Stakeholders’ Perceptions About a Destination Management Organization (DMO): A Case Study in Chimborazo, Ecuador

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Abstract

A Destination Management Organization (DMO) is an entity destined to make operative, administrative, organizational, and strategic decisions to maintain a coordinated management of the process associated with the design, marketing, and commercialization of the destination. This study aimed to identify the stakeholders’ perceptions about the Chimborazo DMO, located in the Andean region of Ecuador. Therefore, three focal groups of stakeholders were selected (local residents, tourists, and business owners) and a questionnaire was applied using a 5-point Likert scale. A Cronbach’s alpha was calculated to determine the reliability of the data obtained and a Chi-square contingency analysis was performed between the stakeholder groups to identify if the perception about the role and effectiveness of the Chimborazo DMO differs in dependence of the stakeholder group. Our results evidence that the stakeholders considered in this study have a positive opinion about the role of the DMO in the development, being the main common aspect identified: the need for an adequate promotion of the Chimborazo province. The information generated here could be useful to generate policies that benefit the Chimborazo tourism sector and serve as the basis for further work dealing with the stakeholder’s identification and the assessment of the DMO influence in the territory development.

Keywords: Tourism destination, Chimborazo, DMO, Destination Management Organization
1. Introduction

Tourism has a significant role in the economy, urban and rural development, environment, and sustainability (Roxas, Rivera, & Gutierrez, 2020). Since 2015, when the United Nations launched the Sustainable Development Goals (UN, 2015) the tourism sector has directly or indirectly contributed to their achievement (Bramwell, Higham, Lane, & Miller, 2017; Lane, 2018) and the stakeholders have played an important role to direct and implement policies and strategies in the touristic agenda. In fact, the number 17 Sustainable Development Goal calls for engaging multiple stakeholders to revitalize the partnership. However, the relationships between stakeholders are often complex (Beritelli, 2011; Merinero-Rodríguez & Pulido-Fernández, 2016) and continuous; therefore, diverse approaches are necessary to understand these interactions. Additionally, the network associated with the tourism sector includes a wide range of stakeholders (Heslinga, Groote, & Vanclay, 2019), which all have valid and specific perspectives and interests.

Stakeholders have been defined as groups or individuals who can affect or have been affected by the achievement of tourism development objectives (Nguyen, Young, Johnson, & Wearing, 2019), and are considered a significative sector in tourism research (Merinero-Rodríguez & Pulido-Fernández, 2016), therefore, and many researchers have identified the stakeholder participation as central to sustainable development (Byrd, 2007; Timur & Getz, 2008; Walingo, Clarke, & Hawkins, 2015). In tourism, local residents, tourists, and business owners are mentioned among the main groups, and their perceptions, attitudes, and interactions are considered an important source of information for the adequate planning and development of tourism destinations.

These tourist destinations can be understood as a physical space with administrative borders where a tourist spends at least one overnight and includes a combination of touristic products, services, facilities, attractions, and resources (Halmi & Severović, 2016). Destinations face complex challenges for development and management because they have to attend to a wide range of needs coming from different groups of touristic stakeholders (e.g. tourists, local community, and business owners) (Howie, 2003). In this context, destination management is understood as a strategic approach that considers the stakeholders and components that make up a destination to achieve effective and coordinated management (UNWTO, 2007). Hence, destination management organizations (DMOs) have been defined by the World Tourism Organization (UNWTO, 2007) as the entities responsible for the management and/or marketing of destinations, generally having a national, regional, or local category. These organizations make operative, organizational, and strategic decisions to manage the process associated with the definition, promotion, and commercialization of the destination (tourism product) to generate and increase (sustainably) the flow of visitants allowing the local actors involved to meet their economic needs (Franch & Martini, 2002). The role of DMOs is suggested to be organized into two key functions: 1) external destination marketing and 2) internal destination development (Presenza, Sheehan, & Ritchie, 2005). Furthermore, the need for integration and coordination among the actors and stakeholders has also been highlighted in the literature (Ritchie & Crouch, 2003).

This paper addresses the case of the DMO in Chimborazo, an Andean region located in Ecuador, a country where tourism is considered a key factor for the promotion of sustainable development (Salcedo & Quevedo, 2021) but that has been severely affected by the COVID-19 pandemic (Quevedo, Calvopiña, Bustamante, & Álvarez, 2022). The Chimborazo DMO was created in April 2022 to develop efficient planning to position Chimborazo province as a sustainable, conscious, and smart touristic destination (HGADPCH, 2022).

Our work aimed to identify the stakeholder’s perception about the Chimborazo DMO, to obtain information that could be useful to generate policies that benefit the Chimborazo tourism sector and that contribute to the understanding of the process associated with destination management.
2. Study Area

This study was developed in the center of the inter-Andean region of Ecuador (see Fig. 1), in the Chimborazo province, located at 1°40′00″S 78°39′00″O coordinates. The name of the province bases its origin on the presence of the Chimborazo volcano, which is the highest mountain in Ecuador reaching 6,263 meters above sea level. As a peculiarity, it has been reported (Quevedo, Cejas, Vinueza, & Samaniego, 2020) that when the distance is measured from the center of the Earth, the Chimborazo volcano summit is the most distant point, exceeding by more than two kilometers the Everest, which is the highest altitude mountain above sea level. This is due to the diameter in the equatorial zone is the largest on the entire planet because of terrestrial rotation.

It is possible to access the province by first-order routes from the cities of Ecuador as Quito or Guayaquil.

Chimborazo province occupies a territory of about 5,999 km², where inhabits approximately 500,000 people. Its geomorphology includes several large mountains and volcanoes (Sangay, Tungurahua, Altar, Carihuayrazo, Igualata, Chimborazo) some of them sharing territory with other provinces. Administratively has 10 cantons (Alausí, Chambo, Cumandá, Penipe, Colta, Riobamba, Guamote, Chunchi, Pallatanga, and Guano) and 45 rural parishes. The province has a wide altitudinal gradient that varies from 100 m.a.s.l. to 6,263 m.a.s.l. which favors a climatic heterogeneity where is possible to find: glacial (above 4,600 m.a.s.l.), moorland (between 3,000 and 4,000 m.a.s.l.), mesothermic dry climate (down to 2,000 m.a.s.l.) (Quevedo et al., 2020).

3. Methods

To develop this study it was used a methodology of case studies (Eisenhardt, 1989; Yacuzzi, 2005; Yin, 2013), which is used to approach the comprehension of specific questions through the systematic addition of factors and elements that contribute to identifying the relation between events or the understanding of a specific context. The case study is a methodology usually applied in social sciences that allows the researcher to analyze an external reality that can be explained through observation (Yin, 2013).

The main objective of this study was to identify the stakeholders’ perceptions about the
Chimborazo Destination Management Organization (DMO). Therefore, three focal groups of stakeholders were selected (local residents, tourists, and business owners) and a total of 384 questionnaires were applied (288 to local residents, 72 to tourists, and 24 to business owners). The group of business owners considered the following sectors: accommodation, travel agencies, transport, food and beverage, and community-based centers.

The questionnaire was applied during the last quarter of 2022 and was divided into two sections. The first section included questions about preferences, quality evaluation of services, and opinions about the touristic sector in Chimborazo. In the second section of the questionnaire, the three groups of stakeholders were asked to respond to 10 questions evaluated on a 5-point Likert scale (5 very positive, 1 very negative) indicating their perception about the contribution of the Chimborazo DMO to the development. The questions were formulated to identify the perception of stakeholders about the role of Chimborazo Destination Management Organization (DMO) and included the following aspects: implementation of promotion programs, improvement of living conditions of the local inhabitants, fostering of the cultural heritage, conservation of natural heritage, multisectoral participation in decision-making, bureaucratic process effectiveness, implementation of touristic facilities, growth, and diversification of the touristic offer, training schemes and, improvement of access roads.

A Cronbach’s alpha was calculated to determine the reliability (Sharma, 1996) of the data obtained, considering values equal to or above 0.7 as acceptable. Then, a Chi-square contingency analysis was performed between the stakeholder groups (tourists, business owners, and local residents) to identify if the perception about the role and effectiveness of the Chimborazo DMO differs in dependence of the stakeholder group.

4. Results and Discussion

4.1 Tourist stakeholders

According to the tourists surveyed, 74% were visiting the Chimborazo province for the first time and 26% were repeating the visit. The preferred destination to visit was Chimborazo Mountain (47%) followed by Riobamba City (26%). 34% of the visitors contracted a travel agency while 66% traveled on their own (most of them found information through the Internet). The preferred type of accommodation is hotels (65%) followed by Airbnb (16%). The main motivation was nature (39%) followed by adventure activities (28%). 63% correspond to national tourists while international tourists were mostly represented by the US (14%), France (9%), Spain (7%), and Germany (4%). Most of the tourists (57%) consider good the touristic services of the province. 76% indicated that it is necessary the implement touristic facilities. The main problems of the touristic sector in Chimborazo are the limited touristic offer (33%) lack of promotion (14%), the quality of the services (9%), and non-competitive prices (6%).

4.2 Business owner stakeholders

Most of the tourism providers surveyed (78%) lack formal instruction in the area in which they are operating. This group evidences a preference for employing low-skilled workers (76%) and mentions that the recruitment process is mainly based on low rates of salaries (82%). 63% have less than 10 employees and only 32% prefer formal contracting. 91% think that the main limitation of their staff is not being able to communicate in English. 100% believe that tourism is contributing to the economic growth of the province. Their main needs are focused on promotion 56% followed by training 35%. Most (54%) indicated that it is necessary the implement touristic facilities near their business. 87% believe that the main action from the government should be the improvement of access roads. The main problems identified in the touristic sector are the lack of promotion (62%) followed by the existence of unnecessary bureaucratic procedures (33%).

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4.3 Local resident stakeholders

Most local residents (94%) believe that tourism is contributing to the economic growth of the province. 79% identify tourism as an alternative to generating jobs. 68% have the perception that touristic services should be improved. 35% would like to be involved in touristic activities. 92% believe that the main action from the local government agencies should be increasing employment alternatives. Most (82%) believe that the main problem of the tourism sector is the lack of promotion. These data outline a general context in Chimborazo, where there is a predominant need to understand the uniqueness of the destination represented by its sociocultural and geographical characteristics, the touristic resources, and the services offered. Our results are consistent with other studies that have investigated perceptions and preferences (Andriotis, 2005; Sánchez, Castillo, & Núñez, 2016) and evidence that the stakeholders considered in this study have a positive opinion about the role of the DMO in the development, being the main common aspect identified: the need for an adequate promotion of the Chimborazo province.

Tourists are more focused on the quality of the services; while business owners are worried about the improvement of access roads, the implementation of touristic facilities, and the effectiveness of the bureaucratic process. The local residents showed interest in participating in tourism activities as an alternative to increase their job opportunities. Despite the potential for synergetic interactions in Chimborazo, managing those interactions is a complicated duty because each group has different and sometimes contradictory interests, attitudes, and perceptions. This has been also reported by other authors as Jamal (2004), who mentions that local residents, users, and promoters have different perceptions about what is important in a tourist area. Therefore, the adequate management of a destination should administrate and govern the interests of all stakeholder groups that develop their activities within the tourism destination (Pechlaner, Volgger, & Herntrei, 2012) and keep them in an appropriate balance (Halmi & Severović, 2016).

Since, several authors have identified as a decisive factor the lack of relevant information provided by the stakeholders (António & Serra, 2015; Gajdosík, Hrubcová, Srámek, & Tittelbachová, 2015), every study and information generated about the needs and perceptions of stakeholders will contribute to the effective management of a Destination Management Organization. Chimborazo province requires to shape better institutions and policies that enhance the empowerment of stakeholders involved in tourism to promote their active participation in the definition of strategies associated with the process of sustainable development of tourism.

4.4 Perception about the role and effectiveness of the Chimborazo DMO

The second section of the questionnaire revealed the perception about the role and effectiveness of the Chimborazo DMO (Figure 2) evaluated on a 5-point Likert scale (5 very positive, 1 very negative).
Figure 2. Perception about the role and effectiveness of the Chimborazo DMO.

The lower values were consistent for the three groups and corresponded to: the implementation of promotion programs, the improvements of access roads, and the implementation of touristic facilities; while the highest evaluation values were also consistent for the three groups and corresponded to fostering the cultural heritage, the conservation of natural heritage, and multisectoral participation in decision-making. Sustainability is an overarching goal for most countries (Ellis & Sheridan, 2014) and these results evidence a strong stakeholder’s perception about the effective role of the Chimborazo DMO in promoting environmental and sociocultural protection which have been identified as important factors of sustainability. However, the results also refer to a critical perception about thewick effectiveness in managing the implementation of facilities and promotion which evidences that balancing sustainable elements in adequate management is a difficult task (Pan et al., 2018; Tosun, 2000; Walingo et al., 2015) especially in the context of developing countries (Tosun, 2000) where usually the economic indicators are prioritized over the environmental or sociocultural factors (Lundie, Dwyer, & Forsyth, 2007).

Effective destination governance has been recognized as a substantial factor in achieving sustainability (Bramwell, 2011; Hall, 2011) and this implies implementing a tourism planning process including stakeholder participation (Beritelli, Bieger, & Laesser, 2007; Pechlaner et al., 2012). In this context, the actions identified through this study to achieve the goals of the Chimborazo DMO are related to the following actions: establishing the institutional framework guaranteeing the participation of all the stakeholders, promoting entrepreneurship and investment, protecting the natural and cultural heritage of the province, enhancing the quality standards in tourism services, improving the touristic facilities and access roads, developing a unique and high-quality experience for tourists, innovating the touristic products and, implementing an effective marketing campaign.

As part of our analysis, Cronbach’s alpha was applied, and all the blocks exceeded 0.7 indicating that the internal consistency of the survey was adequate, therefore, the data obtained were considered reliable. Chi-square contingency analysis was performed between the stakeholder groups (tourists, business owners, and local residents), and in all cases, no significant associations (p>0.05) were found among these groups, indicating that the perception about the role and effectiveness of the Chimborazo DMO does not vary in dependence of the stakeholder group. This could be explained by the high level of similarity in the goals and expectations established by the stakeholders’ groups included in the study. Previous works have distinguished between an organization’s own goals and common goals shared with other actors (Longjit & Pearce, 2013; Pearce, 2016); however, sustainable governance of tourism destinations remains still as a challenge (Roxas et al., 2020).
5. Conclusions

The analysis and results presented here allow us to describe in general, the perceptions of three groups of stakeholders (tourists, business owners, and local residents) about the touristic sector of Chimborazo province and evaluate the role of the DMO.

Our data were consistent in all the groups revealing that the stakeholders considered in the study have mostly a positive opinion about the role of the DMO in the development.

The following actions have been considered key points in the touristic land planning of Chimborazo: establishing the institutional framework guaranteeing the participation of all the stakeholders, promoting entrepreneurship and investment, protecting the natural and cultural heritage of the province, enhancing the quality standards in tourism services, improving the touristic facilities and access roads, developing a unique and high-quality experience for tourists, innovating the touristic products and, implementing an effective marketing campaign.

We consider that the DMO Chimborazo has to establish a continuous and dynamic communication system with the touristic stakeholders to achieve its development goals. The development of a synergetic process is fundamental to generating interactions among all the stakeholders involved which are increasingly concerned with finding ways to sustainably manage destinations. In fact, sustainable tourism is currently forming part of the local, regional, and global governance agenda and it is a priority for Chimborazo to implement policies that direct the development of the region under that context.

Tourism stakeholders are a complex network that includes groups with particular and common interests. Therefore, a Destination Management Organization should be able to map the roles, prioritize needs, and direct strategies aimed to effectively operationalize the touristic system under a sustainability framework that strengthens the cooperation and commitment of stakeholders creating synergies that boost the destination development. A successful local empowerment could enable stakeholders to actively influence sustainable tourism development in Chimborazo.

Even when this study has a limited sample size, the collected data provide valuable information to achieve an approach to the stakeholders’ perceptions about the Chimborazo DMO. The information here presented could be useful to generate policies that benefit the Chimborazo tourist sector and could be useful as the basis for further work dealing with the stakeholder’s identification and the assessment of the DMO influence in the territory development.

References


