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Research & new technologies

'Using Information & Communications Technologies for Tourism Market Intelligence'

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abstract

The newest McKinsey Quarterly Journal (2006, 3) reports about a survey (n=2963) in international businesses and industries concerning the 10 most important global economic trends: "greater ease of obtaining information, developing knowledge" is one of these trends and it's ranking as #3 in "importance" and as #1 in "impact on the profitability of your business" shows the relevance of knowledge management for success in businesses. The authors Becker/Freeman title their article "Going from global trends to corporate strategy" and emphasize the missing link between knowing about a megatrend and managing it within the company successfully.

This is exactly the strategic issue of this year's ETC seminar keynote: What does Market Intelligence MINT mean and how can Information & Communication technologies ICT help a National Tourism Organization NTO to manage it in a normative, strategic and operational sense. The answer is case study driven and follows 2 tracks: the conceptual approaches to manage markets strategically and the ICT tools we developed to run a realtime knowledge management system for a NTO.

Following a research project about MINT in the ÖW, the Austrian Tourism Office, Vienna, we analyzed work and information processes and the information behaviour of NTO staff. We tried to understand the value chain of the products this NTO is delivering to its customers. We looked at the process of product development and the link to market data the NTO gets out of the destinations (supply side) and the source markets from where more than 20 mio tourists do come every year (demand side).

At the beginning our analysis shows a list of severe strategic challenges for the NTO:

- Destination management organizations DMO bypass the NTO and address their major markets directly.
- Public funding of NTO is subject of politics; governments want to cut NTO budgets.
- The budget is insufficient for professional marketing. Therefore extensive campaigns can't be carried out and are limited to some PR and image promotion activities.
- NTO are struggling to deliver value and have problems to deliver added value continuously.
- NTO with satellite market offices in the most important source markets handle information with different and inconsistent strategies.
- Market knowledge differs significantly from office to office.
- Similar products and services are being priced differently in each office.
- The market knowledge always refers to a geographically segmented market, is very broad and general and mainly unstructured.
- The satellite market offices have difficulties to market the NTO's offerings because „Sea“, „Sunshine“, „Mountains“, „Food“ etc. are themes but in fact no real products and easy to imitate.
- Fluctuation of staff people implies a loss of knowledge („brain drain“) within NTO

Finally we developed together with the NTO management a sound understanding of what we call MINT, what strategic relevance it has for the success of the future and how an "ICT tool box" can support the realization of our MINT vision.

Now, over more than 2 years the headquarter in Vienna and the 24 source market offices all over the world can share a common workspace of more than 1200 content items in realtime and reviewed the common knowledge base more than 56000 times.

After finishing this project our experiences about MINT in a NTO show the following results:

- a) MINT is more than data and information. MINT is a „Body of Knowledge BoK“ and a core competence of a NTO.
MINT helps to design market & destination knowledge systematically.
- b) MINT must function as a platform for automated knowledge management. It is an ICT system to manage knowledge effectively and efficiently.
- c) MINT is neither a hardware nor a software problem. MINT is a strategic issue of a NTO’s president and top management and can’t be delegated to lower management, because MINT is the backbone of the value creating and adding process of a NTO and changes the investment policy as well as the structure and culture within a NTO.

We do understand MINT as a “Knowledge Management System for Strategic Management in Tourism“ and our recommendations for the ETC members and the audience are:

1. Develop your own MINT vision and mission!
2. Develop MINT as a core competence of your NTO!
3. Build up a knowledge management system for the markets you are servicing actually!
4. Identify attractive Affinity-Group markets for your country and ist destinations! This segmentation approach uses affinities, the social networks of scenes, Web 2.0 communities and network partners to market tourism cross border and develop products and services more focused.
5. Invest in internet based information & communication tools to develop the market knowledge about these Affinity-Group markets
6. Position your NTO as a „knowledge agency“ for focused marketing services.
7. Insource (not outsource) market research and invest in consumer behavior surveys adapted for your country and your destinations.
8. Organize „Roadshows“ in your destinations to inform about these markets and their opportunities for investments.
9. Train the DMOs in MINT services.

Referring to the keynotes` title `Using Information & Communications Technologies for Tourism Market Intelligence` we developed a variety of management and IT tools like:

MINT Management Tools

“MINT Information Set”

“MINT Mission Statement”

„MINT Concept Toolbox“

„AFG Market Segmentation Guide“

„AFG Strategy Kit“

„AFG Roadshow“

IT Tools

“NTO Knowledge Sharepoint”

“NTO Workflow Manager”

„NTO Affinity Group Manager“

„NTO Network Manager“

„NTO MarketSurvey Engine“

„NTO Affinity Group Channelmaker“

Summing up, MINT is a multifacedded approach.

For us, MINT is more a vision than a project, and thus offers a tremendous opportunity for successful NTO management.

