

Chapter 7

New Perspective of Networking in the DMO Model

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ABSTRACT

Destination management organizations are functional structures that manage and market the tourist destinations operating to facilitate the cooperation among different stakeholders. A successful DMO supports tourism development, especially when tourism is an important economic driver for a destination. The idea of building different forms of DMOs and the concept of networking have guided tourism governance choices in different initiatives conducted in many countries. This chapter analyses the model of DMO adopted in Italy by Regione Toscana comparing it with the variable geometry approach by Beritelli et al. The study offers a critical reflection on the model of DMO, relevant from the perspectives of governance and management.

INTRODUCTION

In an era of globalized and highly dynamic relationships, networking plays a key role in the competitiveness, management and planning of tourism destinations (Hall, 2008; Valeri, 2016; Valeri and Baggio, 2020a; 2020b). Tourism is the sector with the highest number of inter-organizational relationships (Bickerdyke, 1996; Valeri, 2021) and the active involvement of diverse firms and public organizations play a crucial role in achieving competitive advantages in the tourism market (Pavlovich, 2003). Indeed, as Gibson et al. (2005) highlighted, networks provide a wide range of positive externalities stimulating partnerships and cooperation.

Many scholars underline how collaborative partnerships have increased in importance, becoming crucial in the coordination between tourism policies and their related actions. Some authors have em-

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phasized that collective actions have a great impact on tourism development (e.g. Crouch & Ritchie, 1999; Dollinger, 1990). Similarly, Jamal and Jamroz (2006) highlighted that various stakeholders take part in tourism destination management, although no one individually controls the decisional processes entirely. On this topic, Merinero-Rodríguez and Pulido-Fernández (2016) noted that relationships are the core element for understanding a tourism destination system.

The institution of a tourism network can occur due to initiatives promoted by private or public stakeholders, each with different preferences, strategies and contrasting interests. The literature has identified a large number of different reasons that can determine cooperation in a tourist region, but there are also some country-specific factors, which can stimulate cooperation. In some cases, these factors concern trade agreements and legal determinants arising from foreign and domestic regulations (Asero & Skonieczny, 2017).

A direct extension of enhancing tourism network in a destination is the creation of a Destination Management Organization (DMO). DMOs are functional structures that manage and market the destinations operating to facilitate dialogue among the private sector, public sector, and other stakeholders that may otherwise never collaborate. For this purpose, developing a DMO relies on identifying a destination vision through collaboration. A successful DMO supports tourism development, especially when tourism can be an important economic driver for a destination (Baggio and Valeri, 2020; Valeri and Baggio, 2021).

The concept of networking and the idea of building different forms of DMOs have guided tourism governance choices in different initiatives conducted in many countries. In Italy, for instance, it is important to mention some experiences such as the Local Tourist Systems, envisaged by the Italian Government with Law 135/2001; the Tourist Districts, introduced by the *Regione Siciliana* with Law 10/2005; the *Ambiti Turistici*, created by the *Regione Toscana* in 2018. In the case of Brazil, the Nautical and Cultural Tourism Network in the Baía de Todos os Santos, which was proposed by the *Secretaria de Turismo* of the state of Bahia in Brazil, deserves mention; the project to build up a local DMO in the Pelourinho neighborhood in Salvador, Bahia, Brazil.

Despite the importance of DMOs for the enhancement of the competitiveness of destinations, and the need for a high level of cohesion among different stakeholders to build up appropriate tourism networks, many initiatives have achieved limited results. One of the main reasons behind the failure of many projects has been the critical area of cooperation between private and public sectors in the construction of the partnerships. On the one hand, partnerships are not always naturally established, and in many cases have been fostered by national and local governments (Valeri and Katsoni, 2021). On the other, collaborative partnerships stem from voluntary agreements among actors that intend to share benefits from cooperation. Therefore, partnerships require joint actions that ensure interaction among autonomous stakeholders, while collaborations within the network should avoid the costs of resolving adversarial conflicts among the participants.

Although there is general agreement on the philosophy behind private-public sector cooperation and partnership, there are many different ways of developing the concept and putting it into practice (WTO, 2000). There is no single correct model or formula, because of the importance of local circumstances. Reflection is thus required on the role of the public sector in tourism activities, beyond its legitimate role as regulator and controller. The issue becomes critical if it is remembered that the principle of participation of public bodies in DMOs is being reviewed in some countries, such as the United States. The problem becomes even more pressing in the light of post-Covid-19, the fall in GDPs and the consequent decrease in tax revenues, which necessitates financial support and safety rules. At the same time, it is

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