QUALITY DESTINATION MANAGEMENT

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Abstract

Tourism is recognized as a significant industry worldwide, a key sector and source of development and income in several countries. The article focuses on quality management in tourist destinations in the Czech Republic. The overall objective of the present study is to uncover the evaluation of destination management by tourist organisations. Hence, the importance of destination management for each organisation based on the model of excellence EFQM (European Foundation for Quality Management) is evaluated. Moreover, the article highlights and assesses the difference between organisations which possess a certificate of quality and those which do not. Furthermore, the findings of the research, the data for which were collected from respondents at tourism organisations in the Czech Republic, can be used for assessing the competitiveness of destinations and for recommendations for sustainable development in the future.

Keywords: destination management, quality management, EFQM, certification

INTRODUCTION

The tourism industry is one of the fastest growing sectors worldwide. It is often investigated through its relation to GNP, employment and other macroindicators (Politis et al., 2009).

Tourism is a complex concept consisting of a number of components. Speaking of tourism, one can often encounter terms such as destination, competitiveness, quality or, as the case may be, satisfaction (Kapiki, 2012; Kozak and Rimmington, 1999; Tian-Cole and Cromption, 2003). As Ryglova et al. (2015) point out, it is appropriate to take a detailed structured focus and only analyse components which can be considered as determining for a destination’s success.

Quality in Tourism

As Jennings puts it (2006), quality is a significant factor in strengthening a destination’s competitiveness. However, the very concept of quality is difficult to grasp. Firstly, it is very subjective, and moreover, it comprises a number of different components such as brand name, safety, attractiveness, and ways of providing services (Woods and Deegan, 2003). Thus, it is not easy to define quality and currently, there are scores of definitions. The reason for this ambiguity in terminology is the number of different views of quality. Quality is considered as a philosophical term pertaining to price or exclusivity (UNWTO, 2017). Quality, however, can be approached
through specific attitudes, namely client-, product-, service - or process-centred attitudes (UNWTO, 2017). For this reason and for clarity, two definitions have been chosen.

"Quality is the result of a process that involves satisfying all needs, expectations and requirements for products and services at an acceptable price, in harmony with the determinants of quality, such as safety and security, hygiene, transparency, authenticity and conformity of tourism activities with people and the natural environment (Eraqi, 2006; WTO, 2003)."

"Quality is meant to meet or exceed the required expectations of customers. In order for an organisation to meet or exceed individual expectations, it is necessary to understand all the attributes of services that contribute to customer value and lead to satisfaction and loyalty (Evans and Lindsay, 2013)."

The two definitions above confirm the fact that quality is subjective and as such, it depends on the interaction and cooperation of providers as well as mutual ability to fulfil their clients' needs and expectations. Quality is a factor influencing positive perceptions not only of the service itself but of the entire destination (Su et al., 2016; Weaver et al., 2007). Being capable of offering a quality product means to be competitive, both viewed by each of the providers and in the view of the whole destination (Eraqi, 2006). One of the possible reasons for a destination's success can be superstandard services exceeding the required quality (Chi and Qu, 2008).

**Destination management and quality**

Maintaining or enhancing the quality of a destination requires much planning as it is a long-term complicated process (Talib et al., 2011). Considering quality, a number of factors come to play which can be further categorized. An integrated approach using the means of quality management is important (Eraqi, 2006).

For quite some time now, destinations all over the world constitute what is called destination management or destination organisations. Quality management of destination can only be done by innovative and integrated destination management body, all with the support of local authorities, local service providers and local inhabitants (Go and Govers, 2000; Rudančić-Lugarić, 2014). It is because integrated management unites the four key factors into one approach, namely tourists’ satisfaction, service provider’s satisfaction, local dwellers’ satisfaction and the quality of the environment (Vajčnerová, 2014). The goal of destination management, as is apparent from its name, is quality monitoring, comparison and subsequent enhancement (Vajčnerová, 2014). The search for a suitable way of quality management a destination lies in efforts to find methods of measuring and assessing quality (Jennings et al., 2009). Some approaches, such as TQM or EFQM, have been taken over from other fields (European Communities, 2003; Muskat et al., 2013), other methods such as SERVPERF, SERVQUAL or QUALITEST were developed by gradual modifications and practical applications of quality evaluation (Gronroos, 1990; Parasuraman et al., 1985).

The TQM approach and the EFQM model can often be used thanks to their relatively easy applicability and focus on crucial criteria (Milošević et al., 2016). Following the TQM approach in quality, applications of rules and principles are required at all levels. The TQM approach concentrates on error minimisation and existing process improvement. In the EFQM model, each factor is assessed by means of subcriteria. An advantage of the EFQM model is the possibility of self-assessment and comparison with competitors (Eraqi, 2006; Talib et al., 2012; Dong-Young et al., 2010). The success or failure at implementing TQM or EFQM into practice, however, is highly dependent on key employees’ initiatives in enhancing quality, and not only in destinations (Talib et al., 2012).

World’s destinations develop at different paces, particularly when quality is considered. There are many reasons for this unevenness, such as financial resources and government policies, but also different levels of development of destination organisations and cooperation with local organisations (Kuščer et al., 2017). The discrepancies are very noticeable comparing countries which take a long-term interest in destination quality and development (Switzerland, Germany, Denmark, Austria and Japan) with countries that have only taken interest in destinations recently (Assaf and Tsionas, 2015). One of the specific examples of destination quality assessment is the Swiss model QforYou with criteria at three levels. This model is used for certifying tourism providers in Switzerland. The first level focuses on visitors’ expectations and their satisfaction. The second level aims at employees of service providers and the third level focuses on certification quality management system (Müller, 2004).
Destination management in the Czech Republic

Destinations in the Czech Republic tackle the issue of quality assessment as well. The situation in this country, however, is different from abroad and the difference is even more striking if a comparison is made with countries ranking high in tourism and destination management (Assaf and Tsonias, 2015).

Tourism agenda, according to Competence Law, is within the Ministry of Regional Development (MMR). The current document, Conception of Tourism in the Czech Republic in the period of 2014–2020, emphasizes management as its priority. The plan aims at establishing a platform facilitating cooperation among stakeholders in tourism. It can be stated that to this day, a system of tourism governance has not been established.

The functioning of destination management organisations (henceforth “DMOs”) remains ineffective and results in wasting of financial and human resources (MMR Ministry report, 2013). To solve this problem, the agency CzechTourism in cooperation with KPMG were assigned to set up categorization and certification of DMOs (Jakšová, 2018). The categorization system of DMOs (henceforth “categorization”) has been established to serve the purpose of DMO certification. It sets up conditions for the founding, focus and activity of a DMO (ČSKS, 2018).

Destination management at the national level is carried out by CzechTourism (CzechTourism, 2018), at the regional level by Tourism Centre Points or corresponding authorities of the Governors’ offices, at the district level by functionally built entities sharing mutual interests and at the local level, by bodies such as contracted clusters of settlements (ICOT, 2002). The first round of certifications was started on February 1, 2018, and is in its evaluation phase. By means of a certification process, carried out following a unified method, stakeholders’ satisfaction with a DMO is assessed. This kind of evaluation feedback will serve as a tool for improving its aims and practices. To gain its certificate, a DMO must implement and maintain the Czech system of service quality (ICOT, 2002). Certified DMOs should make effective contributions to the development of destination management (ČSKS, 2018). The new system of DMO categorisation and certification should be at least a partial solution to the issue of tourism management in the Czech Republic (Jakšová, 2018).

MATERIALS AND METHODS

Following up on the existing utilized literature, the present research focuses on quality and on destination management organisations (DMOs); more specifically, close investigation of DMOs and their approaches to destination quality perception, assessment and management on the Czech territory. Primary and secondary data are used in the research. Secondary data were obtained by means of analysing articles and web presentations of CzechTourism. They are primarily constituted of specific factors and groups of factors influencing quality. CzechTourism’s own list of DMOs is used including contact information.

Primary data were obtained by means of an electronic questionnaire designed for DMOs operating in the Czech Republic. A total of 69 companies which, according to CzechTourism, can be considered as tourism organisations, are included in the research, of which 31 are currently certified (at 1st and 2nd levels of certification) by the Czech service quality system (CzechTourism, 9. 5. 2018). February 1, 2018 marks the launch of a new certification system directly aimed at destination management organisations. The individual DMOs were retrieved from CzechTourism and iCot resources. The questionnaire was launched on the server mendelu.umbrela.cz, where the collection of data was realized. A pilot testing round was carried out at first in which the questions’ accuracy and specificity were checked as well as the overall number of questions. This has led to the preparation of the questionnaire’s final version. The research was opened on August 1 and lasted two and a half months. Firstly, each DMO was asked to fill in the questionnaire via email, including a small introduction about the research and a link to the questionnaire placed in server umbrela. The data collection was not sufficient (only 30% has answered), therefore it was used a telephone communication with managers of DMOs, where the research was introduced and subsequently an email with the link to questionnaire was sent. The final return was 51 responses out of the total 69 companies.

The questionnaire prepared for DMOs contains dichotom, semi-open and open questions. The questionnaire’s structure complies with the EFQM model (see Fig. 1). The questions form a few thematic sets, namely asking about leadership, people (management staff), policies and strategies, planning, partnerships and
resources, processes, employees and their results, customers and their results, as well as society and business results. Questions are so structured in the questionnaire to enable an examination of the relation between a DMOs certification.

The data thus obtained have been statistically evaluated by means of tables. Moreover, the results are so structured to enable a comparison between certified and uncertified DMOs. In the figures, the results are shown in percentage. Individual responses are divided into certified and non-certified DMOs. For a given question, each column captures how the certified and non-certified answered for each response. Therefore, the sum of the individual answers in question for certified sums 100%, as well as non-certified sums 100%.

A character of typically certified and non-certified DMO, based on model EFQM has been compiled in Tab. I. Components such as management, planning and strategies, partnership, resources and processes, staff, customers and society are being compared. Considering procedures and reference in works cited and the current situation in the Czech Republic, the following research questions were formulated:
1) Does a DMO's certification impact its quality management?
2) Which are the factors limiting the quality?
3) Is certification helping to make cooperation among enterprises in tourist destinations?

**RESULTS**

Based on an analysis of qualitative data, it has been found that of the total of 51 organisations participating in the research, 16 are certified organisations and 35 non-certified ones. In percentages, there are 68.6% non-certified organisations and 31.4% certified. Certification elaborates a norm establishing minimum requirements such as founding date, aims and activities of organisations taking prerequisites and potential of tourism into consideration. Certification’s goal is an increase in performance and the effectiveness in this field. E.g., only a certified DMO will be eligible to receive funds from the national budget (CSKS Czech System Service Quality, 2018).

As it is apparent, for certified organisations certification is significantly more important (63%) than for the non-certified ones (26%). More than half of non-certified DMO does not consider certification as a necessity. It is logical for already certified DMOs to attribute greater importance to certification. It is interesting, however, that certain DMOs, in spite of the certification they have obtained, consider it unnecessary, and for some DMOs, it is totally unimportant.

In connection with the EFQM model and in relation to organisations, planning and strategies are often mentioned. Therefore, it is important to focus on the differences in planning between certified and uncertified organisations. A plan of action in destination development is outlined by all the certified DMOs, as well as strategic documents. Conversely, with uncertified DMOs, destination development action plan is made by 68.80% of them. In the case of uncertified DMOs, it is equally interesting to compare their attitudes to outlining action plans and strategic documents because the difference between these two activities is 24.75%, where strategic documents are setup less usually than action plans.

Another interesting observation is the manner of communication with local dwellers. At first sight, the differences are not quite noticeable. There is
haphazard communication both with certified and uncertified DMOs, regular communication occurs even more frequently with uncertified DMOs than those certified. Nevertheless, if the category of haphazard and regular communication is joined, then it can be found that certified DMOs fully communicate with locals, whereas uncertified ones in 80% cases. With 20% uncertified DMOs, no communication occurs.

Similar differences are apparent with other questions, namely those concerning partnership and resources. Certified DMOs have created, in 100% cases, a partnership for development where they make every effort to promote mutual cooperation and reciprocal exchange of information and experience. Uncertified organisations only do so in 87.1% cases. A closely related issue is whether DMOs assess their providers’ quality. Positively responded 75% certified and 67.7% uncertified DMOs.

What both types of DMOs agree on the financial resources which, in the opinion of most, is insufficient.

Another dramatic difference in responses has been found in the setting up of work processes. This is done by 81.3% in certified DMOs and by 44.8% uncertified ones. Furthermore, in these processes, a total of 75% of certified DMOs carry out the check-up, significantly more than the 44.8% in uncertified DMOs.

Coming back to the issue of finances, it can be stated that similar results have been obtained in the case of personnel. A total of 75% certified and 78.1% uncertified DMOs agree that they are
short of staff. The interesting observation is that certified DMOs entrust their staff with scrutinizing quality (68.75%), unlike uncertified ones (35.5%). Thus, certification obviously impacts the very distribution of labour, with a higher emphasis on quality. In a multiple-choice question considering training, no substantial differences have been found between the policies of certified versus uncertified organisations. A fact worth mentioning is that no training occurs with 8.6% of employees of uncertified enterprises.

Another minor difference can be observed considering the questions concerning the domain of staff and customers from the point of view of handling complaints and satisfaction. In total, 81.25% of certified DMOs handle complaints as opposed to the 83.3% non-certified. A survey of both customer and staff satisfaction is carried out in one third of certified and 30% uncertified organisations. It is worth mentioning that non-certified DMOs do not carry out surveys of their both staff and visitors in 30% which is almost twice more than in certified DMO.

Another interesting finding is the behaviour of certified versus uncertified DMOs when it comes to auditing planned activities. It has been found that certified DMOs check their activities twice as much, that is to say, that certified DMOs check their activities by 100% whereas the uncertified ones in 48.6%. Further consequences of this are the 93.8% reactions to satisfaction surveys by certified DMOs as opposed to the uncertified ones which are less active and only react to remarks from customers and other parties by 77.1%.

[Image: People]

Source: Own research

[Image: People & Customers - Results, Society - Results]

4: People

Source: Own research

5: People and Customers – Results, Society – Results

Source: Own research
Tab. I shows a comparison of two typical DMOs made based on the replies in the questionnaires. The comparison follows the EFQM principles. Focusing on certain sections with certified and non-certified DMOs, it can be concluded that certified DMOs fulfil the EFQM requirements better. It is to maintain simultaneously, that the DMO certification consistently helps to develop destination quality.

### DISCUSSION

The present research concerns destination quality management and DMOs. In view of the newly established certification system (Jakšová, 2018; KPMG, 2018), the present study focuses on DMO certification and its impact on quality management. Against this background, research questions were formulated. The first

<table>
<thead>
<tr>
<th>The fulfilment of certain EFQM aspects by certified and uncertified DMOs</th>
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<tbody>
<tr>
<td><strong>Certified DMO</strong></td>
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<tr>
<td>Management:</td>
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<tr>
<td>Perceives certification as highly important.</td>
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<tr>
<td>Complains of an absence of a document delimiting competences, activities and obligations of a DMO, as well as of a missing system of financing and of complicated cooperation with the private enterprise sector.</td>
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<td>Is more active in communicating with local citizens, however, is less regular doing so.</td>
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<td>Communication occurs by means of social media, through media presentations, organizing events, contributing articles, supporting press and farm trips, fair participation, also via PR texts, campaigns in the media and meetings with organisations.</td>
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<tr>
<td>Planning and strategies:</td>
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<tr>
<td>Makes action plans for destination development and has completed strategic documents.</td>
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<tr>
<td>Partnership, resources and processes:</td>
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<tr>
<td>Focuses at the most on developing partnerships within the tourism and focuses heavily on quality obtained from service providers. Moreover, there are operation processes set up and checked. However, financial resources are lacking.</td>
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<td>Staff:</td>
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<tr>
<td>Assigns quality check to some of its employees and provides training for them. Employees are prepared better to solve tasks about quality, they are also able to supervise whether the aims are fulfilled or not.</td>
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<tr>
<td>Results – staff, customers and society:</td>
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<tr>
<td>Handles all complaints, pays special attention to staff and customer satisfaction. Operational processes are checked and satisfaction surveys are reacted to.</td>
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**Additional information**

14 organisations have applied for this type of certificate and are now at the decision/approval phase. However, some of them state that certification is of no significance or impossible to obtain for reasons of unfulfilled requirements. For the rest of those not possessing the certificate the reasons are insufficient capacities for paperwork, lacking resources and inaccessible information concerning certification.

Source: Own research
question is designed to find out whether a DMO’s certification influences quality management. The results and the comparison of certified vs. non-certified DMOs reveal noticeable differences. Above all it is a better-developed work process approach on the part of certified DMOs involving strategic planning, providing check-up and feedback, as well as assigning staff to watch for quality and handling complaints. The results partly correspond with what is emphasized with DMOs in Switzerland where DMOs consider tourists’ expectations, their satisfaction, as well as staff satisfaction. Above all, management is approached from the angle of the processing attitude (Müller, 2004). Certified DMOs fulfil TQM principles and the EFQM better. As destination quality development is not a fast and easy process, a sufficient number of trained and competent staff is crucial. Thus, the research investigates factors limiting the quality management in destinations. The data obtained from both certified and uncertified DMOs show that shortage of staff is a complaint of both. So, it is possible to consider that a lack of employees is one of the limiting factors of quality management. However, the problem seems slightly more serious with certified DMOs. It can be assumed that process management brings along the need for more employees (Talib et al., 2012). Another limiting factor of quality management is insufficient financing, poor communication with local providers concerning their inability to meet requirements, not understanding the concept of destination management, lack of support from regional governments or the missing tourism legislation. All these are factors which can cause an uneven development of the entire destination. It appears from the results, in the Czech Republic is common that service providers do not seem to have an interest in collaboration with DMOs. As Kuščer et al. (2017) put it, these are crucial factors resulting in discrepant development. Noncollaboration and tendency to work just for oneself is a fundamental, which is probably another significant difference between well-developed countries such as Switzerland, Germany, Denmark and Austria and mentioned Czech Republic (Assaf and Tsionas, 2015). This is closely related and partly responsive to the third question, namely whether the certification has impact on tourist destinations cooperation. It cannot be stated there is no cooperation, but, as mentioned above, it is weaker in comparison with highly developed countries. An example can be given by citing a destination organisation saying that the trust necessary to start cooperation with a DMO is missing because a lot of stakeholders are ignorant of what DMO means. Another factor can be inflated expectations by business people requiring instant benefits. Some DMOs, however, blame directly the state and its government, particularly for the missing tourism legislation which would anchor all the issues.

As has been mentioned in the methodology section, the questions corresponded to the EFQM. Based on its principles, in the result section, there is a comparison of the two typical types of DMO, one certified and the other uncertified. The comparison makes it all the more apparent that certified organisations fulfil the principles of the EFQM model better. It is fair to add here that a number of uncertified DMOs have applied for their certificate, nevertheless, as yet have not obtained it. There can be many reasons for this, not only failure to fulfil some of the requirements on the part of the DMO but also a slower reaction on the part of CzechTourism.

As a follow-up to the above, an approach quality management based on model EFQM leads to process management. It is apparent that certified DMO plans and check activities more. Mentioned recommendations should be put into practice, which would contribute to a higher efficiency of DMOs and as Vajčnerová (2014) puts it, it would increase the satisfaction of tourists, businesses, local dwellers and ensure a sustainable environment. With regard to the above, some recommendations should be noticed which would lead to effective fulfilling model EFQM, but mainly to the complex approach of quality destination management. In the first place, it would be appropriate to lead more regular communication with local inhabitants, entrepreneurs and regional administration. It is important to maintain a dialogue to increase awareness of DMOs. Although certified DMOs approach management from the process point of view, processes should be further developed and especially audited by setting updates on which the meeting of a specific objective would be checked up on. Hand in hand with enhanced auditing, the quality watch would be assigned to another chosen employee. Quality check-up days could coincide with those of other processes check-up to economise the staff’s working time. Furthermore, it is imperative to inquire more about stakeholders’ satisfaction, hence the need for maintaining a dialogue with everybody involved.

A DMO should know, or at least be aware, of the level of satisfaction of its staff, visitors and service providers. Solutions can be found in the use
of online communication, web portal, social media or face-to-face communication which of course would be more expensive and difficult to organize. Some of the limits are also worth mentioning, such as an approach of the research itself. This research is focusing on a wide analysis of current quality management in destinations, all from the point of view of DMOs. Therefore, it was limited to carry out a more detailed analysis of partial components, e.g. detailed focus on employees, collaboration with service providers or the impact of quality management on customers. These issues should be part of another analysis and could be elaborated in detail.

CONCLUSION

As a conclusion, we can say that certification has an apparent impact on quality management. As it is apparent from the research results, it can be stated the quality with certified DMOs is particularly noticeable in more process management, a greater amount of control, more expansive strategic planning and quality watch. It is also obvious that for certified DMOs their certification is more important. On the other hand, it was ascertained that communication is more and more haphazard and the problem of understaffing remains, as well as unwillingness to cooperate on the part of service providers, and a DMO’s financial situation.

The objective of the present study, namely to find the differences in quality management between certified and uncertified DMOs, has thus been met. Subsequent research could focus on specific impacts of certification on DMO governance, that implies a determination of which other modifications in the employees training, planning or control has to be done in order to get required aims.

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REFERENCES


