; Austrian Airlines and Vienna Airport; the Austrian Institute of Economic Research; City of Vienna’s Marketing Services; the Chamber of Commerce; and Vienna Business Agency.

The budget 2006 amounts to 19.6 million euros. The financial bodies of Wien-Tourismus are: the City Hall (26.5%), the Chamber of Commerce (1.5%), its own income (23.5%) and the tourists’
contributions, through the local accommodation tax (2.8% of the net room rate), which is transferred
by hoteliers to the DMO and it counts for the 48.5% of the Wien-Tourismus budget. Even though
hoteliers are the main private partner of WT, they are involved in the DMO neither at the political
level nor at the corporate one. Nevertheless they are included in working groups to contribute to the
planning activities of Wien-Tourismus.

The main source of Wien-Tourismus own income comes from the City Card, which costs 16.90 € and
includes more than 210 reductions for museums, shops, restaurants and shows and free local public
transport for 72 hours. It has been launched in 1995 and ten years later, in 2005, the number of card
sold both to tour operators and tourists amounted to around 279,000.

The Vienna Convention Bureau (VCB) is one of the 5 divisions of Wien-Tourismus. It has been set up
in 1969 in order to coordinate and promote Vienna’s congressional activities. It has no members
because it plays a supportive role for the destination as a whole and it doesn’t want to allow anybody,
such as members, to interfere in its decision making processes. Besides, it has sponsors, which pay a
fee for their logo to be included in all the Convention Bureau’s promotional material.

In the MICE events organization the convention bureau plays a key-role: clients, PCOs and congress
and convention organizers contact the convention bureau, which, according to the type of events and
the needs of the client, decides the venue and the firms to involve. Even if clients ask directly the
Congress Centres to host a congress, the latter turns to the convention bureau to play as a director of
the whole process. Moreover, the convention bureau supervises the occupancy rate of the
accommodation offer, the number of MICE events hosted and their participants. Furthermore, the
convention bureau edits the Meeting & Incentive Planners’ Guide, which contains useful information
to organize events in the city. A second kind of activities it carries out is providing a financial support
to international organizations which decide to organize an event in Vienna in low season periods –
July and August and from November to March –. The financial support mainly consists on
promotional offers and delays of payment.

Applying the model to Vienna a convergence towards the first cell is evident. Figure 5 depicts the
changes in the relationship between Wien-Tourismus and its stakeholders in the last 15 years.

**Figure 4 The Relationship Between Wien-Tourism and Destination Stakeholders**
The inclusion strategy is implemented mainly through the involvement of tourism firms in working groups and workshops. As already said, the foundation, the structure and the functioning of Wien-Tourismus were stated by law in 1955 and, later on, modified in 1992. Furthermore, such a “top-down” approach provided the DMO with financial resources through the local accommodation tax, which is now the main source of its budget, while its own income counts for the 23.5%. Given this business model, hoteliers are, on the one hand, obliged to support the DMO activity, but on the other hand, they are neither represented in the supervisory board nor formally involved in the decision making processes. Moreover, Wien-Tourismus controls the MICE event calendar and it influences the activities of congress centres, the exhibition centre and congress hotels.

In this case collaboration is enhanced by listening to hoteliers and tourism firms proposes and by including them in working groups together with the DMO staff for the development and implementation of the tourism strategic plan (Vienna 2010). In this way there is an inclusion in the decision making processes which results in a convergence of goals and actions. Thus, the Wien-Tourismus activity is perceived as supportive rather than imperative. The same consideration can be referred to the convention bureau, which acts not only as a facilitator, but also as a controller, overseeing the activity of all the destination’s firms involved in the organization of a MICE event.

6. DISCUSSION

Applying Friedman and Miles dynamic model to Barcelona, Berlin and Vienna it comes out how, from 1993 to 2005 changes have occurred in the relationships between the DMOs and the destination’s stakeholders. In Barcelona and Vienna, besides their public founders – the City, the Chamber of Commerce and Barcelona Fondaciò Promociò for the Spanish city, and Vienna’s parliament for the Austrian capital – tourism firms and especially hoteliers have been involved in the DMO activities. In Berlin the role of hoteliers has been fundamental from the preliminary phase of the destination management activities because they proposed and promoted the foundation of the DMO.

Moreover, the three convention bureaux enhance collaboration between congress centres, exhibition centres, hotels, professional congress organizations (PCOs), incentive agencies, catering companies and other firms in the field, acting as a facilitator for their activities, especially for its members and sponsors.

Even if all the three DMOs have asked for firm collaboration through an inclusive strategy, they have used different approaches. Turisme de Barcelona enhances collaboration through new products development, Berlin Tourismus Marketing involves its stakeholders allowing them in its governance structures and in the new tourism products, Vienna, on the contrary, establishes collaboration forms through working groups and recurrent meetings where firms, institutions and associations discuss together about the tourism planning of the destination.

To evaluate the DMO activity from the destination firms’ perspective, I analyzed stakeholder contributions in terms of reward and risk tradeoffs. As summarized in figure 5, there are different kinds of contributions, rewards and risk tradeoffs which each stakeholder bears.
In Barcelona, contributions of destination firms don’t include economic contribution to the DMO, as firms are very sensitive to financial payments. In Berlin hotels represented by the hotel association (about 400 hotels) contribute according to their size, so the fee is considered affordable for all the association members. Even though at first sight it seems in Vienna hotels provide financial contribution to the DMO through the local accommodation tax, in fact they simply transfer part of the money tourists paid. However, in all the cities firms’ social presence and involvement is very important for the DMO and the absence of financial contribution reinforces the perception of low contribution.

A second kind of contribution consists on the delegation of power to decide about promotion, booking and selling of their services. Nevertheless firms are still free to choose about the price of their services. On the other side, this contribution can be considered a reward because their offer is promoted internationally by the DMO and sold in loco – through CITBs in Barcelona and Vienna’s tourism offices - as well as online. Furthermore, firms benefit from the promotion of their products carried out by skilled marketing people with remarkable financial resource (over 2 million euros) addressing European and long haul markets.

Regarding new products development, firms contribute in different ways. In Vienna the main product is the city card, which is promoted and sold by Wien-Tourismus and it requires the collaboration of shops, museums, public transports and theatres. In Berlin, instead, there is a wide variety of products, because in Berlin destination cards are developed in several different forms. They all need the involvement of destination firms, such as PCOs, congress and fair centres, because they address both leisure and business tourists. Turisme de Barcelona relies on new products development because its own income is its main financial resource. For the Shopping Line, shop keepers have to fulfil quality standards to put the shopping line logo on their window. Turisme de Barcelona provides the Shopping Line Bus to help tourists go shopping. To evaluate this product, Turisme de Barcelona has stipulated

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4 The only exception is represented by congress centres, congress hotels and PCO which pay a fee to be members or sponsors of the Convention Bureau. Even if it is an internal division of the DMO, the analysis of Barcelona Convention Bureau goes beyond the aim of this paper. For an evaluation of Convention Bureaux see De Carlo, Cugini and Zerbini, forthcoming.
an agreement with Caixa de Catalunya to gather data about the number of money withdrawals and credit card transactions.

The Tourism Bus is managed “fifty-fifty” by Turisme de Barcelona and the public transport company (TMB). TMB runs the service and owns the buses while Turisme de Barcelona sells the tickets and promotes the service. The profits are equally shared.

The Barcelona Card is promoted and sold by the DMO but it requires the collaboration of museums, shops, restaurants and TMB in terms of availability to discount their tickets or deliver their service for free to the card holders. As a reward firms benefit from the high amount of money spent to promote the products and from the lower seasonality due to the variety of targets addressed.

For firms represented in the board – especially hotels both in Barcelona and Berlin cases – another element which is both a contribution and a reward consists on being formally involved in the DMO decision-making process. This gives them legitimacy but, at the same time, the responsibility of the strategic choices taken at destination level. Moreover, being formally included in the DMO allows hotels not to be totally excluded from events – such as MICE – which affect their performance but which are out of their control.

In Vienna neither hotels nor other destination tourism firms are represented in the supervisory board of the DMO but they are involved in the decision making process through working groups, which are the place where the firms can propose initiatives and can work jointly with Wien-Tourismus at new projects, such as Project Vienna 2010.

Even looking at the two convention bureaux there are both similarities and differences. Unlike Barcelona and Berlin Convention Bureaux business model, Vienna’s one acts as a controller and as an intermediary between destination firms and the client which can’t be dodged round. It has no members to guarantee its impartiality as well as its autonomy and every promotional activity aims at promoting the whole city as a MICE destination. On the contrary, in Barcelona and Berlin the convention bureau it’s only a facilitator, focused on the promotion of the city as a congress venue mainly for its members and sponsors. As regards these two facilitators, Berlin convention bureau is the only one which has included two members of Berlin Preferred Agencies in its internal board.

According to the contributions stakeholders provide the DMO, they bear different kinds of risks.

Economic contributions bring with them financial risks. Since in Barcelona, Berlin and Vienna destination firms don’t provide the DMO with relevant economic contributions, financial risks don’t represent a barrier against collaboration.

The sharing of information and control about firms operative activities brings with him respectively knowledge-sharing risk and independence risk.

As destination firms compete and cooperate at the same time, they can perceive sharing information about operative activities and performance as risky. Nevertheless the monitoring activity carried out by the DMO is fundamental to fill the gap between the destination performance and positioning achieved and the desired ones. In all the cities the DMOs publish an annual report about the destination performance and they report the data about fairs, congresses and corporate events hosted to international associations, such as ICCA and UIA, to make the destination well ranked and internationally known as a congress venue.

In Barcelona, Berlin and Vienna firms are used to communicate operational and performance indicators to the DMO and they appreciate the annual report, which is considered a useful tool to evaluate and convey the overall destination performance inside and outside the city.

Last but not least, sharing or delegating the control over firms activities can be perceived as risky because it reduces firms’ independence.

The more the control is high the more it can be potentially perceived as a constrain rather than a support or a guide. This kind of risk can be a barrier against collaboration for those DMOs which act
as controllers, such as in Vienna case. However the remarkable rise of destination’s economic and competitive performance together with the involvement of tourism firms in the decision making process reduce the perception of the risk. On the contrary, Turisme de Barcelona and Berlin Tourismus Marketing act like a facilitator and their interference in firms’ activities refers only to booking and promotion activities. In this case firms partially outsource their marketing and commercial activities to the DMO, which supports them selling and promoting tourism services to tourists, tour operators and travel agencies. According to that, the perception of independence risk is low.

Both firms and the DMO collaborate to get mutual benefits. In particular, firms benefit from higher competitive and economic performance due to the decrease in the seasonality of the city and in the remarkable increase of the overnights. Second, they benefit from economies of scale due to the partial outsourcing of operative activities such as reservation, promotion and selling of their products.

Besides, the existence of a unique and coherent destination strategy which guides the DMO activities, and thus its product development, aligns firms’ strategy and goals with destination ones. Moreover, firms gain decisional power by taking part in decision making processes concerning events – such as exhibitions, congresses, cultural events – they can’t control by themselves, but which affect their performance.

Moreover, consistently with what stated by Phillips, Freeman and Wicks (2003), the substantial involvement in the decision making process - either in a formal way as in Barcelona and Berlin, or in an informal way as in Vienna - results in a higher perceived fairness in the rewards.

On the other hand, the DMO benefits mainly from the firms’ willingness to be coordinated and to make joint activities. In both the case studies the financial contributions are not such an important reward for the DMO.

7. CONCLUSIONS

In line with what stated by Gray (1985) and McCann (1983), all the cities went through three steps to establish collaboration: i) the problem setting; ii) direction-setting and iii) structuring. In the first phase stakeholders became aware of the problem concerning the tourism performance of the destination and the need for collaboration. In the second phase they identified their common strategic goals though the planning process while in the third one they implemented the strategy and institutionalized the collaboration within the DMO context.

Even though both the destinations have been pursuing inclusion strategies to bundle stakeholders and increase the competitiveness of the destination, there are substantial differences in the strategic actions implemented.

Barcelona main lever to enhance collaboration is new products development, through which the DMO has strengthened the relationship with tourism firms such as the public transport company, shops, restaurants, museums and hotels. The latter are also formally included in Turisme de Barcelona governance because the hotel association is a member of the General Council.

In Berlin collaboration with tourism firms, and hotels in particular, has been favoured since the institution of DMO because hoteliers proposed its foundation. Later on, tourism products, such as the four cards, enhanced the cooperation with the destination enterprises.

Vienna’s inclusion strategy is based on the participation of tourism firms in decision making processes through working groups, annual conferences and meetings, which lighten the perception of Wien-Tourismus as a controller.

Despite these considerable differences in the business model, the governance structure and the functions, in all the three cities the DMO is the body where cooperation for group decision making purposes is institutionalized.
Participation in the DMO network cultivates social capital, which increases the trust among partners and opportunities for mutual benefits which result also in a greater reward for the individual firm. Thus, in line with what assessed by Sheehan and Ritchie in their empirical study (2005), formal contracts and stable involvement in the DMO’s activity are required to link primary stakeholders to the DMO over time. In contrast, exclusion by the network should result in less trustworthy relations, higher risks and fewer rewards.

Nevertheless, DMO’s legitimacy and impartiality are necessary to gather consensus among stakeholders and ensure a long-lasting collaboration. They both can be reached by:

- The presence of two separate levels or functions: the political and the corporate ones. Through this separation, institutions and private firms take part in strategic decision-making processes without interfering with the activity of the DMO;
- The recruitment of a skilled management;
- The inclusion of both institutions and firms in the DMO, either in the board or, at least, in working groups;
- The involvement of destination firms in new product development activities;
- The offering each firm affordance to choose whether or not to join the activities which the DMO initiates.

According to that, contributions, rewards and risks deriving from the collaboration are perceived as convenient and, as a consequence, the consensus toward the DMO increases.

REFERENCES


