

Excellence in Destinations, the Application of the System of Measures for Excellence in destinations (SMED)

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1. Introduction

In the aftermath of the economic crisis, which for many economists has not ended, several economies around the world are in search of an efficient diversification of products and services. In this context, the tourism industry is gaining more attention from the political and economic point of view. Tourism has well-known characteristics, including:

- Its ability to generate jobs with a reasonable amount of capital;
- Its adaptability to all kinds of cultural and natural backgrounds;
- Being one of the few industries that allows local populations to remain in their territory, without needing to move to large cities or concentrated areas of production;
- Without export tax, the tourism industry increases the commercial balance of a country given that it sells services for foreigners inside the national territory;
- Well-managed, tourism can be an economic and financial argument to protect the environment, endangered species and diminish pollution in natural areas;
- Being a great alternative to diversify agricultural production in certain areas; and
- For some countries, tourism is the main or one of the main sources of income.

Countless other characteristics can be mentioned regarding tourism that are attracting more destinations to the tourism market. The actual offer that a potential tourist is exposed to, nowadays, is larger than it has ever been.

This phenomenon places a great deal of pressure on destinations. In order to be competitive, a destination must be creative enough to distinguish itself from others,

to attract new tourists while keeping the loyalty of their traditional costumers, and to cope the growth with the protection of their natural and cultural resources in order to guarantee long-lasting tourism activity. This means protecting, caring for and feeding their own *golden-eggs gen*.

Achieving excellence is a key element that must be present in every stage of the tourism process from the attraction of the visitors to their departure. Additionally, the destination experience must be unique. Every aspect of the trip, the stay, the activities and services used matters, and undoubtedly impacts the rate of repetition of the visits of that specific tourist, as well as his very important capacity of spreading the word regarding the destination's positive and negative aspects.

In general, defining excellence is not an easy task, especially within the context of tourism. Excellence is a dynamic concept that changes throughout time according to the changing needs and challenges that the industry faces.

Excellence is involved in all the aspects of the tourism activity and in many cases, to achieve it, Destinations Management Organizations (DMOs) have to involve other sectors that are indirectly related to tourism.

2. System of Measures for Excellence in Destinations

In this context the World Centre of Excellence for Destination (CED)¹ created the System of Measures for Excellence in Destinations (SMED). The SMED was developed by the expert researchers of the CED with the support of an international team of academics and practitioners. To create this state of the art tool, all of the existing literature and methodologies concentrated in different aspects of the tourism industry and other areas of knowledge were analyzed for more than eight months, including: environmental protection, economics, income distribution, international trade, tourism and ethics, among many others.

Destination types

Theoretical and practical studies were included in the research that allowed the CED team to identify the steps to follow in order to obtain the information needed from destinations. The information needed to obtain a complete understanding of a destination can vary from one destination to another; thus, work during the development phase focused on identifying the types of destinations that exist.

¹ CED is a nonprofit organization founded in 2006 with the assistance of the World Tourism Organization (UNWTO) and the National Geographic Center for Sustainable Destinations. The CED is dedicated to the research and creation of tools to promote sustainable tourism development for destinations around the world. www.ced.travel

The typology of tourist destinations worldwide spans over a wide spectrum, and the segmentation criteria are varied. Considering that the impact of tourism infrastructure, services, land management, professionals and local people can differ greatly depending on the destination, a typology of destinations was needed that would employ those system options best suited to the reality of each evaluated destination. Geographical location was chosen as a criterion to develop a typology that includes four main geographical characteristics namely,

Urban – Coastal – Mountain – Rural (nature based).

Destinations may involve more than one profile; for example, a city by the sea can be considered an urban as well as a coastal destination.

Evaluation Criteria

The SMED is based on a set of principles inspired by work done on sustainable tourism development by large international organizations, including: the UNWTO, the National Geographic Society, UNESCO, the International Council of Monuments and Sites, and the United Nations Development Programme.

Following a comprehensive literature review of tourism, the research team identified more than 4,000 indicators that can be used to evaluate the performance of a destination. A series of questionnaires was developed to obtain appropriate information on these indicators. The questionnaires were grouped into four areas—Destination Sustainability, Organization, Activities, and Services—with each field subdivided into further categories. “Destination Sustainability” addresses issues related to environment and landscape as well as culture and heritage, with SMED placing emphasis on both natural and cultural assets. “Organization” concerns aspects related to the operations of the destination, which are generally carried out by a Destination Management Organization (DMO) or, a local authority, private industry, or both. These aspects include the structure of the DMO, marketing strategies, and sales information for promotion, internal knowledge within the destination, hosting services, support to tourists and security within the destination (regardless of the overall situation of the country). The “Activities” field is divided into as many categories as there are main activities in the destination, allowing the definition of its positioning with regard to targeted markets. Finally, the “Services” field covers the minimum and basic features that every destination should be able to provide to visitors. Subcategories include: transportation, accommodation, food and beverage, distribution networks, and the various services available to both, locals and visitors (e.g., hospitals, pharmacies and stores). To date, questionnaires have been developed for the following categories:

Environment and Landscape;

Culture and Heritage;
DMO;
Security;
Marketing and Sales;
Information and Welcome;
Education-Human Resources;
Religious tourism;
Well-being and Spa;
Shopping;
Business tourism (MICE);
Agrotourism;
Diving;
Trekking;
Ski and Mountain Activities;
Outdoor Activities;
Beaches;
Archaeological Sites;
Wine Tourism;
Attractions;
Solidarity Tourism;
Transportation
Accommodation;
Food and Beverage;
Support Services; and
Distribution.

The questionnaires are customized to the reality of each destination. The battery of questionnaires and the number of questions per questionnaire are expected to increase along with the growing number of destinations seeking to participate in a SMED.

Once this stage was completed, a beta version of the SMED questionnaires was created and tested with Montreal Tourism authorities. The authorities participated in testing the questionnaires, and provided valuable feedback regarding the format of the questionnaires, the pertinence of the information asked and its availability, as well as the approach and order of the questions.

A SMED evaluation is performed in four main steps: completing a questionnaire profile of the destination; completing the customized SMED questionnaires; a visit to the destination; and the report.

Step 1: Destination Profile Questionnaire (DPQ)

The DPQ gathers general information and documentation on the destination participating in a SMED evaluation. The information collected provides SMED experts with knowledge of the destination and serves for the preparation of relevant and carefully targeted questions in the steps that follow.

Step 2: Customized SMED Questionnaire (C-SMEDQ)

The performance of a destination is evaluated on the basis of categories coming from the following four areas: Destination Sustainability, Organization, Activities, and Services. There are ten basic categories, in addition to those concerning activities, the exact number of which depends on the number of major activities defining the positioning of the destination within its target markets. To date, questionnaires have been developed for over a dozen different activities. SMED experts choose the most appropriate indicators to profile the destination, and then use the DPQ to design a customized questionnaire (C-SMEDQ) that the destination will be invited to complete online. These questionnaires consist of approximately 600 questions. The analysis of the data collected thus enables SMED experts to better prepare their on-site visit.

Step 3: The On-Site Visit

After continuous work in these primary tools, the CED team developed the format of the SMED visit where additional information is collected that was not available in the questionnaires and previous studies.

The on-site visit is performed to validate the information collected in the DPQ and the indicators from the C-SMEDQ, and to gather any missing data through consultation workshops and interviews with local experts. The visit is also used to target the main areas for improvement within the destination in close collaboration with all participating stakeholders.

Step 4: The Report

After analyzing the collected information through the questionnaires and the visit, the SMED experts write a report. The report is confidential. It includes the issues and challenges of the destination, a qualitative analysis by area and category, comparative studies with other similar destinations, and general recommendations. The main content of the report is precisely the recommendations that are addressed to both private and public stakeholders. Typically, a destination receives more than 120 recommendations ranging from simple organizational changes to heavy infrastructure building. The recommendations define short-term (one to two years) and long-term goals (three to four years). If necessary, before being submitted to the destination's competent authority, each SMED report is submitted for peer review. The report also offers several examples of destinations that share a similar situation

or that have already gone through the same kind of challenges than the analyzed destination.

The first destination to experience the on-site visit format and the report was the Douro Valley, where the support of the authorities and the active participation of the stakeholders allowed the CED team to fine-tune the methodology that is currently applied around the world.

The SMED was designed as a multi-purpose tool. As a diagnostic tool, it outlines a tourist destination as concise and as complete as possible for a given point in time. As a progress tool, it highlights the strengths and weaknesses of the destination, which encourages stakeholders of the destination to adopt concrete measures to maintain or improve that performance. As a management tool, it provides advice to take action for raising the level of excellence and for conducting follow-ups of the evaluation. As a collaboration tool, it acts as a catalyst for mobilizing stakeholders of a destination around a strategy and a common goal for developing a sustainable yield for the destination. As a market positioning tool, it reveals the distinctive characteristics and qualities of the destination, which allows the destination to increase its competitiveness in the market and refine its brand strategy. As a comparative analysis tool, it can serve as a comparison between destinations or with the global average of destinations, thus serving as a repository of best practices and experiences available to SMED partners. Finally, it is a communication tool, in that it identifies the assets that a destination can use in its communication strategy for addressing target audiences and the media.

The SMED method is characterized by a formative assessment, not a summative one. Such an approach greatly contributes to developing a relationship of trust and encouraging the participation of destinations in their development. From the beginning, it became necessary for the CED to work closely with stakeholders in a destination so as to take into account their needs and expectations. This is why the SMED method promotes holding workshops by type of stakeholder as well as interviews with key people in the industry. These activities provide an opportunity to discuss the guiding principles of SMED and to identify those that are most relevant for stakeholders in a particular destination. Moreover, these exchanges allow for the understanding of the various obstacles encountered during a SMED evaluation and to identify possible ways of overcoming, or at least mitigating, them. SMED evaluations are conducted by a team of experts during a series of stages over a period of five to eight months, the duration being dependent on the nature and structure of the destinations. These experts have a PhD in tourism or a related discipline or have been recognized players in the tourism industry for a minimum of ten years and have an international reputation. SMED experts are selected by CED management, which carefully matches their profile with the specific destination.

Given the nature of the industry, the situation is even more complex for destination managers. Tourism is recognized as a crossroads discipline as it appeals

to practices from various fields of expertise. These practices are based on theories and knowledge, whereas the players or stakeholders are absorbed in the action. In addition to the diversity of knowledge to be integrated, destination professionals, together with a large number of other actors, are operating in this industry without a forum for dialogue to help them assess their practices and define a common plan of action.

This challenge calls for the development and deployment of a system for formulating customized measures for a destination, by means of which these could strengthen their market position and comply with principles of sustainable tourism development. This article describes the development phase of the SMED and summarizes the results of its experimental phase.

3. Development – Experimental fase

Introduction

Before the SMED pilot phase was launched, the destination of Montreal agreed to serve as a test bed, an experiment that proved very useful as it helped refine the method. Presently, 12 destinations have finalized an agreement with the CED to participate in a SMED. They are: Douro Valley (Portugal); Mexico City (Mexico); Eastern Townships (Quebec, Canada); Principality of Andorra; Madeira (Portugal); Riviera Maya (Mexico); Jeddah (Saudi Arabia); Tela (Honduras); Chengdu (China); Crete (Greece); Samos (Greece); Abitibi-Temiscamingue (Quebec-Canada).

Over time, the CED has provided the SMED destinations with follow-up service by assisting with the implementation of the recommendations and new challenges that might arise in the following years after the report, such as health, image or other marketing crises.

Many recommendations have being applied by the destinations, most with great success. The final part of the SMED process consists of following-up the destinations until the next SMED evaluation, which is normally expected four years after the first one. The aims of this new SMED is to analyze the application of recommendations, evaluate the possible difficulties and comprehend the evolution of the destination, again as mentioned at the beginning of the this document, the excellence process is a continuous one, therefore the SMED is obliged to be an ever evolving tool that moves through time along with the SMED destinations toward excellence.

The Evaluated Categories by Field

In the analysis of different categories, the SMED is not intended to assess the beauty of the destination, service quality, appearance, or other intangible or subjective criteria. The results are based on objective evidence, the existence of policies or practices by various stakeholders in the tourism industry, and on specific and verifiable data. The analysis is based on information collected: (i) through questionnaires completed by the tourism authorities; (ii) in the workshops held during the visit of the destination; (iii) in the interviews conducted by SMED experts with key stakeholders of the destination's tourism industry; (iv) and, finally, on the comments of the SMED experts. The results of this analysis are used to assess the performance of the destination for each category as either "low", "medium", "high" or "excellent." A destination, as a whole, can still be a tourist destination of excellence even if not all categories are assessed as having an "excellent performance."

In its assessment of destinations, the goal of the SMED is to first highlight areas for improvement and highlight the path to excellence by identifying best practices at the international level. The SMED also ensures that a destination has the capacity to adopt innovative methods for its development, management, promotion and organization. In particular, it is through the recommendations for improving the destination that the SMED is able to contribute the most added value and to bring destinations toward excellence. These recommendations include best practices that promote profitability of tourism operations in consideration of the environment, society and local culture. Some recommendations are directed at national or regional authorities, some at local authorities, and others at the private sector.

4. Conclusion

This article has explained the purpose and function of SMED, and has described its developmental phase. Several observations emerge from the experiment. The SMED adapts well to the diversity of contexts of the destinations studied. The questionnaires regarding the different categories adequately cover the many issues of destinations. The guiding principles of SMED are accepted by all destinations. Applying the SMED provides a detailed description of the destinations, with analyzed categories highlighting key issues of each destination.

Finally, the SMED is a multi-purpose tool appreciated by destinations. Destination authorities participating in the pilot phase indicated their satisfaction both with respect to the approach taken throughout the course of conduct of SMED and to the content of the final report. They greatly appreciated the formulation of concrete and pragmatic recommendations to help improve the performance of each

of the categories evaluated and to implement their plan for sustainable tourism development. They also found very useful the part of the report on best practices in destinations having characteristics similar to their own.

Destinations are changing in a very dynamic and constantly evolving environment. To adequately fulfill its mission, the CED must, as any other centre of excellence, support the development of advanced research in its field of interest. Consequently, since its inception, the CED has forged close links with the academic community to stimulate the creation and dissemination of new knowledge in the field of tourism destinations. Universities located in destinations that have signed a partnership agreement with the CED are invited to participate in workshops during the SMED visit. Professors from these universities can then join an international network of researchers whose work contribute to the ongoing development of the SMED.

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