

XX RESONANCE

**THE FUTURE OF  
DESTINATION MARKETING  
IS DESTINATION MANAGEMENT**



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# AGENDA

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01 KEY TOURISM TRENDS

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02 POTENTIAL RISKS

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03 THE NEED FOR DESTINATION MANAGEMENT

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04 CREATING A DESTINATION MANAGEMENT  
STRATEGY FOR SAN LUIS OBISPO COUNTY

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01

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# KEY TOURISM TRENDS



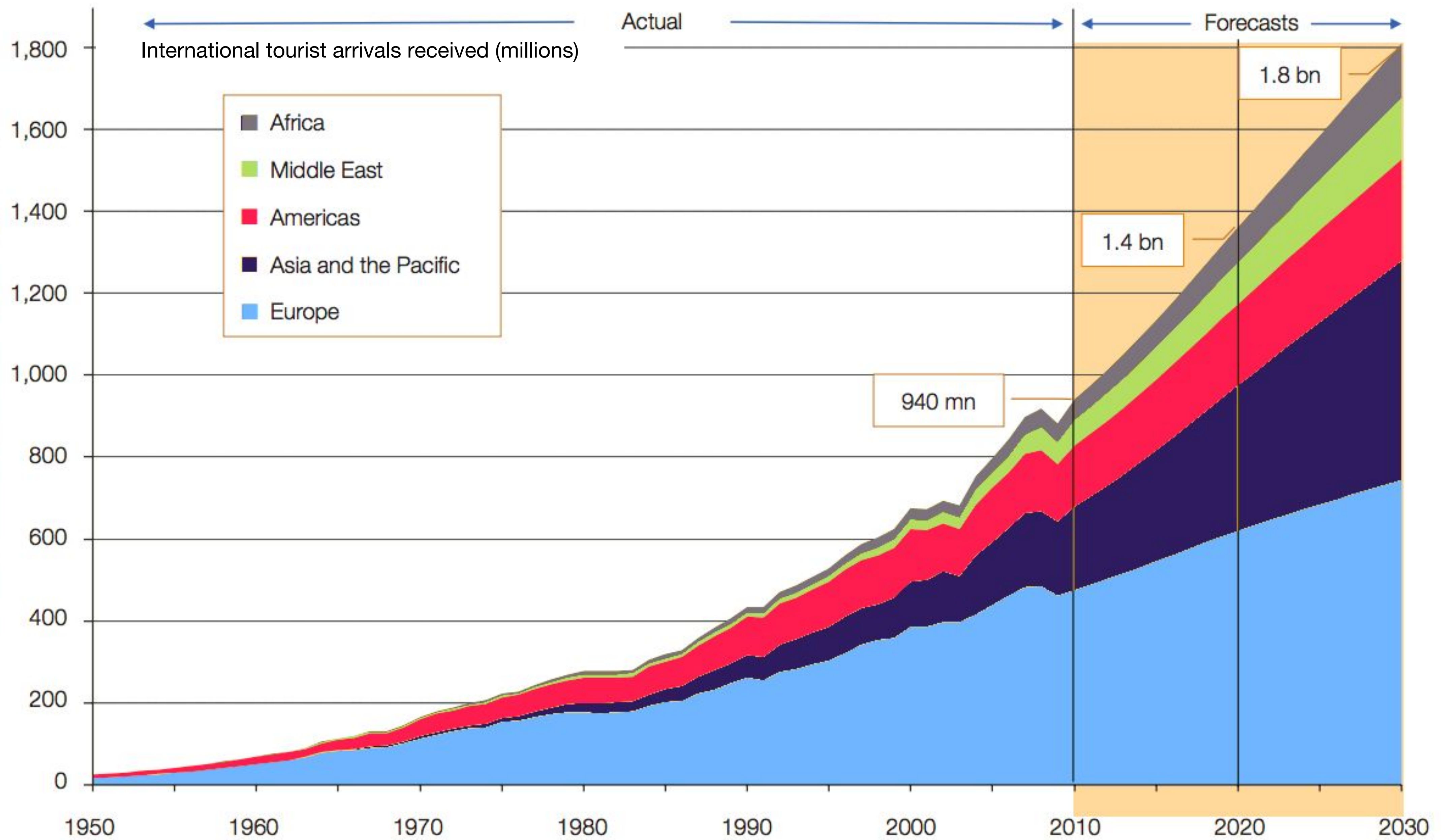
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# TOURISM IS ONE OF THE WORLD'S FASTEST GROWING INDUSTRIES

International tourist arrivals grew  
by a remarkable 7% in 2017  
according to the UNWTO.



# TRAVEL GROWTH





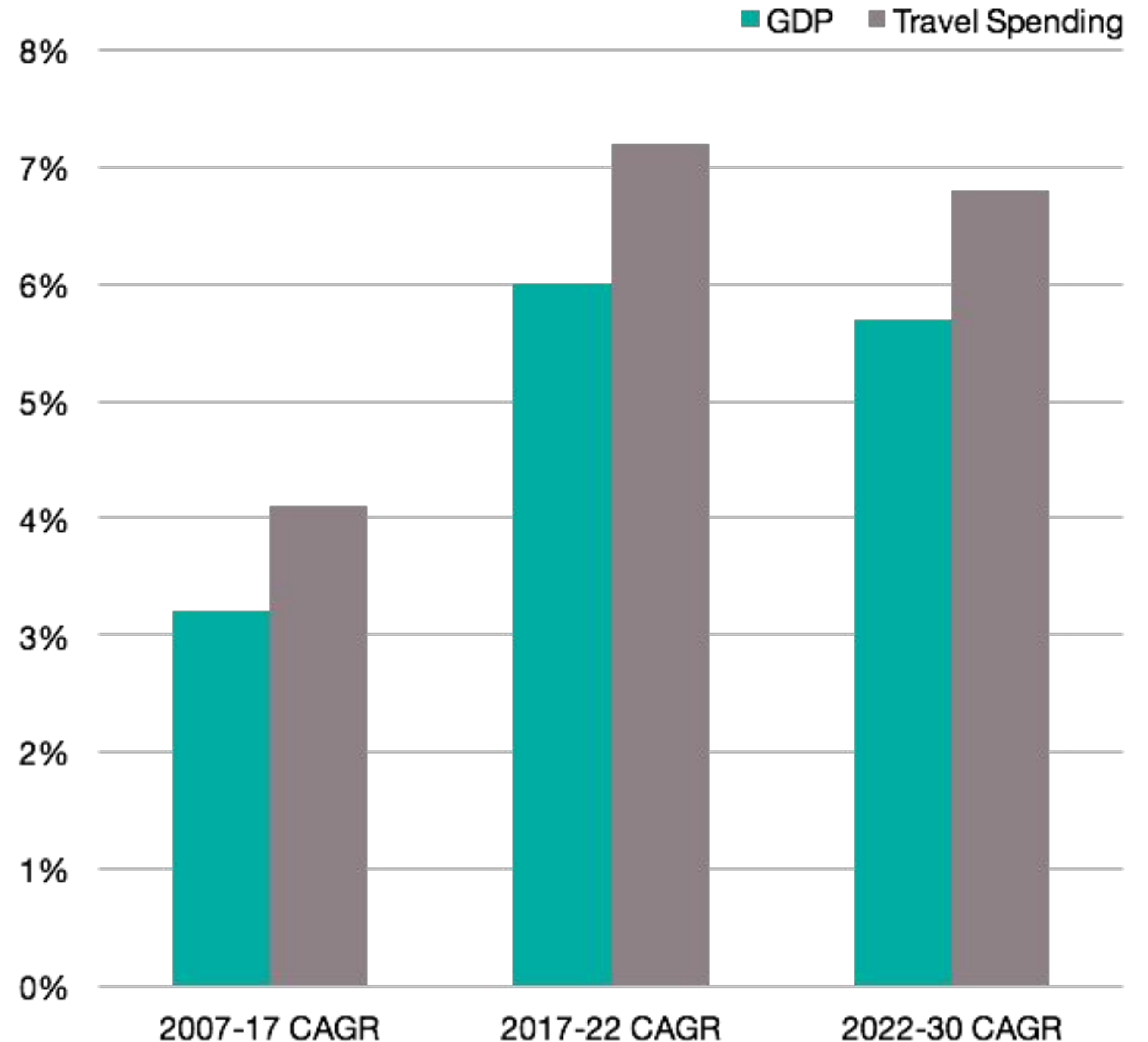
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# TRAVEL GROWTH

Growth of outbound travel spending and GDP, nominal US\$

International travel spending has consistently outpaced overall economic growth by nearly a full percentage point.

Source: Tourism Economics





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**BUT THE FUTURE  
LOOKS QUITE DIFFERENT  
THAN THE PAST**





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# WHY?



A photograph of a busy European street scene, likely in a Mediterranean city. The street is paved with cobblestones and lined with buildings. On the left, there are outdoor cafe seating areas with small round tables and chairs. People are sitting at these tables, some looking towards the camera. In the center, a group of people is walking down the street. On the right, there are more buildings with awnings and signs. The overall atmosphere is lively and social.

# 1. CONSPICUOUS LEISURE

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Americans consider that the most valued goods, services and experiences are not material in nature, but leisure-oriented pursuits.

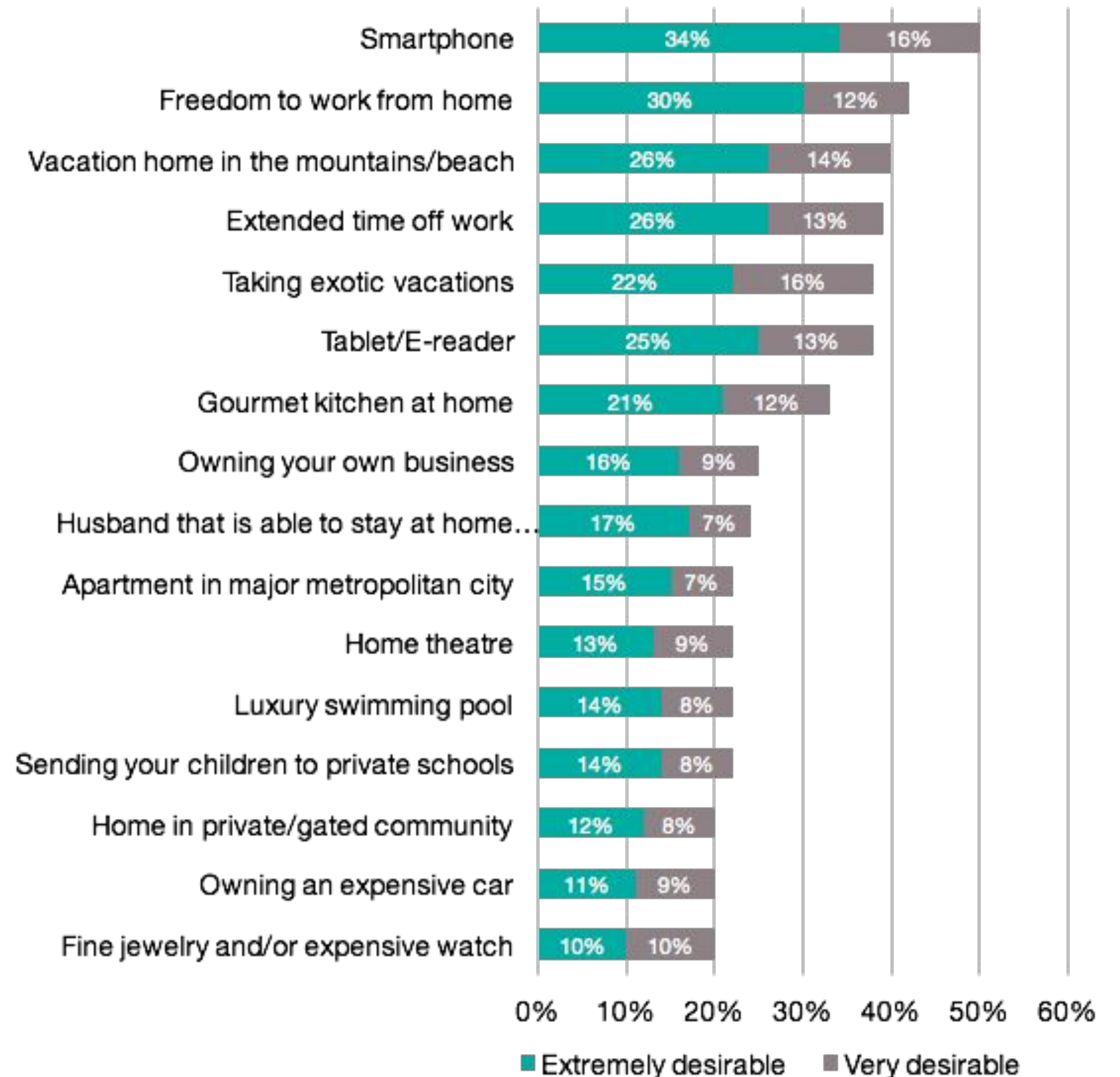


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# CONSPICUOUS LEISURE

The most valued goods and experiences for affluent households are time, travel and personal technology.

Source: Resonance



A man with a backpack and laptop in an airport terminal. The man is seen from the back, wearing a dark jacket with a fur-lined hood and carrying a large black backpack. He is holding a silver laptop under his arm. He is standing in an airport terminal, looking towards a large digital display board showing flight information. The background is slightly blurred, showing other passengers and airport seating.

## 2. TRAVELLING CLASS

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The base number of potential international travelers with sufficient income to travel is expanding rapidly. Growth of the traveling class is set to continue, especially in emerging markets.



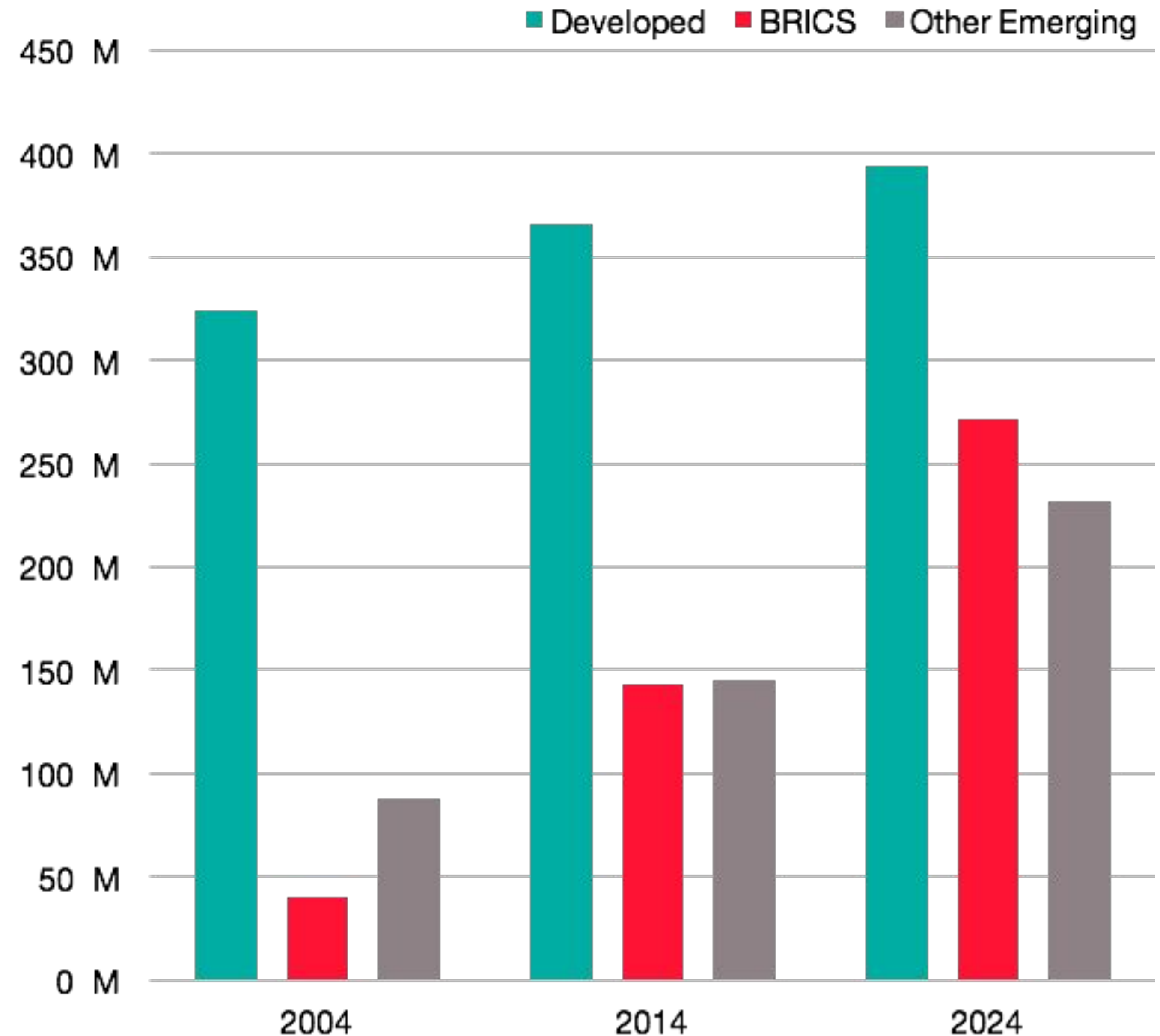
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# TRAVELLING CLASS

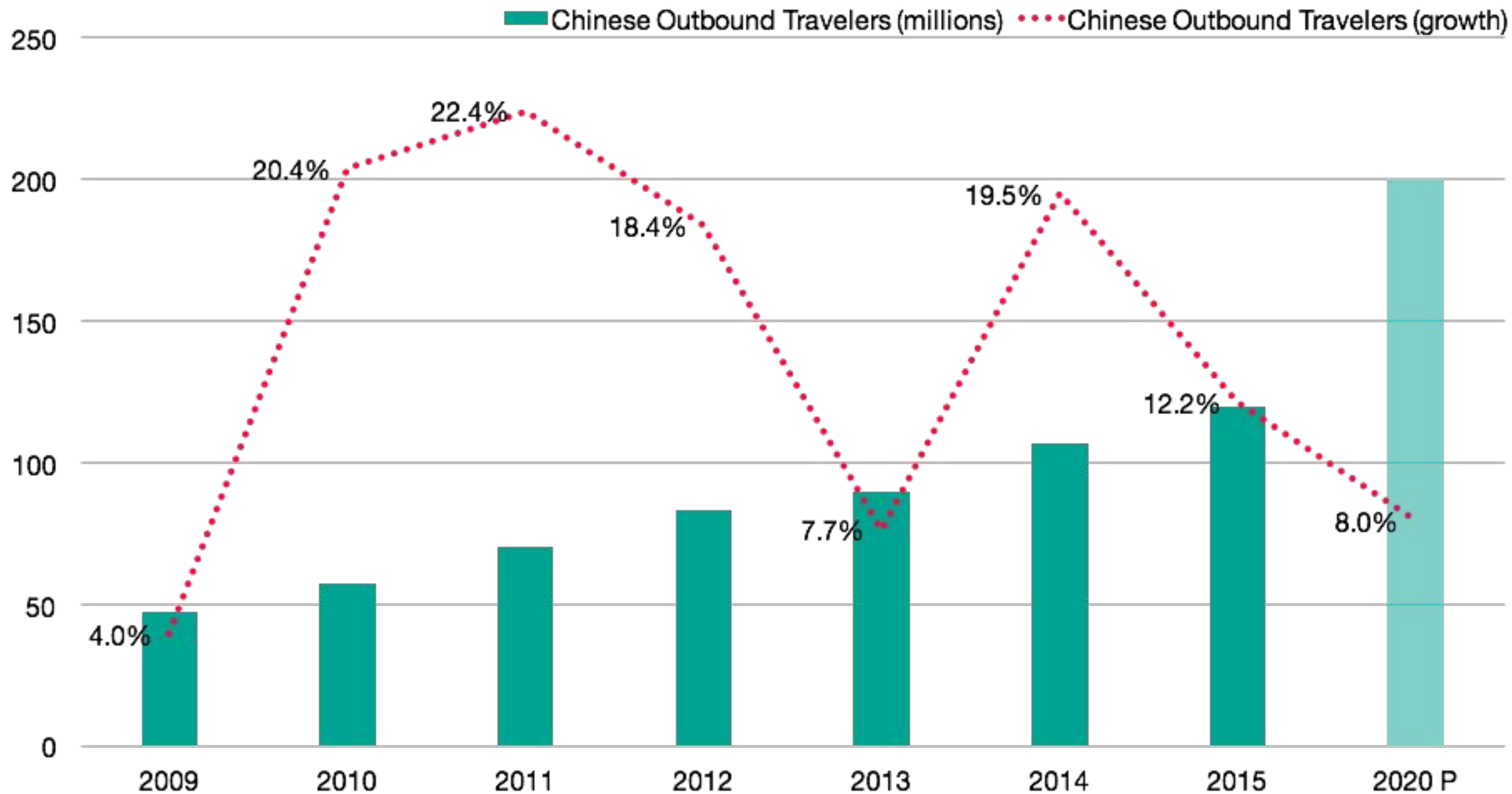
## Travelling Class Household Volumes

Long-haul travel will become affordable for more than 244 million additional households between 2014 and 2024.

*Source: Oxford Economics*  
*Household with income over \$20,000 per annum*



# OUTBOUND CHINESE TRAVEL



Source: CNTA



# 3. DEMOGRAPHICS

Increases in senior population and senior travel rates are having a compounding effect on the importance of this generation to international travel.

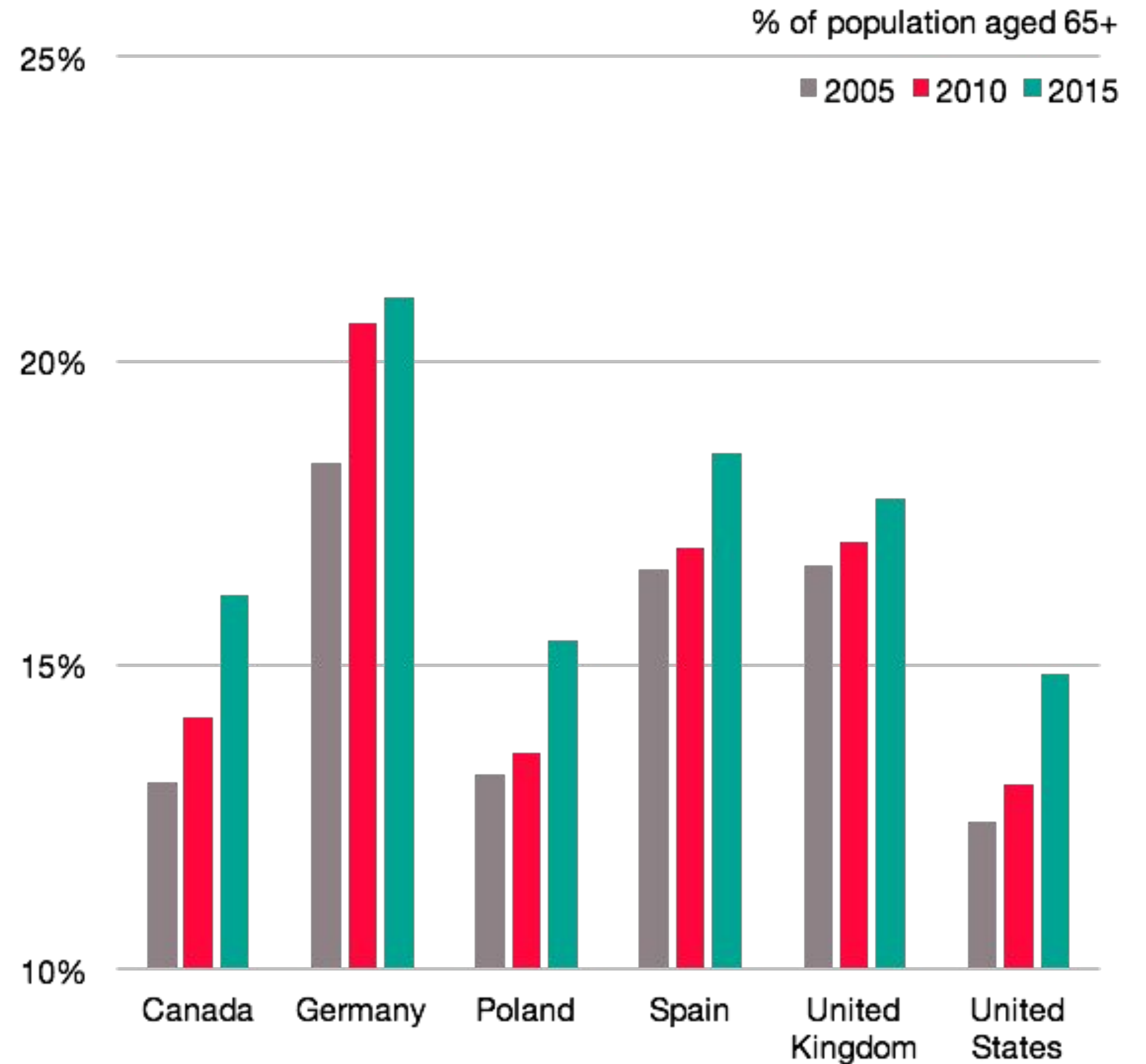


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# AGING POPULATION

The world's population is aging across every region of the world.

Source: UN Data

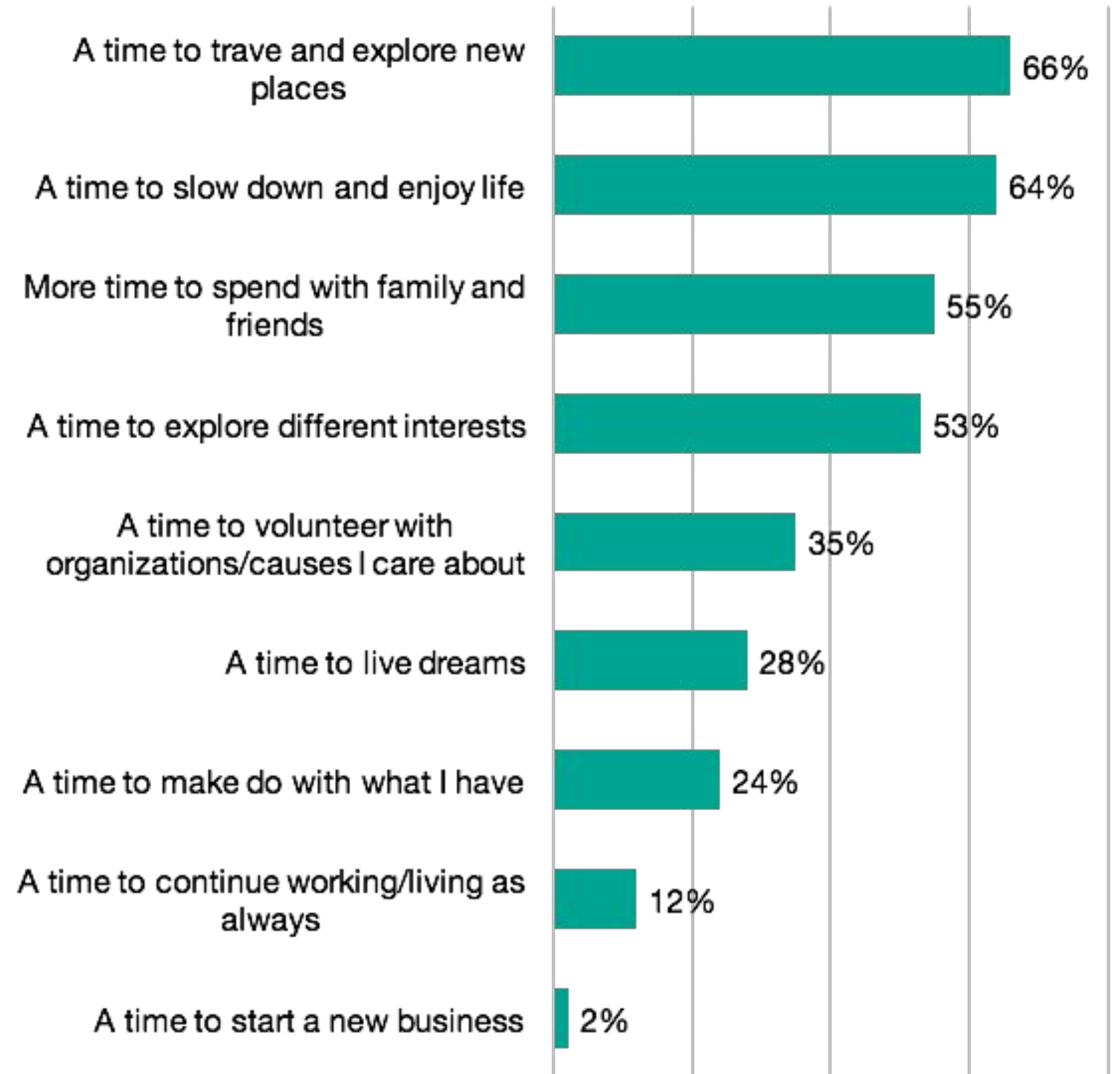




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# DEFINING RETIREMENT

Source: Resonance 2015 Portrait  
of the U.S. Retiree Traveler





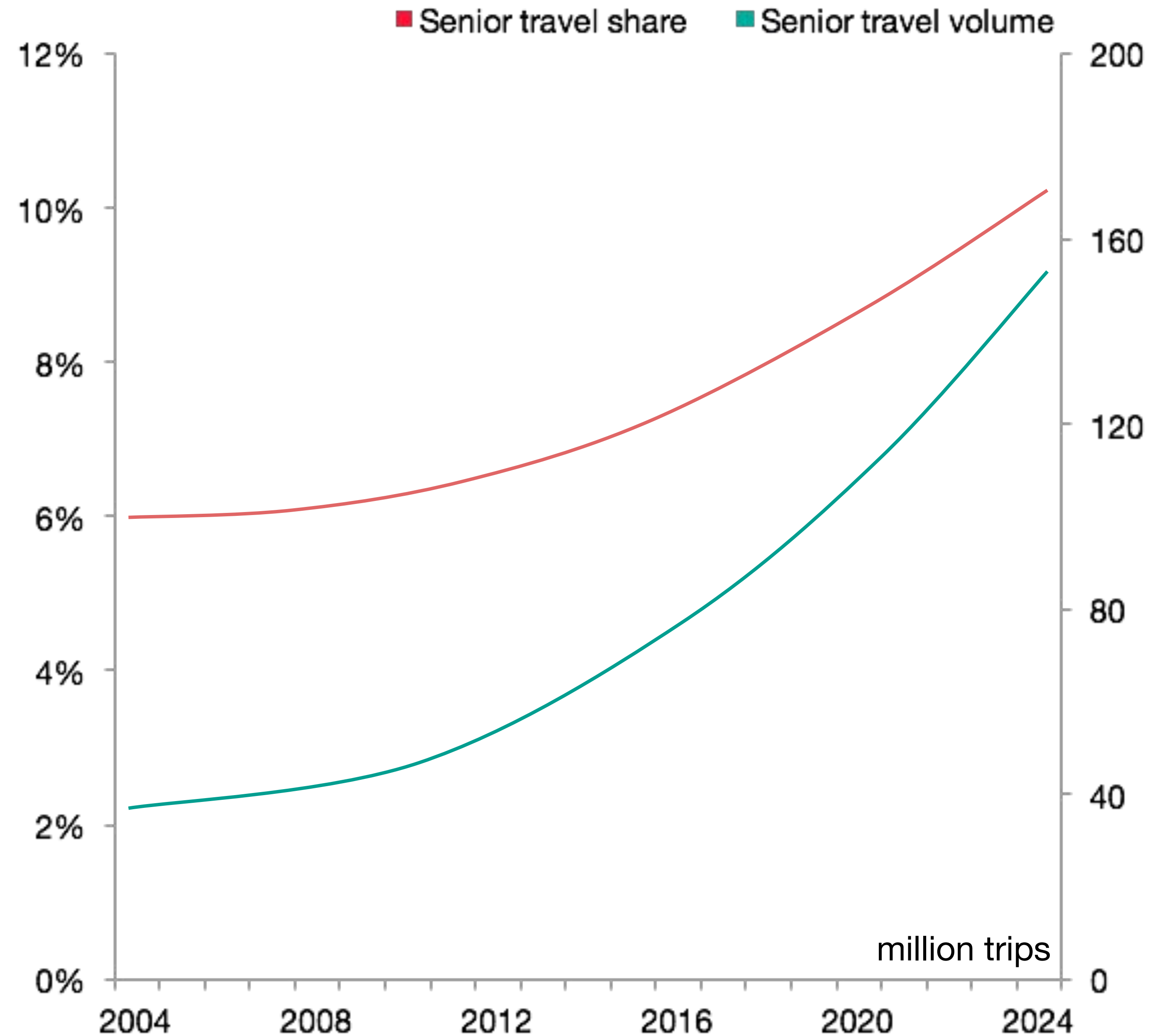
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# PROJECTED GROWTH

## Senior travel growth 2004-2024

By 2024, seniors will represent more than 10% of all international travel. This is up from 7% in 2014 and 6% in 2004.

Source: Tourism Economics, IPK





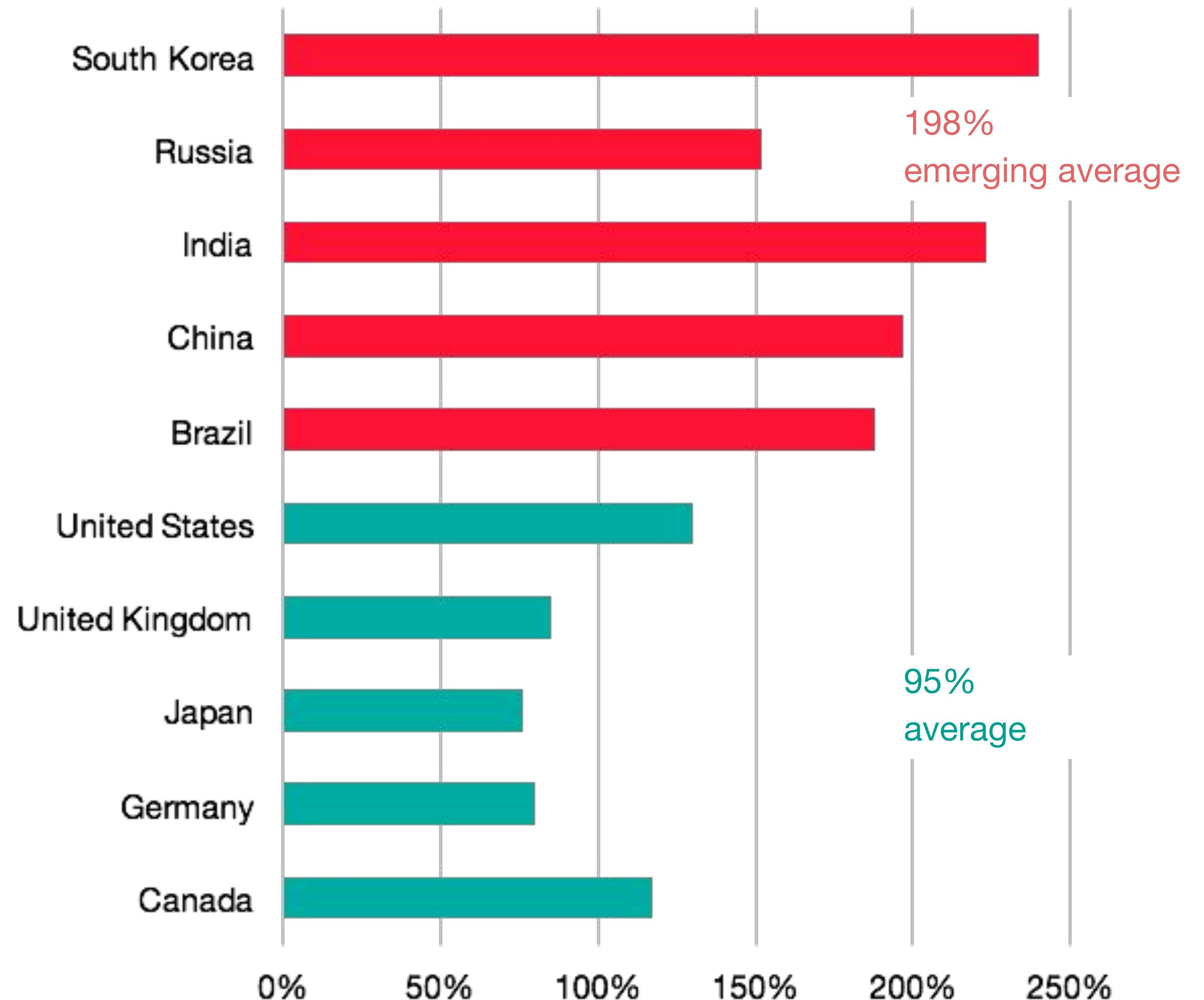
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# PROJECTED GROWTH BY COUNTRY

## Senior travel growth 2004-2024

Senior travel growth will outpace overall international travel growth over the coming decade, with emerging markets leading in growth terms and developed markets leading in absolute volumes.

Source: Tourism Economics



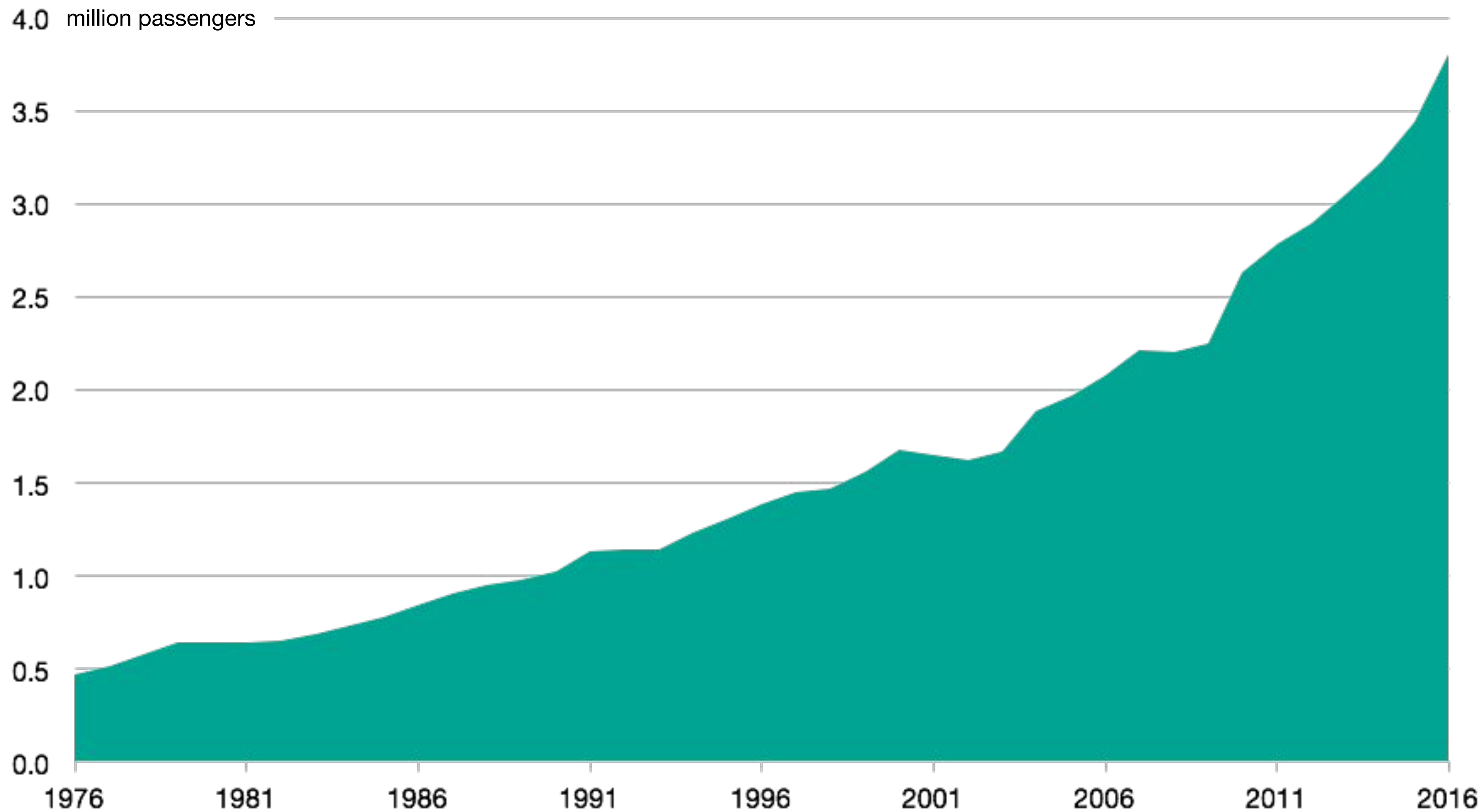
An aerial photograph of a large airport terminal and tarmac. Numerous commercial airplanes are parked at gates along the terminal, with ground service equipment visible. A few planes are also on the taxiway. The scene is captured from a high angle, showing the layout of the airport infrastructure.

# 4. CONNECTIVITY

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Increased demand for travel is driving major new airport construction and more point-to-point routes. This is making travel more accessible and more affordable.

# WORLD AIR PASSENGERS



Source: U.S. Department of State Data

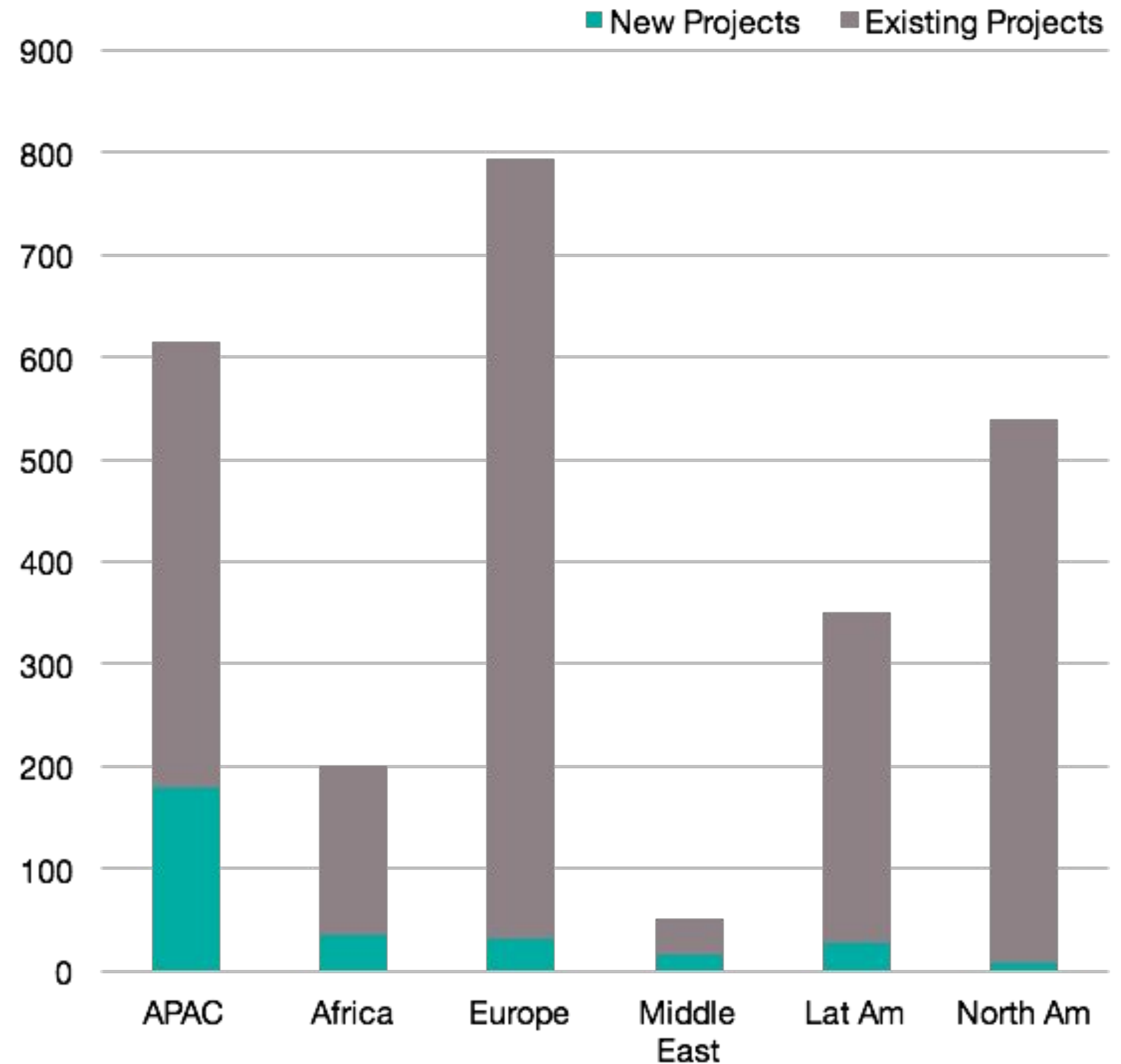


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# AIRPORT IMPROVEMENT PROJECTS

Massive airport development projects are underway or planned around the world. This includes more than 2,500 separate airport construction projects including 340 entirely new airports.

Source: *Tourism Economics*



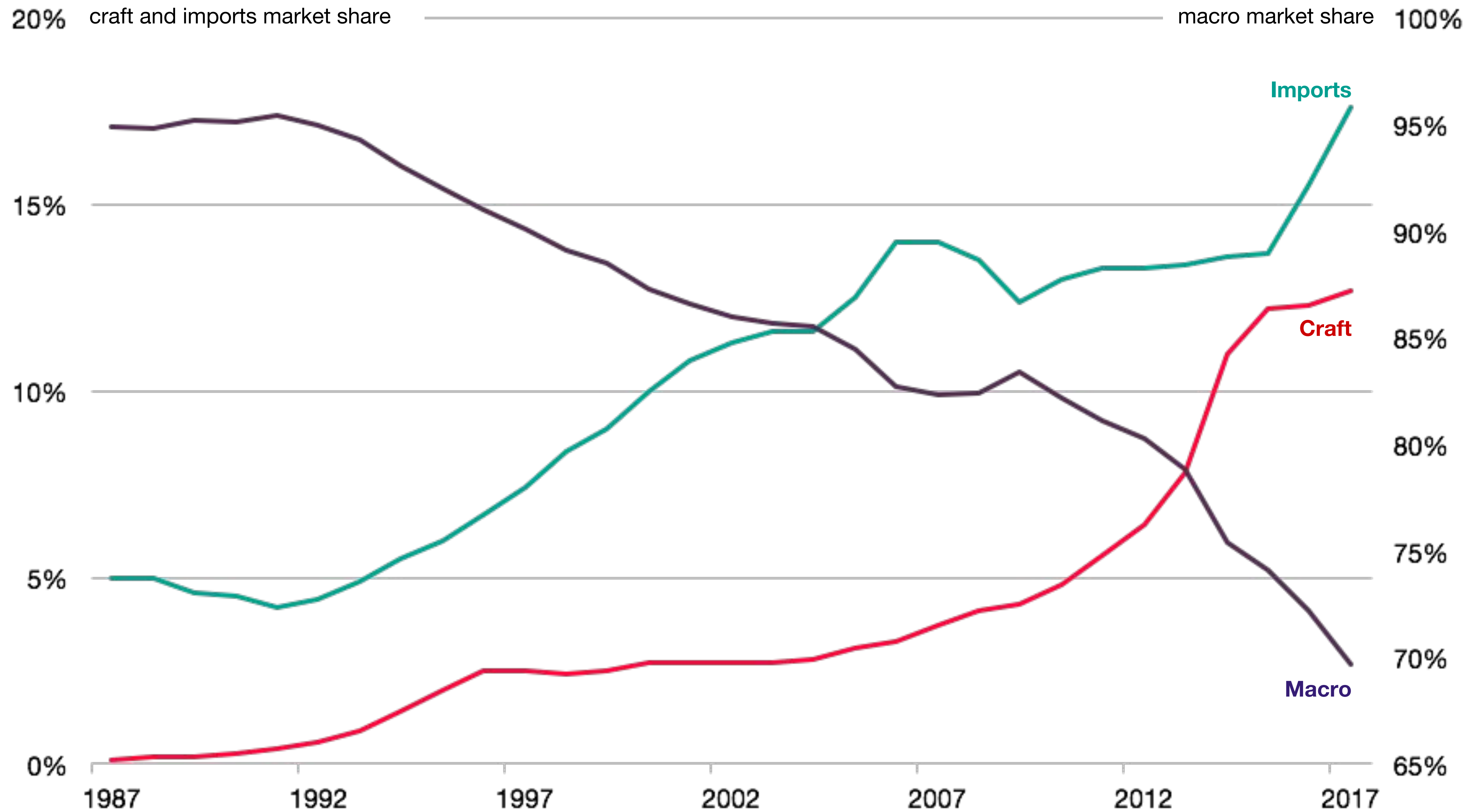


## 5. LOCALISM

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Consumers are embracing products that have local credentials or claims as they consider these products to be better quality, healthier, more sustainable, and more authentic.

# U.S. BEER MARKET SHARE



Source: U.S. Brewery Association

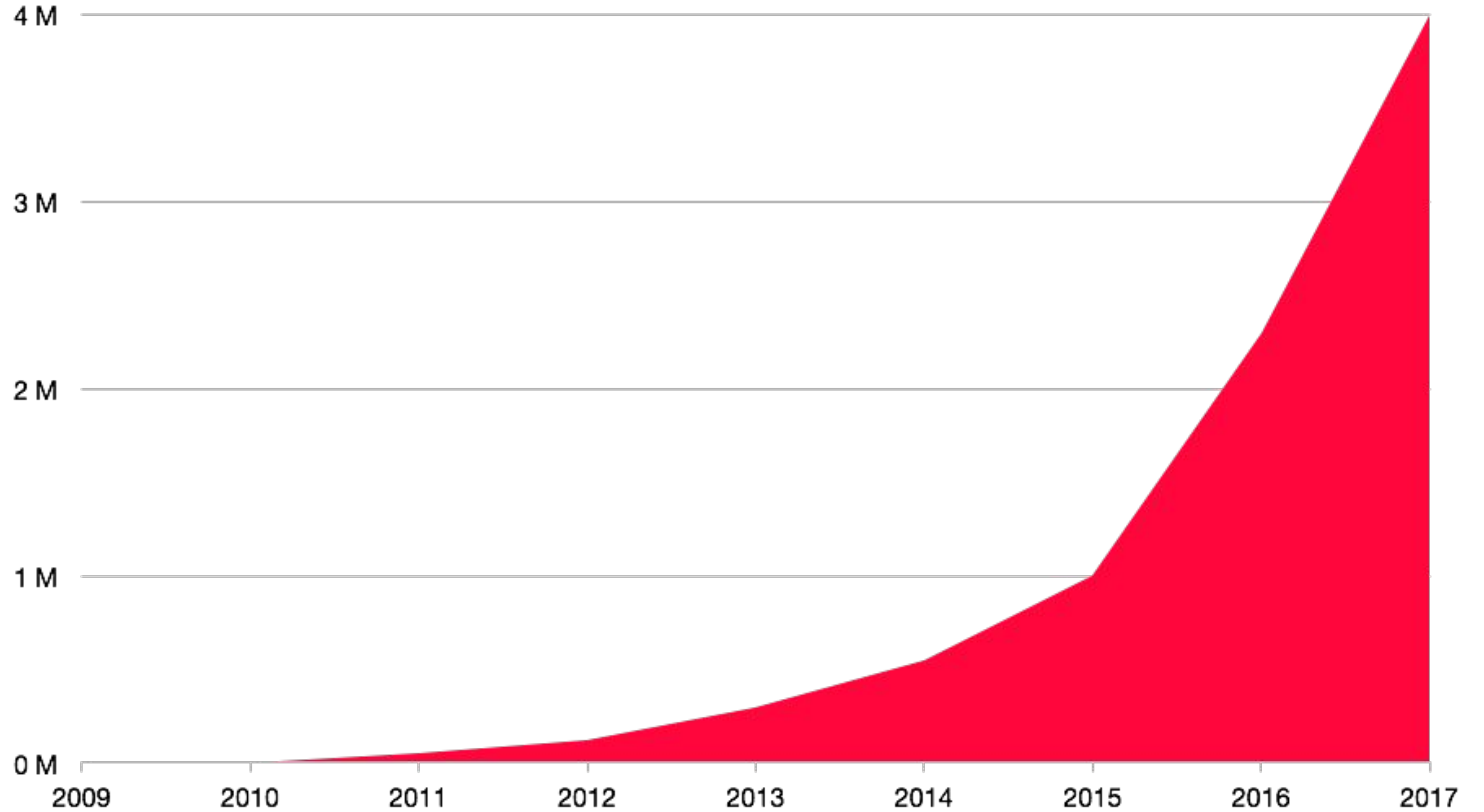


# 6. SHARING ECONOMY

A shift from a “Me” to “We” economy with new platforms for the sharing of assets and experiences.



# TOTAL AIRBNB LISTINGS



Source: Airbnb

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# POTENTIAL RISKS



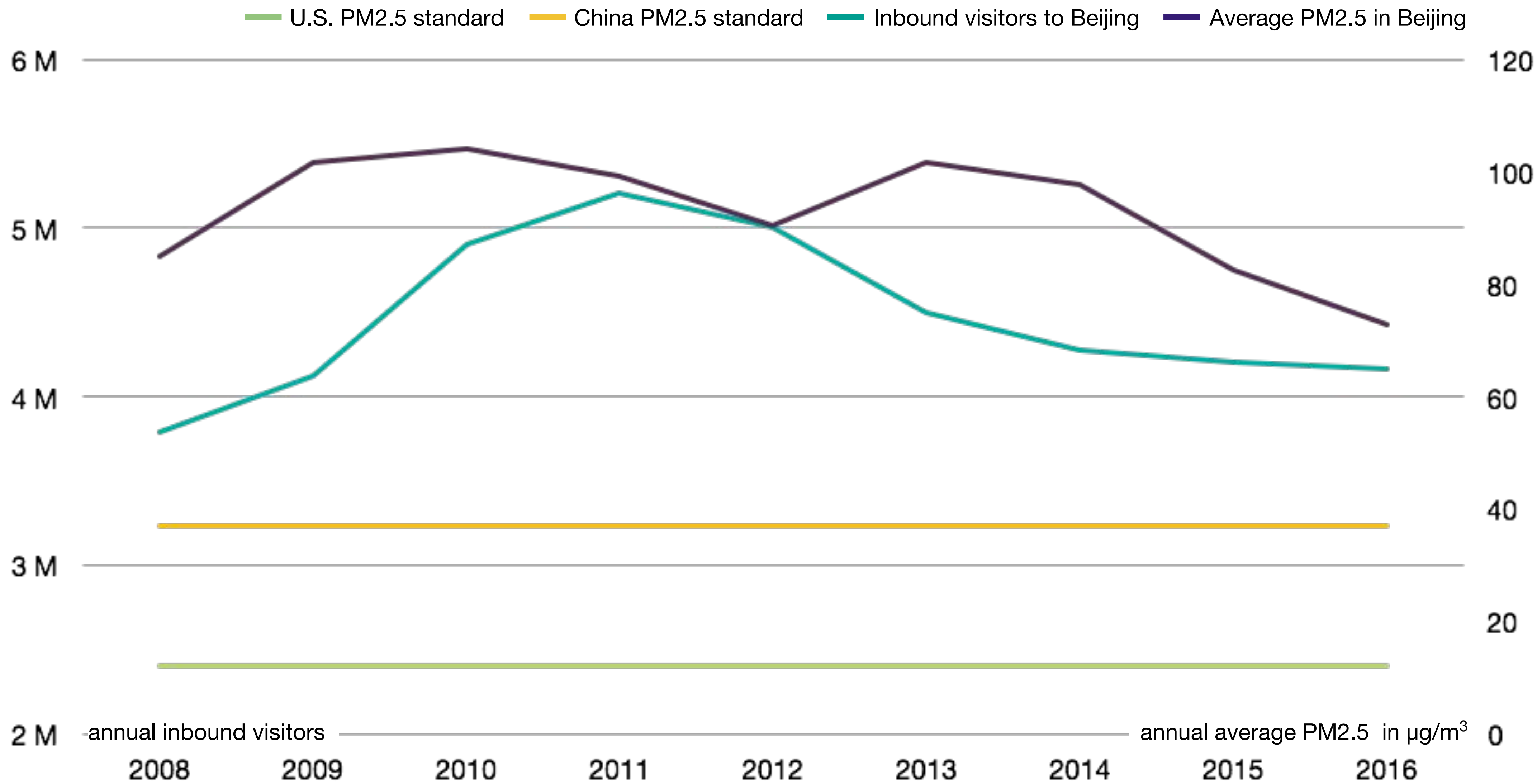
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# ENVIRONMENTAL

In 2013, visitors to China's capital declined by roughly 50% in the first three quarters of the year compared to a year earlier due to the city's notorious pollution.



# BEIJING ANNUAL VISITORS



Source: U.S. Department of State Data



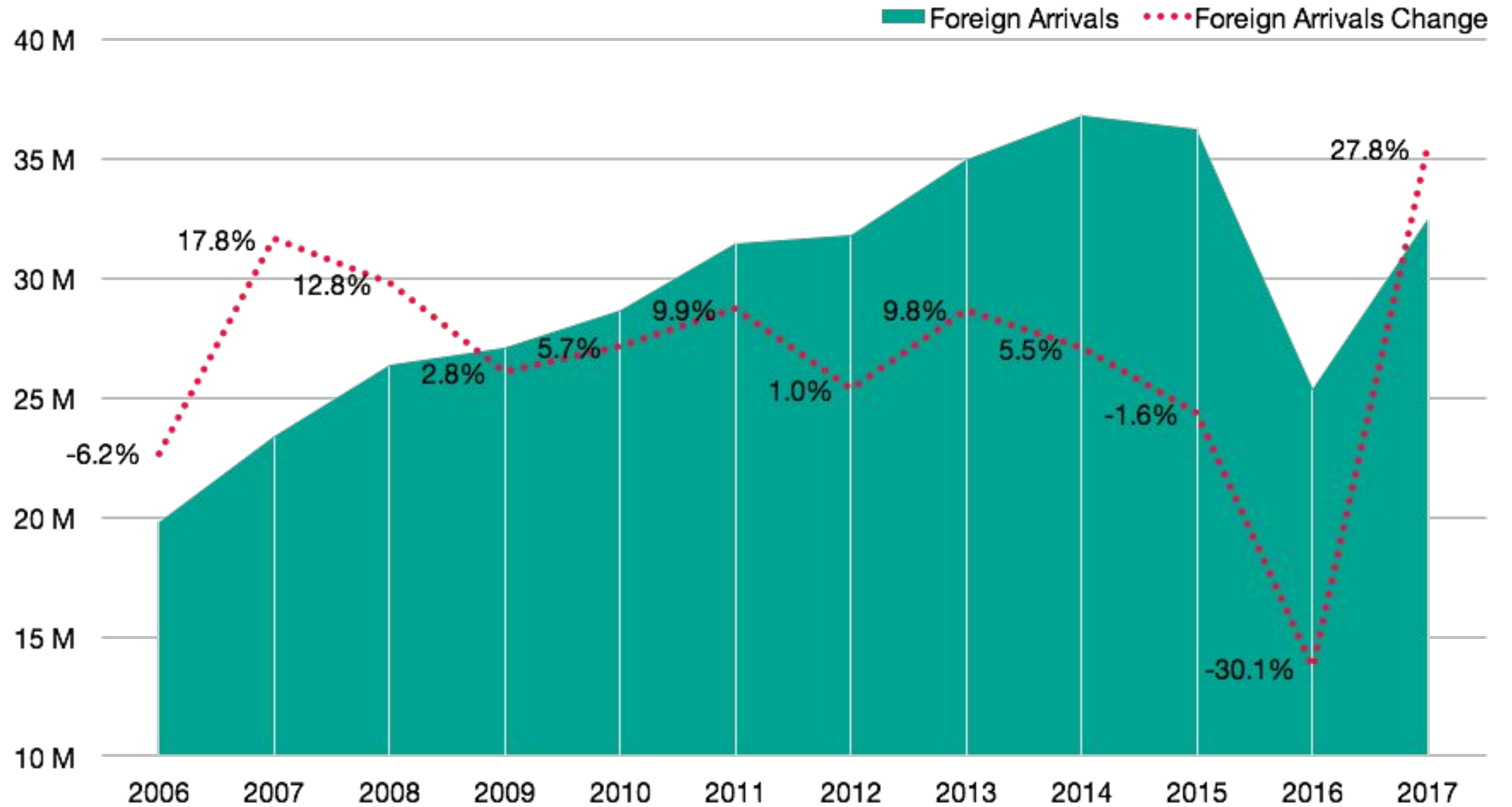
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# TERRORISM

Turkey saw a massive, 30% drop-off in the number of visits by foreigners in January through November 2016 compared to the same period in 2015.



# ISTANBUL VISITOR ARRIVALS



Source: Kultur



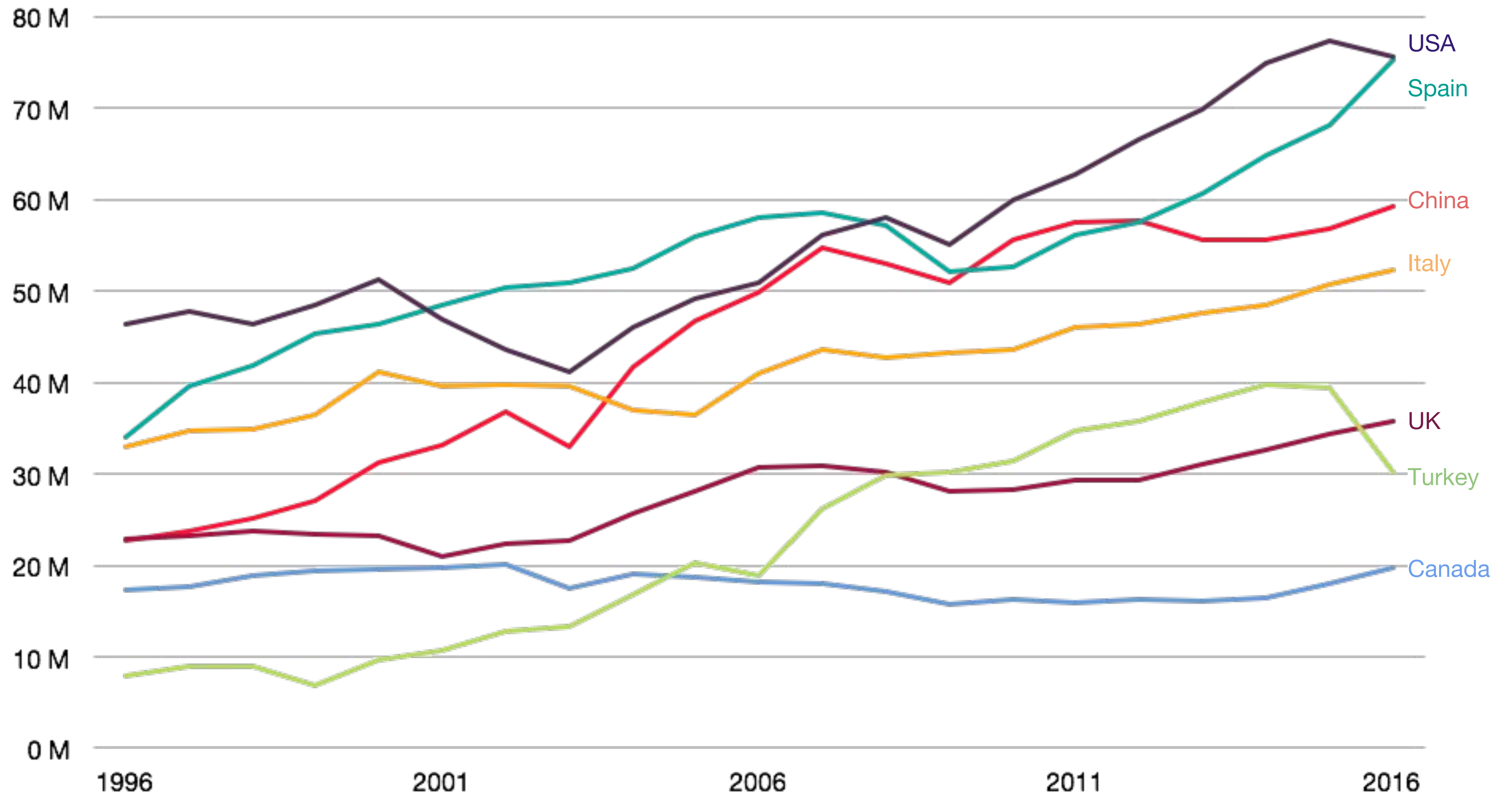
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# PEAK GLOBALIZATION

Despite the international tourism boom, only the U.S. and Turkey experienced a decline in international arrivals in 2016.



# INTERNATIONAL ARRIVALS



Source: UNWTO



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# TOO MANY TOURISTS

Around 25% of all international tourists had the feeling that their destination had been “over-crowded” last year, according to a survey of 29,000 international travellers in 24 countries in Europe, Asia and the Americas.

*Source: World Travel Monitor*





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**“WHAT WE ARE SEEING NOW  
IS THAT MANY DESTINATIONS  
ARE LITERALLY BURSTING AT  
THE SEAMS”**

– Paul Ouimet, Destination Next



03

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# **THE NEED FOR DESTINATION MANAGEMENT**



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# THE GOALS THAT DMOS HAVE HISTORICALLY PURSUED MAY THREATEN THEIR FUTURE RELEVANCE AND EVEN THEIR EXISTENCE





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# THE CHANGING ROLE OF A DESTINATION MARKETING ORGANIZATION

As tourism continues to grow DMOs must shift resources from marketing to management to balance the interests and benefits of tourism with those of the local communities they serve.





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# THE CHANGING ROLE OF A DESTINATION MARKETING ORGANIZATION

As locals, visitors and digital channels become the primary means of place-based communication, DMOs must shift from traditional marketing to management to promote their destination.





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# THE CHANGING ROLE OF A DESTINATION MARKETING ORGANIZATION

DMOs are the only organization within a city structure that has the capabilities, capacities and funding to focus on developing and managing the experiential quality of a destination.





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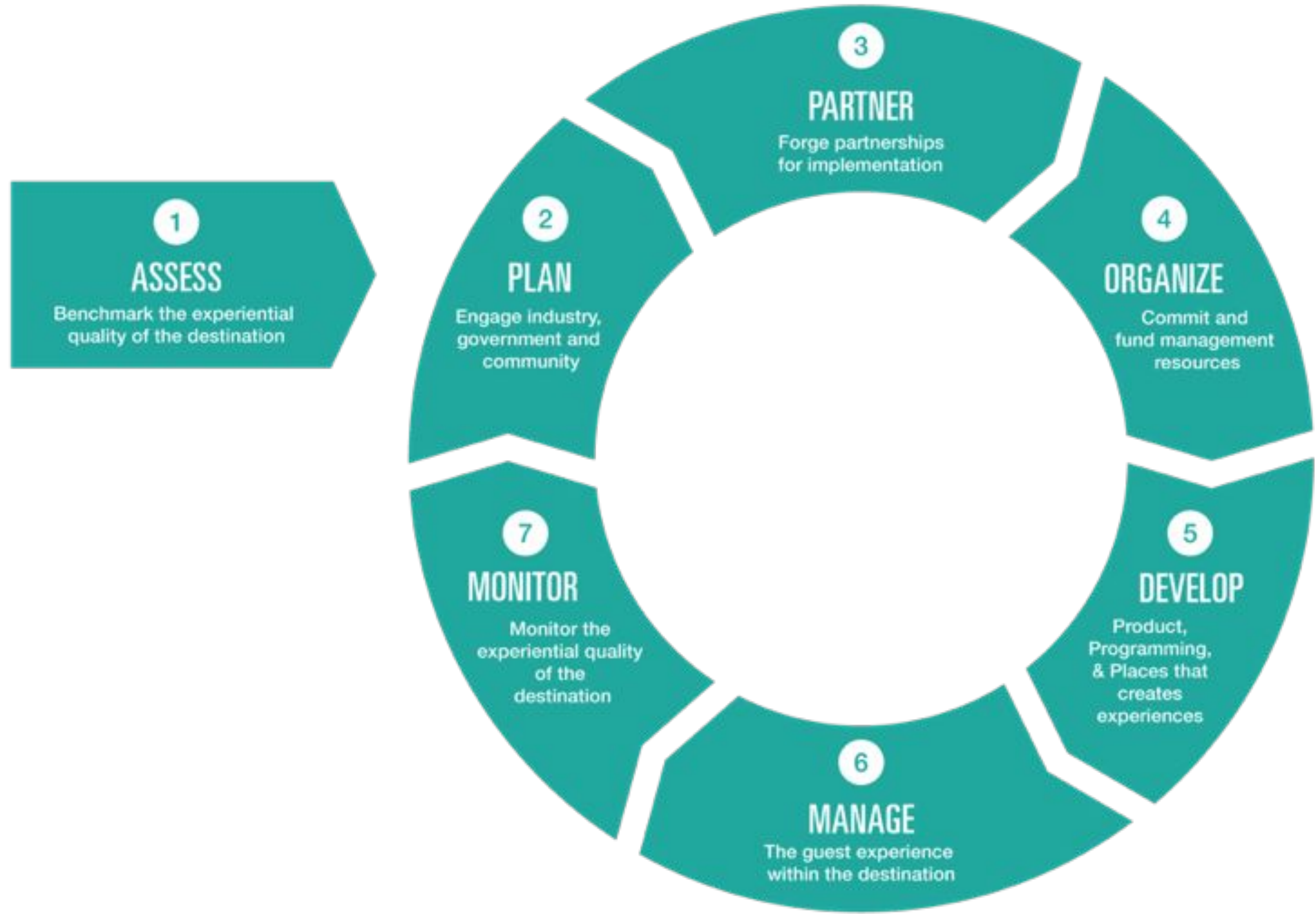
## DESTINATION MANAGEMENT

“Destination Management Organizations co-ordinate the management of all the elements that make up a destination (attractions, access, marketing, human resources, image and pricing). It takes a strategic approach to link-up very separate entities for the better management of the destination.”

– UNWTO



# THE PATH TO BECOMING A DMMO





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# 1. ASSESS

The shift from marketing to management begins with assessing the experiential quality of your destination.





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## 2. PLAN

Build a shared vision between industry, government and community for the type of destination you want to be and the audiences you want to attract.





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## 3. PARTNER

Your success as a Destination Marketing and Management Organization will be determined by the strengths of the partnerships you build.





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## 4. ORGANIZE

Commit and fund management resources to guide implementation with staff such as:

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Chief Experience Officer

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Vice-President Destination Management

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Vice-President Community Affairs

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Director Product Development

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## 5. DEVELOP

Product, Places, Programming and Policies that create experiences for visitors that also improve or enhance quality of life for local residents.





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# PRODUCTS

## Louvre, Abu Dhabi

The Louvre Abu Dhabi brought the most recognized museum name in the world to the United Arab Emirates. The Emirates' ultimate aim is to promote the capital as a tolerant global city, and its flagship museum as a bridge between civilizations.





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# PLACES

## High Line, New York

The High Line is an ambling plant-lined elevated parkway converted from a long-abandoned freight line snaking above the west side of Manhattan. It now receives over 7.5 million visitors annually.





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# PROGRAMMING

## Smorgasburg, Brooklyn

Smorgasburg is the largest weekly open-air food market in America, attracting 20,000-30,000 people to Brooklyn each weekend to eat from 100 local vendors.



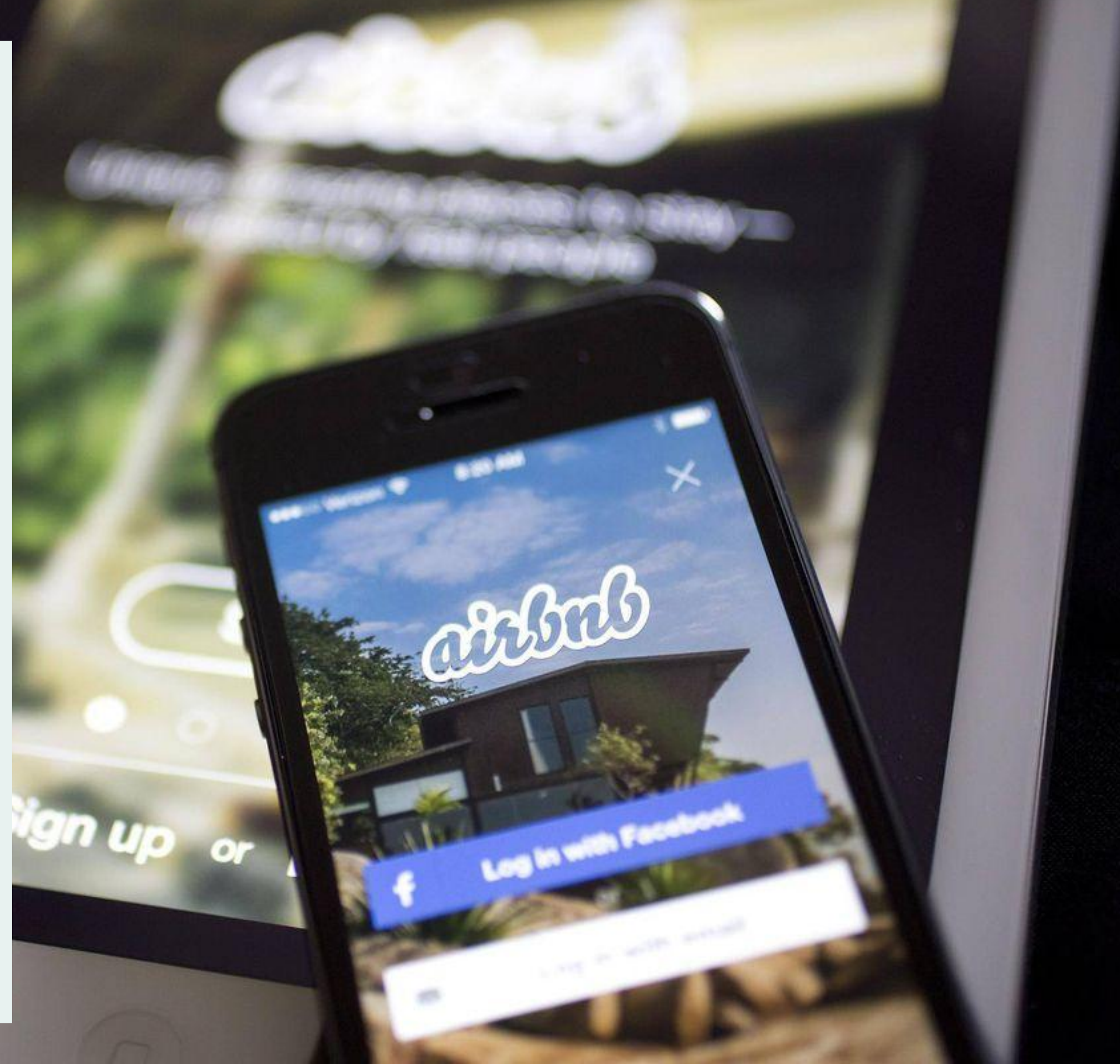


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# POLICIES

## Vancouver

Airbnb has agreed to help the City of Vancouver enforce new rules for short-term rentals, which will see hosts blocked from registering unless they have a city business-licence number.





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## 6. MANAGE

DMMOs must continually develop and manage the guest experience throughout the destination, not just within the visitor center.





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## 7. MONITOR

DMMOs must continually monitor the experiential quality of its destination to identify areas of competitive advantage and potential deficiencies.



04

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# CREATING A DESTINATION MANAGEMENT STRATEGY



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# A STRATEGY FOR SAN LUIS OBISPO COUNTY

01 STAKEHOLDER ENGAGEMENT

02 RESEARCH

03 SITUATIONAL ANALYSIS

04 VISIONING WORKSHOPS

05 DRAFT RECOMMENDATIONS

06 COMMUNITY ENGAGEMENT

07 FINALIZE & SHARE PLAN



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