

FINDING OUR CORNERSTONE: AN ADVOCACY PAPER ON DESTINATION ORGANIZATIONS BECOMING A COMMUNITY SHARED VALUE

Summary

Despite the collective efforts of destination organizations, every year, a growing number continue to be under government and media attack. These attacks are getting worse and more frequent, and too often we are our worst enemy. After a great deal of research, Destinations International has concluded that destination organizations must become one of their community's shared values in a way that explains the value of destination promotion and connects that value and organization to the residents of the community.

In this advocacy paper, you will understand the reasons why destination organizations must focus on their residents and change the way they talk about themselves in order to survive and grow. This paper will clearly articulate the role of a destination organization in a community, provide the starting point for "mission" and "about us" statements, lay out the political argument for public support of destination promotion and identify the ideas and ideals that form the basis of a community shared value.

Current State of Affairs

Despite our collective efforts every year, the number of destination organizations being put under the microscope by politicians, government officials, public advocacy groups and the media is growing. Now, review of annual government budgets by elected office holders and their staff is a regular occurrence. Reviewing and enacting the annual budget is legally part of their job and should be expected and prepared for.

However, for various reasons, many destination organizations may not have been subject to a very rigorous review in the past. Perhaps this is because

of how small destination organizations budgets are in terms of the whole government or because of the strong support they have developed among elected officials. Be assured that is changing. Destinations International is predicting that more destination organizations will see greater review in the future.

According to several government funding experts, the projections for most governments show that the expected government revenues are growing at a pace below projected government expenses. Complicating this is an increasing level of turnover among elected officials and a loss of institutional knowledge. This is driving less informed elected officials, who are by nature adverse to raising taxes, to cut expenditures and realign current tax revenues.

Our industry has done a great job of positioning visitor-related taxes and fees to not be paid by residents. Unfortunately, that has made these revenues attractive to realign to other purposes—or to increase these taxes and fees without providing a portion of the revenue to invest in travel promotion or meeting facility improvements.



Additionally, we are seeing risks that go beyond just an annual budgetary review. Destination organizations are beginning to see their government funding and existence under attack. As we have seen in Florida and other destinations, defeating these attacks in any given year does not in any way guarantee this intense budgetary review will not happen again in the next year.

There is a growing trend by those who seek to divert destination organization funding to start by undermining the credibility of a destination organization. In this effort, their new favorite tactic is to call for a “program audit.” Far too often, destination organizations are unprepared because they believe these audits only review annual revenues and expenditures. Nothing could be further from the truth.

A full-scale program audit by an auditor hired by the government will go much deeper. In addition to seeing that the financial statements are fairly presented, a program audit will review compliance with laws, regulations and policies and analyze performance to determine whether programs are effectively accomplishing their goals and if proper measurements are in place. These two audits are different in nature and driven by two different perspectives.

The Reasons for Our Problem

The advocacy and research staff at Destinations International spends a lot of time reviewing newspapers, editorials, websites, press releases, social media postings, newsletters, newscasts and podcasts. This past year, we have spent additional time scrutinizing destination organization program audit reports. Moving beyond that, we have pored through government RFPs for destination marketing services and memos, city plans and minutes of government meetings related to those RFPs. We have also been watching countless hours of local government public hearings on video.

All of this has driven one simple question: why do those who are attacking us think that they can get away with it? And the answer is simple. Because they can.

We believe that there are three reasons for this situation.

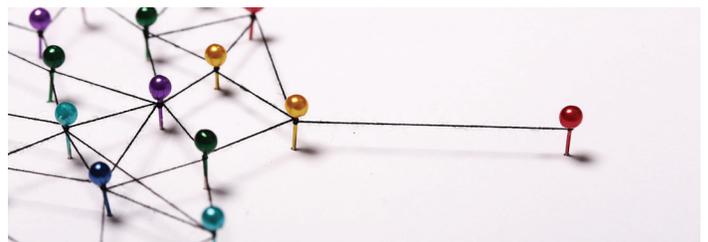


Reason One: Notable Fiduciary Failures within our Industry

Let start by looking at just a few of the things we have found in all those budget documents and audit reports we have looked at, as well as some of the news reports covering them.

- *“Does not ensure that public funds are being used effectively and efficiently.”*
- *“Deficient procurement and contracting practices undermine accountability and does not ensure best value.”*
- *“Disregarded its own procurement procedures.”*
- *“Does not meet even the minimal level of prudence required...when disbursing public funds.”*
- *“Does not consistently follow...established policies and procedures and laws.”*
- *“Missing receipts.”*
- *“No signatures.”*
- *“Commingled funds.”*
- *“Used vague metrics that made it hard...to tell how or how well or where it spent...millions of dollars.”*
- *“They talk about industry standards and we don’t understand them.”*
- *“Does not give any meaningful information pertaining to ROI.”*
- *“Council delays marketing vote amid transparency concerns.”*
- *“City spends millions a year on its tourism agency, but we have no idea if that’s money well spent.”*
- *“How did a festival lose \$2.3 million?”*
- *“Pleaded guilty to 7 counts of felony theft.”*
- *“Beginning to question the...convention and visitors bureau model.”*

When you read the comments above, you must ask, is it any surprise that many people see our industry as an easy target to attack?



Reason Two: The Lack of Community Relevance

Destination organizations are too often finding their relevance in a community is weak or non-existent. There seems to be a disconnect between the destination organization and the community it claims to serve. Members of the industry often have joked that “not even their families know what it is that they do”—much less

friends and neighbors. Unfortunately, in way too many cases, that is not a joke. It is the truth.

Additionally, rarely is the community, either as a whole or through its leaders, fully or even partially engaged. They most likely have not been involved in any brand development or seen promotional campaigns launched on their behalf. Mechanisms for collecting public input are regularly absent. The community doesn't know the destination organization's priorities or understand the reasons behind them. They have little understanding of what is involved in building destination awareness, business acquisition or driving visitation. Few understand why a hotel development, sports facility or a convention center is so important in a community.

This means that there is no community ownership of the destination organization or a community narrative about the shared value it represents. The community's lack of familiarity gives grandstanding politicians and others a fertile ground to control the narrative.



Reason Three: Our Responses No Longer Resonate

As if things were not complicated enough, the civic and political ground on which we stand has shifted. Over the last several decades, there have been societal changes on a massive scale. We have seen high profile scandals, the great recession,

terrorist attacks, the initial effects of climate change, civil rights, human rights, urbanization, globalization, new patterns of immigration and expanded means of communication.

Traditional societal roles and expectations have been upended. Technological advancements are increasing the pace of change, and while they are creating new opportunities, these innovations are changing industries faster than most economies can adjust. Workers are being displaced and traditional modes of economic mobility are disappearing. With this change, divisions between winners and losers are being aggravated.

A more interconnected world has increased rather than reduced differences over ideas and identities. Our political leaders are finding that appeals to identity are useful for mobilizing their supporters and consolidating their political control.

There has been a growing distrust in traditional institutions, and it is magnified by fear. This lack of trust magnified by this fear results in people acting based on emotion and gathering in teams based on identity.

The narrative we have used in the past no longer resonates. We talk to the public, to elected officials and to the media about industry performance measurements and return on investment that are often not understood or not believed. The logic of our arguments no longer seems to matter. And most of us have no other options in our playbook. We have few allies or constituencies beyond our core industry partners; no means to break through today's political chatter; nothing to keep a supportive elected official from flipping on us. And we have no answer to the response, "we don't believe you."

These three reasons are why politicians, government officials, public advocacy groups and the media feel free to attack us. It is "why" they know they can get away with it.

Finding Our Way Forward

The status quo is no longer an option. We need to take a step back. We need to figure out the most basic thing we need to be paying attention to every day. Something that explains why we do what we do. Something that is of value to our community. Something that we once knew and have somehow forgotten. We need to find our cornerstone, the reason why we exist.

No government official will argue that we should end elementary and secondary education. No official would fight to cut healthcare or lay off first responders. No official would stand for a reduction in the delivery of water, electricity, gas and sewer services. And every official wants to say that he or she did something to drive economic development and opportunities. These are community needs. And they are all based on a community's shared values.

We believe that an educated individual is a better citizen, a better worker, a better person. That is why people with no children in school do not mind that their taxes go to educate other people's children. We believe that people should have access to basic health care. We may argue about what that word "basic" means or how we are going to pay for it. However, we believe in access to health care, which is why if you are in need, you will not be turned away from an emergency room. We believe that everyone should be safe from crime or fire or disaster. We may argue about how fairly these services are being delivered, but not about the need.

We believe that in a civilized world we should have access to clean water and power and sewer services, for without these items we cannot operate our modern world, and disease and famine would spread. We would all be affected. And we believe that there is a role for government in the economy. We may disagree on the extent of the role, but even those who argue for the

smallest of government footprints believe that there is a basic role to be played because growing a vibrant and diverse economy benefits us all.

But what about us and our industry? We at Destinations International have argued long and hard that our industry, too, fills a community need. That each of our destination organization members provide necessary services—or at least they should be providing them. But we must also admit and acknowledge that almost every community does not see our industry, our members or our efforts as a shared value. They see us as an interest group unworthy of defending, therefore vulnerable to attack.

We need to fix this, and we do so by answering some simple questions and then going where those answers lead us. First off: what is the community need?

We would argue that in today's globalized, networked world, every community must compete with every other for its share of the world's visibility—its share of attention and respect. Every community must compete for its share of the world's tourists, their share of consumers and their share of the available talent. Every community must compete for their share of the world's businesses and their share of the available capital and investments. Those communities who fail to compete will lose ground. They will be left behind.

What are the solutions? The community needs infrastructure, public space, transportation, capacity and residents. But that alone is not enough.

Destinations International argues that for a community to compete, people need to be made aware of that destination, they need to hear about it, and they need to be able to find it when searching. People must have a clear and positive image of the destination's brand. This will create a desire for people to visit the destination, to experience the people for themselves and ultimately, share their experience with others.

Why are we the Solution?

What expertise do we bring to the equation? We bring strategies to achieve awareness and positive impressions; brand development, management and communication; promotion, marketing, sales, and visitor engagement. Sound familiar? Destination organizations are the experts. They have the tools, knowledge and relationships to provide the solution. And most of all, they have something that no outside person will bring to the table, they have the love of their community to see it through.

But this also means that destination organizations have a bigger mission. It means that the mission is not to put

“heads in beds.” Measuring hotel occupancy is a good measurement, but not the mission.

Every visitor is important. Every impression is important. Everything that allows a community to compete is important.



Final Question

Who are destination organizations helping? Who is the customer? Seth Godin, author of the book *“This Is Marketing,”* says that the answer to just about every question about work is really this question. It should be the starting point of every strategic plan. The answer is that destination promotion is for the benefit and well-being of every person in a community. It is an essential investment to develop opportunities and build quality of life to benefit the people of a destination. What is our industry always pointing to? How many jobs are created, how much local spending is generated, how much local tax revenue is generated, and how much economic activity is generated.

So, who is helped by this? Who is our customer?

It is the residents of the community. A destination organization's customer is its residents.

Destination Organizations customers are not meeting planners, event planners, concert promoters, association executives, tour operators, travel writers, bloggers, influencers, or anyone else we traditionally have called our customers. They are the suppliers.

They supply the raw material a community needs to compete—the needed ingredient to create a vibrant community, to build a community, to invest in a community. They bring people. And the people are tourists, consumers and talent. And those people bring business, investment and capital.

And why should we want this? To develop dynamic economic opportunities in our communities. And why should we do this? To help the people in our destinations. Our families, our friends, our neighbors. Our community. That is why the work you do is so very, very important. And why everyone in our individual communities should know about it.

Finding Our Cornerstone

When you put the answers to those questions together you get something amazing. You get our cornerstone. You get the reason why destination organizations exist.

“Every community must compete with every other community for their share of the world’s attention, customers and investment. To compete, people need to be aware of a community, have a positive impression, and want to visit to experience the community and meet its people.

This is achieved through clearly developing, articulating and managing the community’s brand. Efforts must be made to promote, market, sell and engage potential visitors. And all of this must be reinforced again and again. Destination organizations are uniquely positioned to do this.

Addressing this need for destination promotion is for the benefit and well-being of every person in a community. It is a common good. It is an essential investment to develop opportunities and build quality of life to benefit all the residents of a community.”

This should be your starting point as you draft your “about us” and “mission statements.” When your organization resembles this cornerstone, your organization becomes a community cornerstone, which means that you and your team are community assets.

This is our industry’s ideology. These are our ideas, our ideals that bind us together. And these ideas form the basis of a community shared value. Further than that, these words are the argument for the public support of destination promotion.

This cornerstone is the direction that Destinations International firmly believes that we as an industry must move toward. We must become that shared value in each one of our communities.

The Destinations International Commitment

This shift to focus on the community residents as our core customer means that our industry has a lot of work to do. Destinations International has a plan. The Destinations International Foundation is embarking on one of our largest endeavors—to provide destination organizations with the tools they will need to become a community shared value.

These tools will provide you with a comprehensive collection of information, case studies and tools and templates to make this pivot. And its design takes a grassroots approach, created by destination organizations for destination organizations.

Our industry needs to learn how to interact with our residents and elected officials in a language that they can understand: a language based on shared values and emotion. A language that cuts across identity-based groups. A new lexicon. In a follow up to this advocacy paper, Destinations International, through the support of the Destinations International Foundation, will update our earlier policy brief on this topic and provide a core vocabulary and examples from destination organizations on how to speak in the lexicon that was designed by politicians to talk to residents.

We can do this. Each destination organization can become a community shared value. Most are likely already doing some of the things that they will need to do. They can build on that and develop a community resident focus. Destinations International will be there to support destination organizations through every step.