IDENTIFYING KEY RELATIONS FOR DESTINATION COMPETITIVENESS AND FOR CREATING CULTURAL TOURISM PRODUCTS: A VALUE SYSTEM APPROACH TO TOURIST DESTINATIONS*

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Summary: 1. Introduction; 2. Tourism organizations and cultural heritage institutions; 3. The stages crucial for the development of destination competitiveness, and the creation of tourism products; 3.1 Key relations for destination positioning developed by local tourism promotion agencies; 3.2 Key relations for the creation and the positioning of tourism products, developed by tour operators and travel agencies; 3.3 The value system model for the development of destination competitiveness and the creation of tourism products; 4. Conclusions and indications for further research

ABSTRACT
Purpose of the Paper – A natural link exists between organizations and institutions involved in developing destination competitiveness and creating cultural tourism products, yet little research has examined their relation. This conceptual paper is designed to address this gap and to link local tourism promotion agencies, tourism organizations, and cultural heritage institutions.

* Although the views and ideas expressed in this paper are those of Maria Giovanna Confetto, Mario Siglioccolo, and Carmela Tuccillo, the sections “1. Introduction” and “4. Conclusions and indications for further research” are attributed to Maria Giovanna Confetto, the sections “3. The stages crucial for the development of destination competitiveness, and the creation of tourism products”, “3.1 Key relations for destination positioning developed by local tourism promotion agencies”, “3.2 Key relations for the creation and the positioning of tourism products, developed by tour operators and travel agencies”, and “3.3 The value system model for the development of destination competitiveness and the creation of tourism products” are attributed to Mario Siglioccolo, and the section “2. Tourism organizations and cultural heritage institutions” is attributed to Carmela Tuccillo.
Approach – A value system model is used, in order to understand the relations between the organizations analysed.

Findings – The use of the value system model in the tourism sector enables the identifying of a system of value creation and competitiveness development, customized on the basis of key stakeholders involved.

Practical Implications – The use of the value system model enables the designing of a comprehensive framework which allows the planning of the creation of competitive destinations and tourism products.

Originality/value – The study represents a first attempt to analyse relations between local tourism promotion agencies, tourism organizations, and cultural heritage institutions according to the value system model.

Type of paper – Conceptual paper.

KEY WORDS local tourism promotion agencies | tourism organizations | cultural heritage institutions | value system model | destination competitiveness | cultural tourism product competitiveness.

1. Introduction

A natural link exists between organizations and institutions involved in developing destination competitiveness and creating cultural tourism products, yet little research has examined their relevant relation (McKercher and Du Cros, 2002). Tourism organizations and cultural heritage institutions may have awkward often relations.

Initially, starting from the 1970s, the subject of many studies was the relation between the tourism industry and the natural environment (Budowski, 1976; Romeril, 1989; Butler, 1991). Protected area tourism, recreation and the emergence of sustainability, and ecotourism were the main issues investigated in these studies (Coppock, 1982; Mathieson and Wall, 1982; Marsh, 1986; Hendee et al., 1979). Empirical research was prevalently adopted by outdoor recreationists in the studies of tourism and the natural environment (Anderson and Brown, 1984; Jacob and Schreyer, 1980; Jackson and Wong, 1982).

Later on, starting from the 1980s, the emerging of the relation between the tourism industry and cultural heritage institutions was noted, but only in recent years has it become an important issue for the tourism industry. Cultural heritage has gained a substantial attention in the tourism industry in recent years because cultural heritage contributes to the identity and branding of the tourism industry (McCain and Ray, 2003).

Authors have then concentrated on the study of cultural heritage and tourism industry and two opposing views of the nature of the relation between tourism industry and cultural heritage institutions have been formulated. Furthermore, during everywhere the 1980s, conflict theory formed the
basis of many studies interested in the relation between the tourism industry and cultural heritage management. Indeed, a number of people have argued that tourism industry organizations and culture heritage institutions are incompatible and a conflict relation is inevitable (Berry, 1994; Boniface, 1998; Jacobs & Gale, 1994; Jansen-Verbeke, 1998). Instead a number of authors have chosen to address the linkages between cultural heritage and the tourism industry (Cohen, 1988; MacCannell 1976; Urry, 1990; Watson and Kopachevsky, 1994; Harrison, 1997:23; Jolliffe and Smith 2001:162; Urry, 1990), on the basis that cultural heritage can play an important role in the expansion of tourism industry (collaborative theory).

Nowadays, tourism industry organizations and cultural heritage institutions acknowledge the mutual benefits that can accrue from such a partnership (Robinson, 1999). For this reason it is now widely accepted that there is a natural link between the tourism industry and cultural heritage institutions (Du Cros, 2001). The tourism industry and cultural heritage are now seen as collaborative industries; cultural heritage institutions converting locations into destinations and tourism industry making them economically viable as exhibits themselves (Kirshenblatt-Gimblett, 1998).

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Cultural heritage management is a recent phenomenon, which in many countries has tended to concentrate on the heritage resource or asset as the central element in the management process (Du Cros, 2001).

The relations between organizations and institutions involved in developing destination competitiveness and creating cultural tourism products
are crucial to explain both the competitiveness of tourism locations and of tourism products (Harvey, 1989; Jensen-Butler et al., 1997; Kotler and Gertner, 2002).

Thus, tourism destination competitiveness is becoming a significant element of the tourism literature, and tourism competitiveness measurement has attracted considerable attention, since it is regarded as a crucial factor for the success of tourist destinations (Goodrich, 1977; Heath and Wall, 1992; Ahmed, 1991; Crouch and Ritchie, 2003). While the issue of destination competitiveness and tourism product have stemmed from a growing interest in tourism research in recent years (Dwyer and Kim, 2003; Gommezlj and Mihalič, 2008; Mazanec et al., 2007; Murphy et al., 2000; Ritchie and Crouch, 2003; Ruddy and Flanagan, 2000), previous studies have not analysed the nature of organizations that play a role in determining and developing the competitiveness of tourism destinations and tourism products. This paper represents an initial attempt to bridge this gap using the value system model, the tourism organizations, their aims and their relations are investigated.

The literature review reveals that previous studies on the relations between tourism sector organizations and cultural heritage institutions have not analysed such relations according to the value system model (Porter, 1985). Originally, value creation and growth of competitiveness have been explained according to the value chain model (Porter, 1980); this framework divides a company’s activities in primary and support activities. More recently, the concept of the value system was then developed to evaluate the potential of an industry and to understand value creation and competitiveness development (Davis, 2006). The focus of attention has shifted from the single firm to the link between the organizations (Norman and Ramirez, 1993), which cooperate in order to generate a value system that facilitates value creation and competitiveness.

The lack of studies on the adoption of the value system model in analysing relations between tourism organizations and cultural heritage institutions represents an opportunity to investigate destination competitiveness and the creation of tourism products according to the concepts assumed in this model. The model of the value system addresses these relations, and favours value creation and greater competitiveness for destinations and tourism products.

More fully investigating the relations between these two sectors, we have to understand which organizations belong to which sectors, what they have in common and what they do not.
2. Tourism organizations and cultural heritage institutions

In the tourism sector a wide range of organizations are involved. With regard to the various aims that tourism organizations try to achieve, it is possible to distinguish two different categories of organizations involved in the tourism sector:

– organizations for the promotion and the development of tourism;
– organizations for the creation, the selling, and the distribution of tourism products, which belong to the tourism industry.

In the range of the first type of organizations, a number of entities can be detected with regard to the geographic level at which they operate (international, national, local).

At international level, the entity committed to promote and develop tourism is the World Tourism Organization, a specialized United Nations agency of the and the leading international organization in the field of tourism.

At national level, the entity responsible for the overseas promotion of tourism adopts initiatives to raise awareness abroad of national and regional tourism resources. As a case in point, in Italy the organization which pursues this objective is the “Ente Nazionale Italiano per il Turismo” (E.N.I.T.).

A local tourism promotion organization is a governmental entity or public body, which is involved in promoting, developing, and planning tourism (Jafari, 2000) for a specific local destination (region, province, city). Through tourism, local tourism promotion agencies aim to stimulate positive impacts on the destination, such as local economic growth and job creation. This local body has the skills required for the progressive enrichment of the features that can provide and/or strengthen elements of appeal for tourists. With regard to the Italian situation, as indicated by Italian legislation, the organizations involved in local tourism development are the Organizations for the Promotion of Tourism (E.P.T.s and A.P.T.s), established for each province.

On the other hand, tourism organizations involved in the creation, selling, and distribution of tourism products in the tourism industry, refer to businesses and facilities which are intended to serve the specific needs and wants of tourists (Leiper, 1995).

Authors (Kotler et al., 1996; Leiper, 1995; Wahab and Cooper, 2001) recognize that tourism can be regarded as an industry which envelops various other sectors, such as:

- transport (airlines, rails, cruises, buses, etc.);
- accommodation (hotels, residences, bed and breakfast, hostels, etc.);
- tour wholesalers (tour operators);
- tour retailers (travel agencies).

With regard to the cultural heritage institutions analysed, it must be said that the meaning of the term “heritage” is complex. As stated in the “United Nations World Heritage Convention Concerning Protection of the World Cultural and Natural Heritage”, cultural heritage is made up of three main components: (1) monuments: architectural works, works of monumental sculpture and painting, elements or structures of an archaeological nature, inscriptions, cave dwellings and combinations of features, which are of outstanding universal value from the point of view of history, art or science; (2) groups of buildings: groups of separate or connected buildings which, because of their architecture, their homogeneity or their place in the landscape, are of outstanding universal value from the point of view of history, art or science; (3) sites: man-made works or the combined works of nature and man, and areas including archaeological sites which are of outstanding universal value from the historical, aesthetic, ethnological or anthropological point of view.

The cultural heritage institutions considered differ by purpose, mission, program, form of assistance and access offered. Within this description lie a number of institutions, such as museums, monuments, and archaeological sites. This study refers to cultural heritage institutions which may have tourism relevance as such; other institutions whose primary aims are mainly cultural (such as theatres, libraries, and archives), but do not have strong relevance for tourism, have not been considered in this paper.

3. The stages crucial for the development of destination competitiveness, and the creation of tourism products

The model of the value system adopted in this study identifies and emphasizes activities and relations which take place among local tourism promotion agencies, tourism organizations, and cultural heritage institutions and it enables the design of a comprehensive framework which clarifies how competitive destinations and tourism products are developed. Such relations are particularly attractive for destination marketing (Palmer and Bejou, 1995; Buhalis, 2000), whose primary aims is enhancing competitive destinations and tourism products (Kotler et al., 1993).

To favour the understanding of the value system created by tourism organizations, it is necessary to identify the different stages crucial for the development of destination competitiveness, and the creation of tourism products. These stages are tailored according to the key stakeholders that
aim to develop destination competitiveness and to create tourism products. Therefore, on the basis of these two aims, it is possible to identify two separate stages (characterized by the different stakeholders involved), which are illustrated in the following sections.

3.1 Key relations for destination positioning developed by local tourism promotion agencies

The first stage sees the local tourism promotion agencies as the driving force, which provide inputs to the other local organizations and cultural heritage institutions. In this case, relations are engendered by local tourism promotion agencies, and are directed at creating a unique destination positioning. Positioning plays a vital role in enhancing the competitiveness of a tourism destination (Chacko, 1997). At this stage, local tourism promotion agencies try to develop cooperation between local tourism organizations and cultural heritage institutions, and aim to enhance the destination and the local area; in this case, local tourism promotion agencies are actively involved in contacting and/or being contacted by organizations working in the tourism sector and by local cultural heritage institutions.

Such relational opportunities seem particularly suited to destinations in which cultural heritage institutions of particular importance are located. This could act as an attractor of tourists to the place where they are found. Local tourism promotion agencies also encourage local cultural heritage institutions to develop a pure cultural product. This represents a combined package offer, based on promotional activity (e.g. the combined price for a visit to two institutions is cheaper than two separate tickets).

The relations identified in this first stage are preliminary to a second type of relation that developed by tour operators and travel agencies. The collaboration between local stakeholders, the itineraries created, and the information on the destination are then communicated by local tourism promotion agencies to organizations involved in the creation and selling of tourism products. The work of local tourism promotion agencies should support the commercialisation of tourism products, created by tourism industry organizations (tour operators and travel agencies). This activity is planned to stimulate tour operators and travel agencies to promote local destinations, by means of creating and selling destination related tourism products.
3.2 Key relations for the creation and the positioning of tourism products, developed by tour operators and travel agencies

Following the first stage, in the second stage the tour operators and travel agencies are seen as the driving force, whose aim is to create and position competitive tourism products. The relations occur between tour operators, travel agencies, transports, accommodation structures, and cultural heritage institutions. The most common example of a tour operator or travel agency tourism product would be a flight on a charter airline plus a transfer from the airport to a hotel, all for one price. Relations are addressed to creating a pure tourism industry product composed of services offered only by organizations operating within the tourism industry.

Tour operators and travel agencies also contact cultural heritage institutions to involve them in an offer package. In this case, relations are addressed to achieving a combined cultural tourism product offering the variety of experiences that most people seek (Silberberg, 1995).

The tour operators and travel agencies may not belong to the destination the tourist is seeking, and so they are not interested in developing local competitiveness, but only in creating a competitive tourism product. For this reason they may be interested in packaging a tourism product which can also include accommodation, transports and a visit to cultural heritage institutions that may be placed in more destinations. As such, their main aim is to create appealing tourism products, having an impact on more than one single destination.

However, they are interested in having information on a destination, to understand whether it can be included in their offer; for this reason, they contact and develop relations with local tourism promotion agencies. The features of their relation are explained in the next section, which provides a comprehensive framework for the development of destination competitiveness and the creation of tourism products, based on the value system model.

3.3 The value system model for the development of destination competitiveness and the creation of tourism products

In short, in a first stage, local tourism promotion agencies represent the driving force, which aims to develop competitiveness of local destinations. In a second stage, tour operators and travel agencies are regarded as the driving force for the creation and the promotion of tourism products. These two processes have been described separately, in order to favour a better understanding of the stakeholders involved, their different aims, and
the stages required for the identification of a value system for developing destination competitiveness and for creating tourism products (Figure 1). Collaboration between the key stakeholders regarded as the driving forces of the two processes described above, is crucial for the realization of this value system. From this cooperation, key stakeholders try to trigger and develop a virtuous circle which allows them to reach and maximize their aims. On the hand, local tourism promotion agencies aim to develop competitive destinations, to produce positive impacts, first of all in terms of local economic development. In order to maximize this objective, they stimulate tour operators and travel agencies to create tourism products which include the local destination they are promoting.

On the other hand, tour operators and travel agencies aim to create attractive tourism products, which enable them to reach their economic objectives. In order to attain the latter this objective, they may be interested in including in the tourism products they create, services offered by both local and non local organizations and local cultural heritage institutions. In order to obtain specific information about a particular destination (in terms of local tourism organizations present in the territory, relations developed between them, itineraries proposed), their intention is to get in touch and develop relations with local tourism promotion agencies.

4. Conclusions and indications for further research

This paper emphasizes the relationship between the organizations regarded as the driving forces for creating competitive destinations and tourism
products. The concept of cooperation is fundamental to creating tourism destinations and products, as their development implies several relationships between many stakeholders.

The main contribution of the paper has been the contextualization of the value system model, adopted as a tool for understanding how local tourism promotion agencies, tourism industry organizations, together with cultural heritage institutions, can create competitive destinations and tourism products by optimizing and coordinating their relations. With regard to the key stakeholders involved in the development of destination competitiveness and in the creation and promotion of tourism products, two different stages were identified.

It follows that the cooperation between local tourism organizations and local cultural heritage institutions must be directed at encouraging key stakeholders to develop collaboration, itineraries, and networks. This process should be coordinated by local tourism promotion agencies, and is preliminary to collaboration with tour operators and travel agencies and tourism organizations and cultural heritage institutions to create cultural tourism products.

The role of local tourism promotion agencies should not only be directed to developing and facilitating cooperation between local stakeholders (local transport companies, local accommodation companies, and local cultural heritage institutions), but should also aim to encourage tour operators and travel agencies to include the specific destination that local tourism agencies are promoting in their offerings. The latter have a key role in promoting destinations to tour operator and travel agencies. The activities of local authorities and agencies should then be directed to the development of appealing local destinations, in order to trigger virtuous circle with tour operators and travel agencies.

Considered that this paper represents a first attempt to analyse the value system developed by the organizations involved in the creation and development of competitive cultural tourism products, the study proposed in this paper can represent a point of reference for future research and studies.

Further in depth analysis the Italian situation, could investigate the relations between local authorities and agencies, tour operators and travel agencies, and cultural heritage institutions in other countries. The study of the Italian situation in this field appears, in fact, of great interest for researchers because, in relation to this country, there seem to be several organizational constraints (a trend in the pursuit of individual goals, collective unwillingness to cooperate, fragmented coordination, etc.) that
hamper the role of local tourism promotion agencies in terms of development and cooperation between local stakeholders. These constraints make relations more difficult and less effective between local tourism promotion agencies, tour operators and travel agencies, and cultural heritage institutions. Consequently, the value system conceptual model adopted in this study may be affected because it does not immediately apply to the Italian context, or rather many of its locations affected by these constraints. Compared to places that have these difficulties, the model needs to be enriched by including elements for overcoming the constraints that hinder the action of local tourism promotion agencies in terms of the model of development of local cooperation. The specific features of the Italian context could thus stimulate scholars to develop more sophisticated models in the value system contextualized to local situations, according to conditions take these specificities into account.

Notes

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2 D.P.R. 27/8/60 n. 1042 and D.P.R. 27/8/60 n. 1044.

3 Further information are available at the following website: http://whc.unesco.org/en/conventiontext.

4 It must be said that a number of relations also occur between local stakeholders spontaneously, without the intervention of the local tourism promotion agencies.

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Endnotes
One such example is represented by the Strasbourg Pass. Valid for three days, the pass in-
cludes five free offers (entry to one of the eight museums, ascent to the Cathedral platform, access to the Astronomical Clock at the Cathedral, a boat tour through the Old Town and the use of a bicycle for one day). Five half-price offers to local accommodation is also included (Baroncelli, 1999).