



DESTINATION MANAGEMENT COMPANIES Defining the Value Proposition

At an industry function recently I found myself seated between two agency executives. I spent a fascinating and frightening evening listening to war stories about their experiences with DMCs around the world. In roughly half of the stories the war in question was won as a result of incredible acts of heroism and valour on the part of the DMC. In the other half the war was lost as a result of crass profiteering, gross stupidity and blatant incompetence on the part of the DMC. Worryingly, in more than one example, the same DMC was villain for Agent # 1 and hero for Agent #2!

Clearly, the DMC sector has not been successful in articulating its value proposition. We have effectively allowed anyone providing destination specific services to call themselves a DMC when we all know there's a sea of difference between incoming tour operators and ground agents who provide destination services to the FIT and leisure market and a DMC whose focus is unquestionably on business tourism from the meetings and events sector.

The fact that incoming tour operators and DMCs both provide ground transportation services and excursions, albeit with radically different objectives in mind, undoubtedly adds to a blurring of the lines. It also explains the curious contradiction above where the same DMC can be viewed as hero for one client and villain for the other.

It's all to do with how expectations are managed in the context of a clearly understood value proposition. The agent who requires basic, commodity services in a destination and hires an established and experienced DMC may feel he has been radically over-serviced and, then, by extension, over-charged: DMC as villain. Likewise, the client who expects a simple airport shuttle service and finds a full infrastructure including customised signage, meet and greet staff, human arrows and spotlessly clean equipment will certainly feel very positive about the experience: DMC as hero.



So what is the unique value proposition of the DMC? I believe it's inextricably linked with business results. DMCs create destination experiences that, ultimately, provide a return on objectives and deliver business results. For the DMC the destination becomes the raw material out of which he or she manufactures a tangible business solution.

Thus a good DMC adds value in two ways – she knows her destination and she knows business. Then the infinite ways in which these two realities can be combined, packaged and presented is, in fact, the very kernel of the DMC value proposition. It's also the potent elixir that good DMCs are addicted to and that provides the twisted inspiration for the amazing things we do for clients. When passion for a destination and love for business meet, good DMCs are born!

This fact alone explains why the apex of DMC delivery will inevitably be the motivational experience or the "incentive". Motivational experiences staged in inspirational destinations have been used for decades to improve and enhance business performance. Individuals push themselves to new heights in pursuit of the ultimate prize – dinner at the palace of Versailles, an overnight on the Orient Express, a night under the stars at a game reserve in Southern Africa etc. DMCs work with agencies in the creation and articulation of the prize and then, more importantly, on its seamless, flawless delivery. They understand the intimacies of the destination but, crucially, they also get the whole business context which gives rise to the reward in the first instance. They know that "flawless delivery" is inextricably bound up with business results and is not a mere random expression of the anal retentiveness of the client.

But DMCs don't only work with clients who are staging motivational experiences. They also work on Strategic Meeting Management Programmes where the creative input may be less complex but the business context and results is no less so. Equally, DMCs work with Associations who are organising conventions and meetings in destinations and require support in relation to shuttle services or tour programmes. But even here the DMC is operating in a business context where her services are offered in support of very tangible business results.

So the value proposition of the professional DMC pivots on the combination of local knowledge of the destination and global immersion in the world of business so the destination experience is always connected to business results.

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Ovation Global DMC offers agent and corporate clients fully aligned destination management services at 18 wholly owned offices in Europe, Arabia and Asia. DMC services are offered elsewhere through our Strategic Alliances with AMSTAR DMC in Mexico and The DMC Network in North America and our Strategic Partnerships in Hungary, Greece, Turkey, Malta, Morocco, Russia, Poland and Finland.

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