Expert Course in Silver Tourism

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Unit 1.

Understanding needs of Silver-age tourists and accompanying people

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1.1 How to better Understand the Interest of Silver Tourist

1.1.1. SILVER TOURISTS: AN INCREASING PART OF THE TOURISM MARKET. AN INTRODUCTION TO AGEING IN EUROPE.

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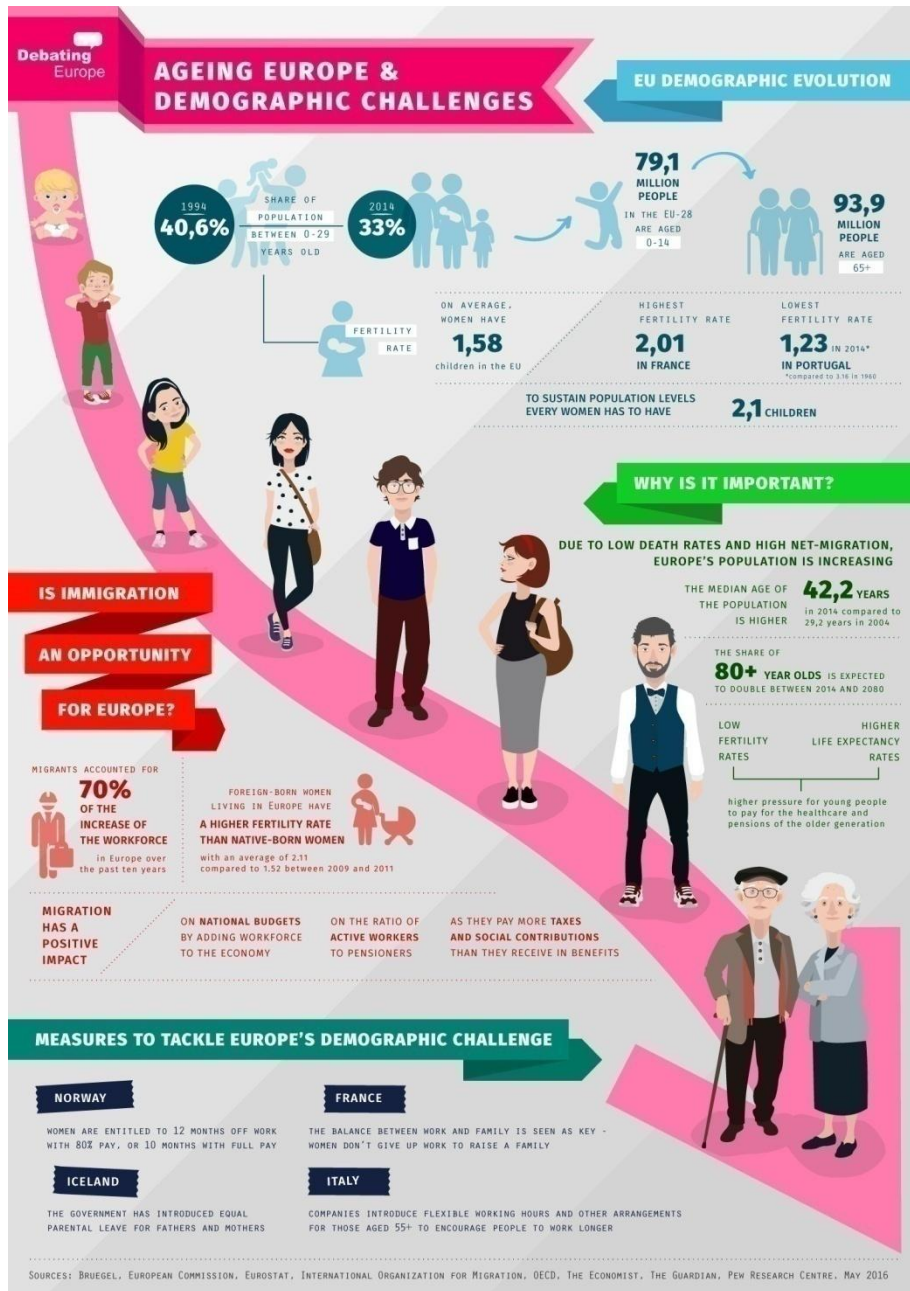
More and more senior people in Europe

Silver tourists are an increasing part of the tourist market for two demographic reasons: longer life expectancy and lower birth rates. Thus, there are not only more and more elderly people but they also constitute a bigger proportion of the population.

Several factors explain why life expectancy is raising: mainly declining mortality rates in the infant populations and more and more declining mortality rates for elderly people, both due to better healthcare and lifestyles as well as medical progress. Historically, increase in life expectancy was only explained by declining of infant mortality rates, decrease of elderly mortality rates and senior people in better healthare more recent phenomena.

Infant mortality rates have been rapidly declining over the last decades. In 2014, this rate was of 3.7 deaths per 1 000 live births in the EU-28, whereas in 1994 that rate approximated 7.5.

Similarly, better healthcare and improved lifestyles have influenced life expectancy. Life expectancy at birth in the EU-28 is estimated at 80,9 years in 2014 (83,6 for women and 78,1 for men). Between 2000 and 2014, the rise in life expectancy varied between 2,5 and 6,8 years depending on the Member States. Eurostat has been able to calculate life expectancy at 65 years old based on their demographic data which is represented in the following figure. In average, in 2014 in the EU, 65-year-old people can expect to live a further 20 years (18,6 for males and 21,6 for females), whether it be in good health or not.

Figure 1: Life expectancy at 65-years-old in 2014
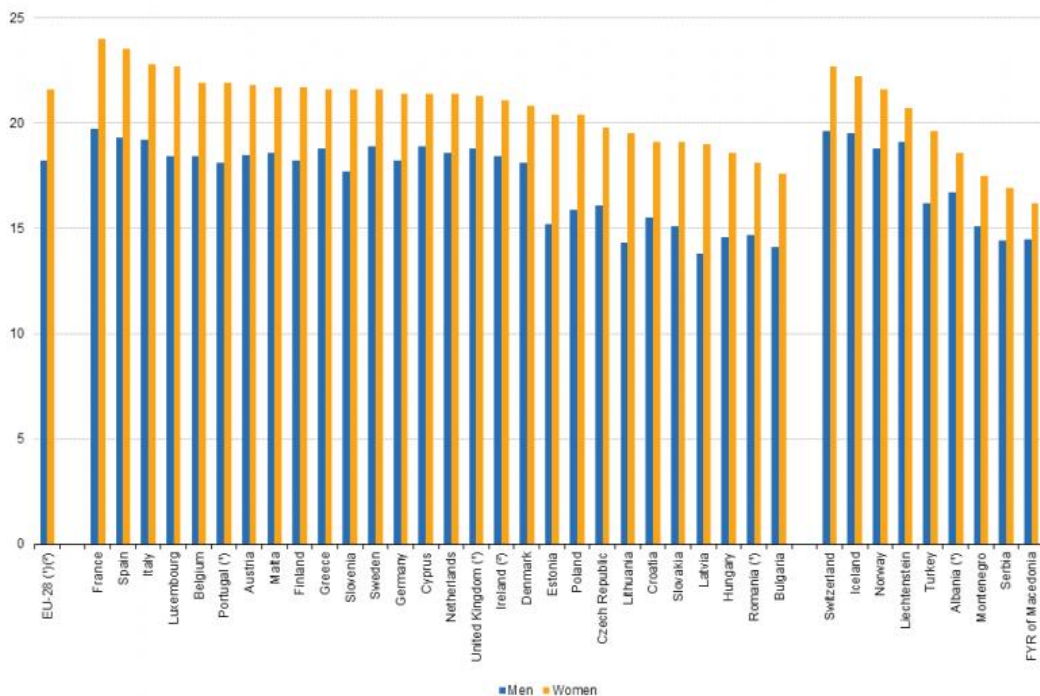
More seniors in good and healthy conditions

Furthermore, not only has life expectancy increased but healthy life expectancy too. According to Eurostat, life expectancy at a certain age is the mean additional number of years that a person of that age can expect to live, if subjected throughout the rest of his or her life to the current mortality conditions (i.e. death rates observed for that current period); whereas healthy life years, also called disability-free life expectancy (DFLE), is defined as the number of years that a person is expected to continue to live in a healthy condition. A healthy condition is defined as one without limitation in functioning and without disability.

In 2014, the number of healthy life years at birth was estimated at 61.4 years for men and 61.8 years for women in the EU-28; this represented approximately 79 % and 74 % of total life expectancy for men and women.

The European Innovation Partnership on Active and Healthy Ageing (EIP on AHA) is a pilot scheme that aims to increase the average healthy lifespan of EU citizens by two years by 2020. Created in 2011, the EIP on AHA is a pilot initiative launched by the European Commission to foster innovation in the field of active and healthy ageing.

Figure 2: Population pyramids, EU-28, 2015 and 2080 (% of the total population)
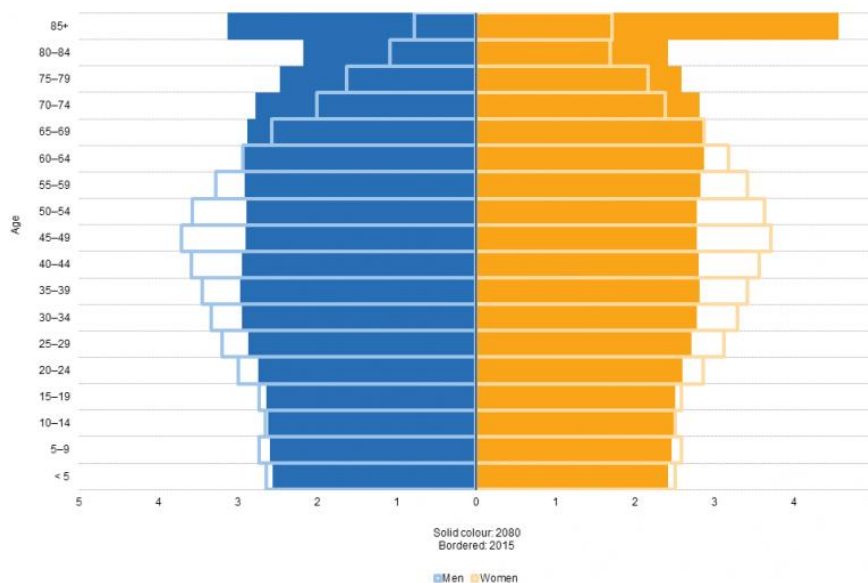
Source: Eurostat (demo_pjangroup database) and (proj_13npms database)

According to Eurostat, longer life expectancy and lower birth rates have contributed to a global ageing of the population over the years. The population of the EU-28 on 1 January 2015 was estimated at 508.5 million. Young people (0 to 14 years old) made up 15.6 % of the EU-28's population; while persons considered to be of working age (15 to 64 years old) accounted for 65.6 % of the population, and older persons (aged 65 or over) had an 18.9 % share. The median age of the EU-28's population was 42.4 years on 1 January 2015. This means that half of the EU-28 population was older than 42.4 years, and half younger.

The median age in the EU increased by 4 years between 2001 and 2015 and meanwhile, the ratio of older persons has increased from 16,6 % to 18,9 %. The following figure shows the age pyramid of the EU population in 2015, as well as the predictions for 2080.

More senior tourists

Finally, changes in mentalities have also led silver tourists to be a bigger part of the tourist market as they travel a lot and stay active longer than before. Evidently, this varies greatly depending on countries, social welfare, and the professional category of population (it doesn't apply at all to farmers for example). We may conclude that silver tourists are very diversified and essentially like any other tourist except they are more flexible as to when they can travel and are older so the sometime present with health issues.

Borja et al. (2002) have shown that the segment of adults over 55 years of age will increase the overall volume of tourism the most; these adults are characterised by extensive experience in tourism, making them more demanding consumers and allowing demand to shift away from peak seasons because this is a segment of the population that is often retired. This segment is augmented by disabled people, with whom senior citizens share common needs, mainly accessibility. Thus, this potential segment of tourists approaches one fifth of the population. Accessibility improvements not only benefit these groups but also pregnant women and those with temporarily restricted capacities, such as children and families. In general, everyone benefits from greater accessibility.

Figure 3: Share of the age group in the total number of tourism trips and in expenditure, EU-28, 2014 (%)
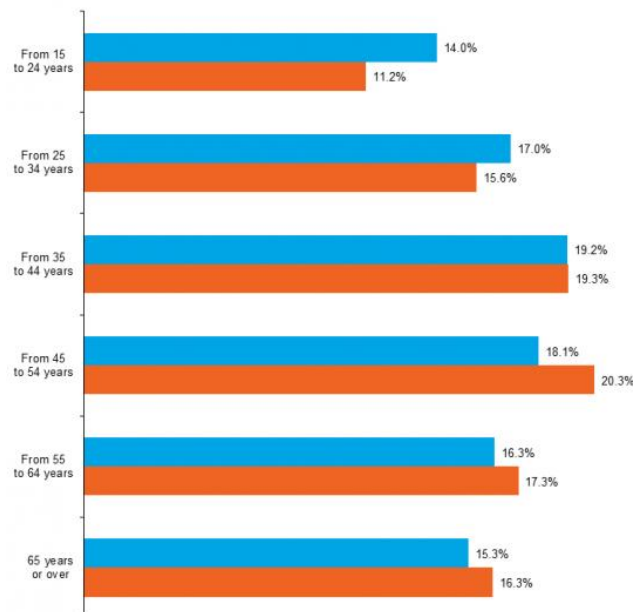
Source: Eurostat (tour_dem_exage database)(tour_dem_ttage database)

Note : EU-28 aggregate calculated using 2013 data for the United Kingdom. Due to rounding, deviations can occur between totals and subtotals

According to Eurostat, in 2015, 55-65 years-old tourists accounted for 15,3% of the total tourist market and 65-years-old people or more accounted for 17,7%. The following figure details the share of each group in the total number of tourist trips and in expenditure where it is also remarkable how important the share of 55+ is in the tourism sector.

A study from the CBI, the Centre for the Promotion of Imports from developing countries, part of the Netherlands Enterprise Agency and funded by the Netherlands Ministry of Foreign Affairs, analysed the tourist market in Europe. They concluded for example that the German and/or theUK senior travel markets have the largest volumes of potential senior travellers in Europe. Furthermore, these markets are very mature, and mature travellers are generally more likely to travel to developing countries. Furthermore, seniors in smaller European markets such as Norway, Luxembourg and Switzerland generally have higher net incomes than seniors in Eastern and Southern European markets. Tourism expenditure is also expected to be higher among seniors from these countries.

Three of every 10 European seniors travel abroad, according to statistics of Eurostat. Whereas long outbound trips decreased in all age groups between 2006-2011, long outbound trips by senior citizens increased by 15%. Although these are figuresfrom 2011, industry experts expect this trend to continue in the long term, due to the ageing European population. This means that **there is considerable potential for increasing the number of foreign trips taken by seniors.**

How are silver tourists different from other tourists? What are the different motivations of senior tourists? Why do they travel? What are they looking for when they travel? Even if senior tourists remain a very heterogenous group, some tendencies can be described.

1.1.2. THE SPECIFIC INTERESTS OF SILVER TOURISTS IN GENERAL: MOTIVATIONS AND TENDENCIES TO TRAVEL AND WHEN DO THEY TRAVEL.

All kinds of surveys and studies try to determine when do silver tourists travel the most. As they are highly flexible after their retirement, their trips and holidays often depend on the fares they can find (off-season, in autumn or spring, outside of summer holidays) or the motivation of their trip (ranging from summer holidays with their grandchildren to a discovery trip of South-East Asia).

"Destination personality" is a research project aiming to explore how we can better measure and predict tourists'behaviour and customer experience in the travel sector, looking at new data dimensions of consumers (socio-demographic, personality, motivation, emotions,...) and places (destination/brand personality indexes). The results of this project, which is aimed at being an innovative experience within the tourism sector, should be closely monitored concerning senior tourists.

Figure 4: Specificity of touristic activities according to age group

62-89 group more specific activities

DIY, gardening
Natural heritage sites
Fishing
Gastronomy, oenology
Cultural activities
Thalassotherapy, health
Fauna and flora observing
Walks

Shopping
Sports
Beach
Zoos and amusement parks

25-61 group more specific activities

Source: Silver Tourism project

A wide range of interests can motivate senior tourists to go on holidays. A study of the French Ministry of Economy from February 2016 analyses the specificity and the frequency of senior activities during their holidays. Indeed, the study segmented the population in two groups: 25-61 years-old and 62-89 years-old and then analysed which activities one group took part in more than the other group and at what frequency. Thus, the following figure gives an idea of the activities

more specific to the 62-89 years-old group which means that they take part in that activity more during their holidays than the younger age group.

The benefits of travelling are also very diversified for silver tourists. Having a lot of spare leisure time can become lonely and sometimes even boring, travelling can be a mean of social interaction and a counteract to the feeling of lack of meaning of life in its later stages. Staying active helps counteract the ageing process, provides necessary social interaction and rich life experiences.

Thus, the list of possible motivations for travelling is a long one: make the most of their free leisure time while they're in good health, change from daily routine, relaxation, visit places they have always wanted to or revisit places they know (sometimes accompanied by nostalgia and the feeling of "this is the last time"), social interaction, discovering new things and seeking knowledge, etc.

TOUR*age*
Every age is tour age

The European Interreg project TOURAGE conducted a survey among 1 436 senior tourists and came up with the following conclusions. On the project level, enjoying rest and silence is the most important factor for seniors when they are planning their holidays. It is an important condition when a certain region plans to extend senior tourism environments. Regions should offer places which are relaxing, and provide a safe environment for seniors. Family is also a major factor as a motivational factor for holidays, in many cases family members (children, grandchildren) are living abroad, and the holidays could be a way to meet with family members. For seniors, it is also important to escape daily routines, improve quality of life and experience something new.

The survey provided an opportunity for respondents to name any missing holiday motivations. The respondents mentioned that they are looking for new places to visit, and especially mentioned exploring their own country (Greece, Latvia) and its cultural and natural heritage. It was noted that one important goal was not only to spend time with family but also with friends on a holiday. In a few cases sport (e.g. golf, ski) and cultural activities (art classes, dance) were also mentioned as holiday motivations. Health and rehabilitation was also mentioned together with relaxation and being away from daily practices.

Of course, interests, activities and motivations vary according the age group, the socio-economic profile and personal preferences too. The only common attraction factors seem to be nature, safeness, historical sites, quality of services and easy transportation connections.

Indeed, seniors are defined as 55+ years old people but needless to say between a 55-year-old person and a centenarian, there are many differences, also depending on the general individual state of fitness. They are often 3 sub-

categories of seniors taken into account in studies or surveys: from 55 to 70-years-old, 70 to 85-years-old and more than 85-years-old. Before 70-years-old, silver tourists are considered active and as capable as any other tourists, but after 70-years-old, it is more common to have groups with greater physical constraints, and even more after 85-years-old.

Moreover, retirement does not erase all socio-economic differences and there are several profiles of silver tourists' holidays from long all-inclusive trips to foreign destinations for the wealthier to camping trips in their region or country of origin for the less wealthy and/or less "adventurous" tourists.

A very particular group of silver tourists would be those that have just retired and are undergoing the transition between their active life and new retirement stage. Effects of retiring can include partial identity disruption, decision paralysis, diminished self-trust, experience of a post retirement void, the search for meaningful engagement in society, development of a retirement/life structure, the confluence of aging and retirement, death anxiety, the critical nurturing of social relationships, and self-actualization (J. W. Osborne, University of Alberta, Psychological effects of the transition to retirement).

The question of seasonality

Senior people travel all the time as they don't have to take their holidays when schools are off. It doesn't mean that they are spending more time on holidays, but they take their time to choose the correct destination that will best answer to their expectations. According to a study of the European Interreg project TOURAGE, there are some regional differences in preferred seasons, i.e. in some countries winter is a usual holiday period also for seniors. There seems to be potential in developing off-season tourism offers for the seniors as they are mostly willing and able to travel throughout the year.

- In May-June and September/October: they often leave with their partners or with friends for longer stay (around 10-15 days), preferably on places where they will find people of all generations. They enjoy reduced rated by leaving in low-season and are not necessarily taking "senior packages".

- During school holidays, they are often travelling with their grand-children.

1.1.3. BETTER UNDERSTANDING THE INTERESTS OF SILVER TOURISTS: CONCLUSION.

This first learning element explains the demographic change that has been occurring in Europe during the last decades with an ageing of the population due to higher life expectancy and lower mortality rates. However, people live longer but also healthier and stay active which is why the senior market is more and more important for the tourism economy. Nowadays, senior tourists are considered like any other tourists, especially before 75 to 80 years-old when health issues begin to emerge more frequently. Thus, the diversity of this group, in their motivations and interests, must be considered with targeted touristic offers, and their specific age-related needs must be met by the actors of the tourism sector.

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1.1.4. HOW TO BETTER UNDERSTAND WHO THE SILVER TOURISTS ARE: INTRODUCTION TO THE INTERVIEW.

The objective of this Unit is to acquire a better understanding about the motivations, needs, and expectations of the silver tourism as an opportunity to create new experiences, tourist packages adapted to them. **Design Thinking** methodology will lead us to know the reasons why silver tourism is coming to one specific destination and they buy the products or services, through the integration of the silver tourist in the centre of the analysis.

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The exercise to be carried out during this Unit 1 is focused on how to empathize with our target in order to know all about their needs, desires, motivations, etc., which will help us create a specific profile to be used during the rest of the Units to design new experiences, products and services.

The first step to empathize with our target is the "Interview" tool. This tool is crucial in the Empathize phase, and the best way to hear from "people" in their own words. In this part of the unit, the opportunity of silver tourism has been demonstrated, as a big market but with some needs which must be converted into opportunities.

Until now, in this unit some generic characteristics have been described (fares, motivations, silver tourist categories, activities, etc.). During the rest of Unit more characteristics will be put forward, but to create innovative experience, products or services, it is necessary to know the real needs of "YOUR" tourists.

This is the moment to start!!! Let´s go…

First of all, it is good to read the "Interview" card before you begin to create your own questionnaire. This card will give you ideas about how to create a questionnaire and how to conduct an interview. Once you have read the card, it is the moment to start to create your questionnaire …, including the main/relevant questions about the characteristics which have been just described during Unit 1. During the rest of Unit 1, more characteristics which must be included in the questionnaire will be described.

Once the questionnaire has been completed (at the end of this unit), select a group of people that you consider to be your target, the type of tourist you would like to attract with your innovative experiences, products or services, and then, conduct the interview following the recommendations of the Interview card.

Reflective questions

Do the tourism trends for silver tourists follow the same patterns as for other tourists? Is it possible to link motivation, type of tourism and socio-economic categories? Is the tourism sector ready for the ageing of the population? What is the impact of silver tourists on other categories of tourists?

Further information and references for learning, teaching and assessment activities

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- On the topic of demography: Eurostat study, in Statistics Explained, "Population structure and ageing"

- On the topic of senior traveller market: CBI factsheet, "Senior Travel from Europe"

- On the topic of the merging silver economy: European Parliament briefing, "The silver economy – Opportunities from ageing"

1.2 Mobility of Silver Tourist and Accompanying persons

1.2.1. THE MOBILITY PATTERNS TO GO TO A TOURISM DESTINATION REGARDING THE MEANS OF TRAVEL BUT ALSO THE TENDENCIES OF SENIOR TOURISTS TO TRAVEL IN GROUPS/ALONE/WITH FAMILY.

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Who do the senior tourists travel with?

Usually senior tourists travel with family members and friends. Many of them are single or widow(er), therefore specific group offers should be created for them. However, many senior tourists do not wish to travel only with other senior tourists, not only do they not want to feel old and prefer mixed groups but they may also be travelling with children or grand-children.

Lonely women and more generally seniors who have lost their companions represent an important part of the senior tourists. They are not necessarily used to travel in group and they don't necessarily find the adequate offer to answer to their needs. A lonely woman will try to mobilise her friends (in couple) and her other lonely friends to travel with them. But friends are not always the best option (not the same tastes, nor budget, not the same interests, nor the same availability) and travelling with a couple is not always very comfortable. Thus, lonely women often prefer small groups with thematic travels to see secured places where they will feel safe, where they could have exchanges with other people during the day. They quite often don't like sharing their rooms with unfamiliar people, thus, single rooms should remain available without a lot of difference in comparison to a double room.

How do the senior tourists travel?

According to researchers Elisa Alén, Trinidad Domínguez and Nieves Losada from the university of Vigo in Spain, in a study entitled "New opportunities for the tourism market: senior tourism and accessible tourism", the car, and in particular the private car, is the preferred mode of transportation by senior citizens for leisure travel, followed by planes and trains even if buses are more and more used, especially by senior couples. Nevertheless, the type of trip strongly determinates the type of transport (especially regarding the distance where senior tourists go). Planes will be more used for long-distance travels whereas cars will be more used for short-distance trips.

The TOURAGE project has conducted a survey on 1704 senior citizens in 11 European regions. The analysis of the study shows that "Seniors prefer to organise their travel individually without the help of other institutions like travel agencies. In case of group travel, they prefer to participate through local senior organisations. They are usually using the bus as a transportation mode, but for abroad a growing number of them are using air travel as well."

1.2.2. THE NECESSITY TO DEVELOP INNOVATIVE AND ALTERNATIVE TRANSPORT MEANS, ESPECIALLY IN RURAL AND MOUNTAIN AREAS.

The main barriers of travel are financial reasons and health problems, which is why more social support schemes or other senior discounts or affordable off-season products and packages should be created to make it possible for these groups to get involved in tourism.

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In parallel, sustainable mobility should now be encouraged with the development of soft mobility solutions, on-demand solutions, inter-modality and public transports that will benefit both to local citizens and tourists. Focusing on alternatives to individual cars for travel up to destination (i.e up to the final kilometer of the tourists' travel) is inherent to the sustainable transition and can be encouraged by the development of combined "train / bus pass" packages at reduced prices for example. As tourists are planning their travels by distance, frequently using the Internet, improving the provision of information on the public transport options for travelling to, from and within a destination is equally necessary.

The question of accessibility and access to public transport is generally more challenging in rural and mountain areas where longer distance and fewer population are two explanations of less density public transport networks. Nevertheless, good practices can be identified, such as in the Move on Green and Access2Mountain projects (see Annex 1).

 Move on Green (MOG) is an INTERREG IVC project (2012-2014) which aimed to improve the design and effectiveness of regional policies on sustainable transport in rural and mountain areas. MOG tried to contribute to: reducing emissions and waste and minimizing the impact on both the environment and local landscapes; allowing the basic needs of both individuals and society to be met safely and in a manner consistent with human and ecosystem health; supporting competitive economy options as well as balanced development in rural areas; and offering a number of transport alternatives (co-sharing, multimodal transport, transport on demand) which are affordable and operate efficiently. The project organized exchanges of experiences on sustainable mobility between the 13 partners involved. Based on the examples analysed, each regional partner afterwards prepared an action plan on sustainable transport to implement locally.
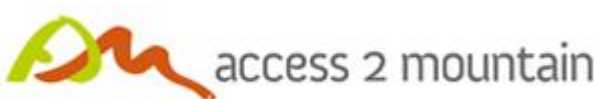
 The project ACCESS 2 MOUNTAIN (2011-2014) aimed to achieve durable, environmentally friendly tourism, as well as to ensure accessibility and connection to, between and in sensitive regions of the Alps and the Carpathians. It wanted benefit all (potential)

users. With the long-term perspective of increasing sustainable tourist mobility, railway and multimodal connections will be improved and attractive offers created via pre-investment measures, pilot activities, and investments. It was central to the project, to transfer experiences made and knowledge gained in the Alps to the South-eastern European region. In this regard, the transnational cooperation in the field of sustainable regional development played an important role. Touristic infrastructures are to be created or improved in a sustainable manner. This paves the way for achieving international environment aims and yield competitive advantages.

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How can me develop sustainable alternative and innovative transport means to facilitate the mobility of senior tourists?

Hereafter are presented sustainable alternative solutions to the car from the Move on Green and Access2Mountain projects.

- **Transport on demand**: To provide a transport service for small isolated villages with poor connections; the aim is to cover mobility needs for access to different services by maximising existing services. Transport on demand represents an interesting opportunity for places where no public transport is available or where the few public transport don't answer to the specific needs of tourists (in terms of destination, access, timing). It can be also combined with other public transport in order to facilitate the access to the last kilometre of a destination and thus encourages tourists to travel without a car.

- **Cycling:** Both traditional and electric cycling arean active, age-friendly and zero emission solution promoting a sustainable way to discover a destination. Cycling is also a way to discover other traditional routes or trails and have access to a larger cultural and natural heritage that is not always accessible with other transport means. The electric solution has the advantage to be more attractive for senior tourists or to travel long distances, especially in mountain areas with important slopes.

- **Multimodal transport:** Enhancing connectivity between the different transport means in an eco-friendly way.

- **Car-sharing formula:** Implementation of vehicle sharing to reduce costs, emissions linked to underutilization of vehicles and favour social interaction. It is also a faster, cheaper, more comfortable way of travelling which offers more connections than public transport. But senior people

seem so far more reluctant to this travelling pattern, which is not very common for many of them.

▪ **Special fare schemes for seniors in public transports:** As an incentive to use public transport, to be taken into account in the holiday budget. In some European countries, special public transport fares have been introduced for senior citizens. For example, in Budapest, public transport is free for any EU citizen over 65-years-old. The same applies in Ireland but only to Irish senior citizens to travel within the country. In Belgium, once you are over 65-years-old, you can go anywhere within the country and back for only 6€, if you travel after 9am on a week day.

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1.2.3. HOW TO BETTER UNDERSTAND THE WAY YOUR SILVER TOURISTS TRAVEL: MOBILITY PATTERNS.

Which are the preferences of your silver tourist from the mobility patterns point of view? Travel with family, friends, alone? Should you design new and innovative experience only for the senior tourists? Or if they come with the family, create more global experiences or separate experiences for different parts of the family?

Are you located in an isolated village or in a city? Is it very easy for them to arrive at your hotel? These questions are important to create new products or services adapted to silver tourist and must be known.

Do your tourists come in private or public transport? During the unit, this question has been tackled describing that the accessibility and access to public transport is generally more challenging in rural and mountain areas than great cities. Have you considered this aspect in the questionnaire??? You can create a great product or service but if the final users cannot access them...your products or service will not be successful.

Check your questionnaire and be sure that the transport needs can be detected, but before this... it is important to design good questions in order to get richer, more meaningful feedback. To know more about good questions, read the Art of Powerful Questions.

1.2.4. MOBILITY OF SILVER TOURISTS AND ACCOMPANYING PERSONS: CONCLUSION.

Senior tourists tend to prefer the use of the car or the bus for travelling, depending on what type of holiday they have planned and the distance they are travelling to. The first point to make is that information should be easily accessible to them concerning their travelling options, especially if the booking options are only accessible via the ICTs as it will be discussed later in this Unit.

Furthermore, transport in a key element in the sustainable transition and soft mobility must be adapted to senior needs. Many good practices exist for low carbon, cheap, connected, easy-of-use, comfortable, interactive transport solutions as alternatives to the personal car.

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Reflective questions

How to increase awareness of senior tourists about sustainable mobility? Which further steps could be taken to make touristic destinations more accessible to silver tourists?

Further information and references for learning, teaching and assessment activities.

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- Further Move on Green good practices: Good practices collection

- On the topic of senior travel patterns: TOURAGE project publication, Report on the results of the questionnaire for foreign seniors on tourism

- The World Health Organization website – An age-friendly world: https://extranet.who.int/agefriendlyworld/

1.3 Health-Care and Accessibility of Silver Tourist

1.3.1. THE ECONOMIC INTEREST IN DEVELOPING MORE ACCESSIBLE TOURISM.

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The European Network for Accessible Tourism (ENAT) refers to Accessible Tourism as the set of 'services and facilities (such as physical environment, transportation, information, communication) which enable persons with special access needs, either permanent or temporary, to enjoy a holiday and leisure time with no particular barrier or problem.'

The lack of infrastructure, services and information adapted to disabled people often prevents them from travelling, or at least considerably limits them. "Economic impact and travel patterns of accessible tourism in Europe" is a comprehensive research study that was carried out at the European level by GfK Belgium, the University of Surrey, Neumann Consult and ProAsolutions. It shows that there is a huge demand on accessible infrastructures and services in the tourism sector. It also proves that accessible tourism can increase incomes of tourism operators.

A market with "spill over effects"

The above-mentioned study reveals that in 2012, in the European Union, the demand for accessible tourism "by people with special access needs was 17.6 million trips, of which 7.2 million were taken by people with disabilities and 10.4 million by the elderly population". Indeed, persons who need specific accessibility infrastructures and services include not only disabled people but also those who present difficulties to move, such as older or injured people. Besides, families with young children and pushchairs are very likely to book their holidays in accessible destinations. "Overall, the direct contribution of EU27's accessible tourism demand to the EU's economy was estimated to be approximately 352 billion Euros in terms of the economic output or gross turnover of tourism-related service providers. (...) Taking all the direct, indirect and induced effects into consideration, accessible tourism demand within the EU generated a total economic contribution of 786 billion Euros in terms of economic output (...) and 394 billion Euros in terms of GDP"[1].

A mainstream approach in accessibility is very important when disabled people travel: if a restaurant is accessible but the museum next-door is not, the destination might not be relevant for them. Yet, according to surveys and analysis from the study, the more accessibility services are provided, the more disabled

[1] Economic impact and travel patterns of accessible tourism in Europe, by GfK Belgium, the University of Surrey, Neumann Consult and ProAsolutions, page 8

people are willing to travel. Some disabled people also said they would increase their budget if tourism was more accessible, and 80% of them would go back to the same destination if they are satisfied. The economic income would also be further amplified considering that disabled people travel with a companion in most of the cases. According to this same study, on average, each individual with special access needs (in the EU and beyond) travelled with 1.9 companions. Individuals with disabilities tend to travel with slightly more companions than the elderly population. This represents an important potential source of incomes for the tourism operators.

If we consider people travelling the same way and as much as they do, and "based on the forecasted growth of the elderly population and the growth of individuals with disabilities", "the demand for EU accessible tourism will continue to grow to about 862 million trips per year"[2] by 2020.

The investments made in accessibility would provide three levels of economic benefits:

- **Tourists direct spending:** services or products directly bought by disabled people when they travel (hotels, restaurants, museums) will bring incomes to tourism operators.

- This demand for accessibility will increase the number of products and services that should be provided to tourists. As a result, tourism operators will have to increase their **interactions and economic transactions** with other tourism actors or with other sectors: for instance, disabled people are willing to stay in a city where several services are accessible such as museums, cafes, shops.

- To face this increased demand, tourism operators will have to hire more employees. The **consumption of these additional tourism employees** will increase the general economic growth.

A market that needs to be further strengthened

Even if tourism stakeholders are well aware that accessible tourism is a business opportunity, they often face a lack of coordination in many areas, particularly between the public and the private sectors. This prevents them to develop fully accessible tourism destinations. **Communication is also underestimated: accessibility is mainly understood as a feature for disabled guests and almost never understood as a plus in comfort and service and, therefore, neither used in marketing nor in advertising.**

Some Member States did work on trying to close the accessibility gap. However, they have to establish better strategies on how to reduce this gap by exchanging ideas and information, by monitoring and following-up their work with tourism operators. The latter ones need also to be further informed on the advisability of

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[2]idem, page 4

this market. Decision makers should encourage them to invest in accessibility and in mainstreaming. Networking and coordination efforts are important, particularly to promote partnerships between various sectors.

In order to understand the difficulty to have real accessible destinations, this is important to consider the most common health problems that senior people are facing. Several don't embed them to travel, but require some adaptation in the services provided.

1.3.2. WHAT ARE THE MOST COMMON HEALTH PROBLEMS THAT PREVENT SENIOR PEOPLE TO TRAVEL?

Even if senior tourists can have very different levels of health, they do represent a more fragile group that the others and the accessibility remains a key issue that embeds several senior tourists to do the activities they would like to do.

The following figure shows that health issues become a much more predominant reason not to travel in the 65+ population category.

Figure 5: Main reasons reported for not participating in tourism by age group, EU-28(1), 2013 (%)
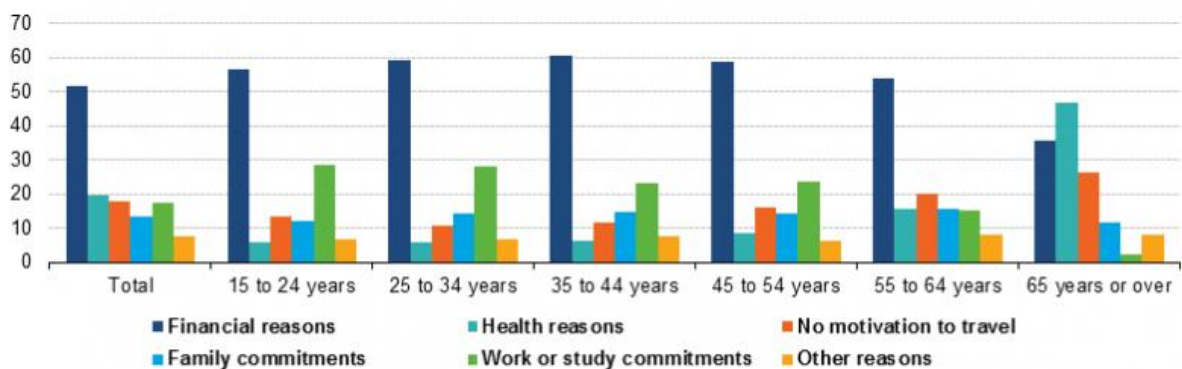
Source: Eurostat
Notes: EU-28 aggregate estimated for this publication, not including Belgium, Sweden and the United Kingdom. Percentages do not add up to 100% due to multiple answers possibility.

Health concerns can stimulate travel in those who fear that they may not be well enough to travel later or who want to enjoy the experiences despite poor health. Old age can also motivate a person to travel to see places of interest 'before I die'. On the other hand, poor health can be a deterrent, though the risk of being unable to get care is reduced when older tourists travel in organised groups.

Another idea could be to propose the lasotherapy or massages to recover from the fatigue. You could also suggest different alternatives for the persons in a group. If a group is aged-mixed, the tourist operator could suggest to have different types of activities (or no activities) during a part of the day to allow some nap and some relaxation before doing other activities.

Figure 6: Main health concerns for silver tourists

Tiredness, fatigue
- Need more seats and places to rest (for instance in the museums) or in the public buildings (like tourism offices).
- Short breaks should be scheduled to let them rest and relax
- In the train stations, airports and hotels, some services to carry luggage are appreciated

Vision
- Signage should be written big enough in order to be able to see it, and this is the same for leaflets and brochures and for websites

Rheumatism and arthrosis
- Avoid steps when possible
- Use ramps and rails to avoid climbing up staires
- For those with more mobility problems, this is very important to have access paths and accessible parking

Hearing impairment
- Specific hearing devices during visits
- Calm places to rest could be proposed during breaks in the activities

Food safety
- Be aware of the availability of doctors/pharmacies
- Between the food allergies, the specific diet and the diabetes, food safety is important for senior tourists, who are not always willing to try new culinary experiences to avoid bad digestion or other problems.

Source: Silver Tourism project

Health problems can also be the reason of the trip itself: health tourism, with the development of thermal tourism, especially in mountain areas, represent an important part of the trips for the tourists in bad health.

Being aware of these health difficulties, how do the Silver Tourist Expert give enough information to the future tourist to reassure him and to encourage him to come to his destination?

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1.3.3. HOW TO PROVIDE ENOUGH INFORMATION TO ANSWER TO THE NEEDS OF SENIOR TOURISTS?

The lack of information represents the main and key challenge for the tourism operators. How can the Silver Tourist Expert give enough information to reassure the potential tourist? More and more specialised websites or associations provide specialised information regarding accessibility, which is highly regarded by tourists with mobility or behavioural issues and compensate the lack of general service providers. But these data on accessibility generally don't appear in the mainstreamed websites, social media or applications or if they appear, they are quite often not updated nor accurate and oblige the potential tourist to go to specialised websites.

Figure 7: The Six Phases of the Visitor Journey, Considering the Need for Information about Accessibility and Appropriate Access Measures (Lane 2007, Dickson and Darcy 2009)

Source: extract from European Commission, [Mapping skills and training needs to improve accessibility in tourism service,](#) 2014: page 16

This graph represents the 6 phases of the Visitor Journey from the moment the tourist envisages to go to a destination, to his travel, and his way back home. In order to anticipate their specific needs, the tourists with specific disabilities expect to be able to have enough information on their journeys to see how easy and comfortable (or not!) it will be for them.

During the first step, **the tourist anticipates his travel**: he collects information and data on the different access requirements. The main barriers consist in the **lack of availability of information** (not published on the Internet or the service providers don't know if their services are accessible or not); **the lack of accurate and precise information** due to the lack of training of the service providers. A

hotel can't be fully accessible if the elevator is too small to welcome a wheelchair or if there are even one or two steps to go to the restaurant.

The **format of the information** provided remains quite often conventional: Braille, large sign, audio recordings are often absent and services remain inaccessible.

During the second step, **the tourist should have enough information to be able to take the decision to travel**, meaning that he needs to know that he can easily book his travel and accommodations.

Then, the tourist **travels to the destination:** enough services should be provided in order to accompany the disabled persons (assistance to take the means of transport). The main barriers described are those in the airports and the flights. This is almost impossible to use a low-cost flight when you are in a wheelchair for instance. The websites generally don't give the possibility to request for specific assistance for disabled persons, requiring a long booking system through the agencies and not through the websites as for the other customers. During these calls, people with specific needs are often asked uncomfortable questions regarding their level of independence, level of health or specific equipment they need.

More than physical barriers, **the attitudinal barriers** are the most uncomfortable and badly perceived by the tourists who need accessible services: staff not trained to the specific requirements (for instance, impossible to go to the bathroom), disrespect. The tourists with specific needs who have a bad experience won't be willing to buy again the product and service.

In general, past research indicates that physical access barriers are perceived as greater obstacles when compared to attitudinal barriers in the accommodation sector. Yet, for European travelers, physical access barriers are ranked as being equally important compared to attitudinal barriers.

While previous research highlighted that the food and beverage sector causes the greatest number of barriers to individuals with access needs, European travelers with mobility, sensory, behavioural and hidden restrictions felt that the transport at the destination is the sector where most barriers are encountered. Yet, for people with sensory, communication and hidden limitations, barriers encountered in the food and beverage sector are encountered significantly more often than in the accommodation sector.

As part of the attraction sector, nature-based activities are in high demand by people with access needs. Yet, these activities are accompanied by the most barriers. Only for individuals with sensory and behavioural difficulties, both nature and shopping opportunities are equally important barriers in the attraction sector.

The cross-sector comparisons revealed that overall, attitudinal barriers are encountered more often than physical access barriers across all sectors by individuals with different types of access needs. Barriers experienced in the transport (at the destination) stage are faced more often compared to other sectors, particularly for individuals with mobility, sensory, behavioural and hidden limitations.

Destination specific differences were also identified when investigating the importance of accessible toilets across all key tourism sectors. Thus, all sectors must strengthen their efforts to improve the availability of toilets and bathrooms as an indispensable element for people with access needs when being on holiday.

During his stay, he should **enjoy the experience of travelling**, so have enough information on the possible activities (museums, outdoor activities, visiting natural and cultural landscapes, access to restaurants and toilets) he can easily do. The importance of having trained staff, well aware of the different products and services offered in the region, but also of the difficulties for the main health problems, is particularly important in order to adequately answer to the questions of the senior tourists.

The tourist then **goes back at home** and needs to have enough information to be able to leave and take again the means of transport.

Finally, he **comes back at home and can share his experience with other persons** (comments on the hotels for instance) or on social media. With the increasing use of social media, a good but also a bad experience can become viral very quickly and can blacklist a service provider very quickly.

Apart from the difficulty to have reliable, accurate and up-to-date information, what are the other principal barriers and difficulties to have a service or product really accessible for all? How can the Silver Tourist Expert can overcome the different barriers to have an accessible service and product?

1.3.4. WHAT ARE THE DIFFICULTIES AND BARRIERS TO OVERCOME TO HAVE AN ACCESSIBLE SERVICE OR PRODUCT?

In its study "Mapping and Performance Check of the Supply of Accessible Tourism", a survey was done on 143 persons to better assess the main difficulties and barriers encountered by the SMEs in order to make their services more accessible.

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Figure 8: Suppliers' Perceptions of Barriers Inhibiting Accessible Tourism Services

Total responses: 143
Respondents were allowed to select multiple options
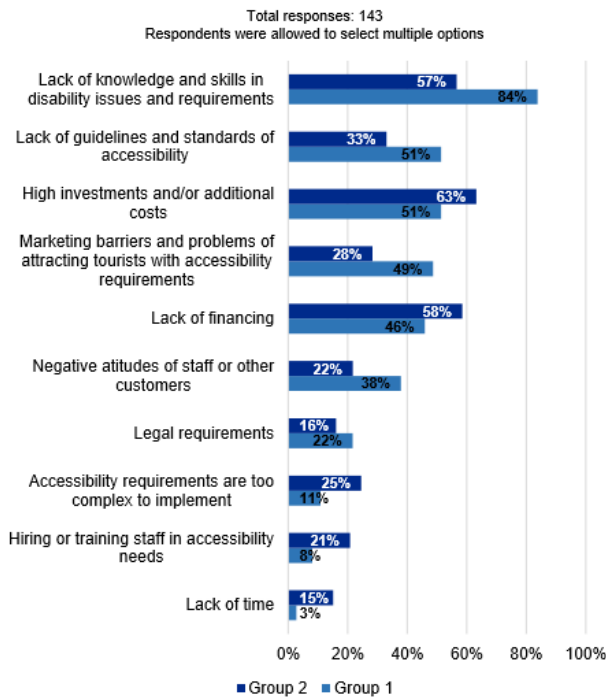
Source: European Commission, Mapping and Performance Check of the Supply of Accessible Tourism Services, 2015, Page 59

Note: Group 1 = businesses which cater exclusively, or mostly to the accessibility market; Group 2 = businesses which cater to everyone including (some or complete) provisions for accessible tourism

First barrier: lack of knowledge and skills in disability issues

The first barrier perceived was the lack of knowledge and skills in disability issues and requirements. In order to anticipate the needs of disabled tourists, staff working on tourism operators need to be trained to have enough skills, competences and knowledge to assist and accommodate all visitors. This training should focus on better understanding the specific needs of these tourists, but also encourage professional and respectful behaviours.

According to the study, the European Commission identifies seven key skills on which the staff should be trained to better take into account the needs of disabled people:

-Knowledge of disabilities: definitions, types of disability, accessibility requirements

-Barriers to accessibility & Design for All

-Strategic development of accessibility in business

-Skills to have proper etiquette for dealing with disabled persons

-Recognising and responding appropriately to people using personal support

-Principles of effective customer services to overcome obstacles

Service animals and assistive technology

Some organisations have already done massive efforts to train their staff. This is the case of the Hermes Airport in Cyprus, where a training programme has been implemented for two airports. They have consulted the local disabilities organizations to bring the knowledge needed on accessibility and have done some role play to be in the shoes of a disabled person. Training thousands of people working in the airport was a very difficult task. To do so, the companies working in the airports have sent their front-line staff to be trained. These employees have then been able to train other groups of people in different sessions.

This is also the case in Portugal where a study on inclusive tourism was conducted by the company Perfil to better understand the dynamics of providing hospitality services to people with disabilities. This company created a training package to enable tourism professionals to receive people with special requirements. This training package was successful and used to train both students and professionals. It was even included in the Catálogo Nacional de Qualificações (the National Qualifications Framework) which is the strategic tool that the Portuguese government uses to manage the formal and vocational training for professional qualifications.

However, training people is not sufficient if tourist operators are not aware of the importance of accessible tourism. Thus, the association of hotels of Portugal, carried out workshops all over the country with students and professional, to raise awareness of accessible tourism and to promote trainings at the same time.

Second barrier: lack of funding

The second main barrier to develop accessible destination was the **lack of funding and the additional costs needed to adapt the infrastructures or the services to the needs of disabled tourists.**

Several local, regional, national and EU funds (the European Regional Development Fund for instance) can help to finance the adaptation to more accessible destinations. They are also several possibilities to be recognised as an accessible destination and to use this as a marketing argument to welcome more tourists. A list of accessible destinations can be found in the PANTOU network, such as the ENAT one or several destinations received the EDEN award of the European Commission. These networks could help to solve the other barrier considered by SMEs (difficulty to market the destinations).

In any case, the market potential of the accessible destinations, not only for the disabled tourists, but also for the accompanying persons, the persons with young children and senior people who subject to tiredness could be an important argument in favour of developing more accessible destinations.

Despite the difficulties, many organisations, including SMEs have done the bet to develop more accessible services as many good practices can illustrate (Annex 2).

Extreme Users

Extreme Users are those people with non-common behaviours in relation with the use of products or services. The analysis of their behaviours can be useful to discover needs not detected when you are thinking in common tourists and these new revelations will improve our products or services, Besides, the innovations integrated in the innovative experiences, products or services will be useful not only for the extreme users, but the rest of tourists will also benefit from them.

In spite of it is possible to find "Extreme users" in all characteristics described until now, it is a good moment to introduce this concept due to the accessibility is an important aspect to be taken into account in this target.

Who are your extreme users? In which areas...., if you are thinking about accessibility, your extreme users can be for instance, the tourist with reduced mobility or with health problems...., but in other areas, extreme users can be people with needs of low level of spending capacity, or with special dietary needs, etc.

Have you taken into accounted this kind of users in the questionnaire? If your answer is "not", please read the "Extreme users" card, and then check the questionnaire in order to ensure that the needs of these users can be analysed. If your answer is "yes", read the "Extreme users" card and see this video to improve your questionnaire.

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1.3.5. HEALTH-CARE AND ACCESSIBILITY OF SILVER TOURISTS: CONCLUSION.

The proportion of disabled people is higher among the silver population which makes it an important aspect to take into account when targeting this population category, and especially in the tourism sector. Indeed, tourism is a non-essential leisure activity so if not perfectly accessible and adapted to specific needs, the sector will not be able to attract this special category of clients in particular.

The most recurrent health issues the senior tourists would be afflicted with are sight and hearing impairment, fatigue, rheumatisms and special diets. Silver tourists must be assured that specific solutions exist to face their needs every step of their holiday, so accessible information is a first step to increase touristic attractiveness. Lack of staff training and funds to make infrastructure accessible are the two main barriers identified for SMEs to overcome in order to increase accessibility for silver tourists.

Reflective questions

Do accessibility needs differ depending on the touristic destination (mountain area, seaside, developing country, etc.)? Silver tourists are not the only part of the population concerned with accessibility issues and funds are scarce, which would be the most efficient solution to accommodate the largest part of the population? Will there be new health issues arising in the upcoming years and how should the tourism sector prepare for these?

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Further information and references for learning, teaching and assessment activities.

- European Commission, Mapping skills and training needs to improve accessibility in tourism service, 2014

- Economic impact and travel patterns of accessible tourism in Europe, by GfK Belgium, the University of Surrey, Neumann Consult and ProAsolutions

- European Commission, Mapping and Performance Check of the Supply of Accessible Tourism Services, 2015

- European Commission, Economic impact and travel patterns of accessible tourism in Europe – Final Report, 2013

1.4 Spending Power of Silver Tourist

1.4.1. SPENDING CAPACITY OF SENIOR TOURISTS VS SPENDING CAPACITY OF OTHER TOURISTS.

The Silver Economy

To talk about the spending power of the silver tourists, let's first take a look at the silver economy concept. In 2015, in its first paper explicitly focused on the topic, the Commission wrote, "The "Silver Economy" can be defined as the economic opportunities arising from the public and consumer expenditure related to population ageing and the specific needs of the population over 50".

Europeans over 65alreadyhada spending capacity of over€3 trillion in July 2015 according to the European Commission and this market segment is growing. As there is an increasing number of older people, the number of people with age-related impairments will also grow, meaning the market for goods and services to minimise, manage and mitigate these impairments will become bigger still. Euro monitor forecasts that the global spending power of those aged 60 and above will reachUS$15 trillion by 2020.

Figure 9: Facts about the Silver Economy
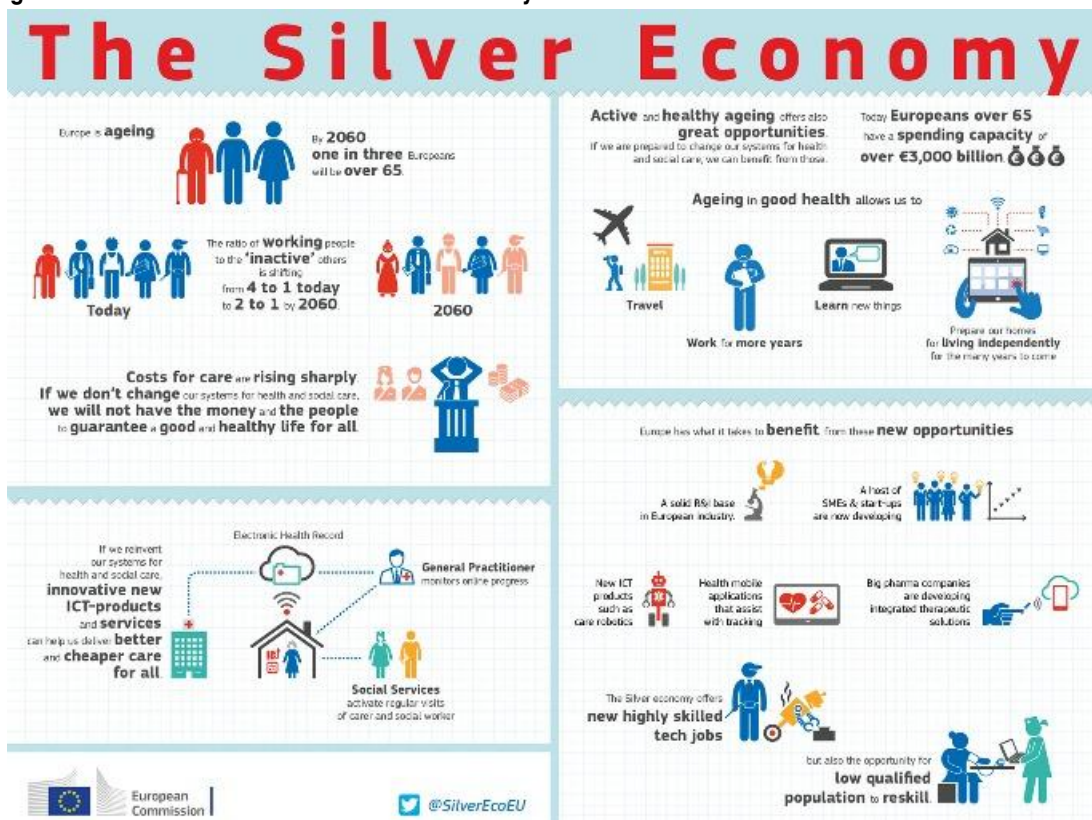
Source: EIP-AHA

Impact of the seniors' spending power on the tourism sector

Senior tourists have a lower median income than the rest of the population but tend to spend more on their holidays. A recent study (December 2016) published by French senior-magazine has assessed that seniors spend an average more 30% on their holidays than other tourists.

According to Euros tat, between 2006 and 2011, a period during which the tourism sector was affected by the crisis, the European aged 65+ contributed significantly to the sector's survival. In that period, the number of tourists dropped in all age groups except for the 65+, where 10 % more persons participated in tourism in 2011 than in 2006. Admittedly, this age group increased by 6 % over the period, but there is still a clear net effect. In 2011, the 65+ made 29 % more trips and 23 % more overnight stays than five years earlier. Their tourism expenditure grew by 33 % and accounted for 20 % of all tourism spending of Europeans, compared with just 15 % in 2006.

Silver tourists and social tourism

Social tourism refers to facilitating access to tourism for low income groups and/or the use of tourism as a regeneration and economic stimulation strategy.

Calypso is a European Commission initiative which focuses on social tourism for senior citizens, underprivileged young people, disadvantaged families and persons with reduced mobility. The aim is to enable as many people as possible to travel, while at the same time helping to even out seasonal imbalances. Given the success of Calypso over a three-year period (2009-2011), the Commission began co-financing pilot projects in 2014 with the aim of tackling seasonality by targeting young people and senior citizens (the most recent invitation to tender, led by COSME, the Executive Agency for Small and Medium-sized Enterprises, was issued on 30 June 2015). To learn more about Calypso, watch the video of the European Commission:

Perspectives

According to the CBI, disposable incomes of seniors are expected to decrease as seniors are facing pension cuts, higher costs of living, as well as structural lifestyle changes (higher rates of divorce nowadays means more people living off one salary). This might affect their tourism expenditure as the level of income has a strong impact on whether they will travel and how much they will spend.

Furthermore, European residents who will turn 65 during the next ten years might have to work longer as the pension age is being raised in several European countries. These developments can form a threat to tourism providers. However,

many seniors have fewer financial commitments such as mortgages and prefer to spend their money on experiences rather than on owning many possessions. As a result, they are generally prepared to spend a larger amount of their disposable income on holidays than other groups. The decrease in disposable income is therefore not expected to have a serious effect on senior travel to developing countries.

In any case, if the tourism sector were to be affected by a loss of spending power, Directive 2011/24/EU on the application of patients' rights in cross-border healthcare can then be seen as an opportunity for the development of cross-border seniors' health tourism.

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1.4.2. SPENDING CAPACITY OF SENIOR TOURISTS PER TYPE OF COSTS.

Still according to Eurostat, in 2011, residents of the European Union made an estimated 473 million holiday trips of four nights or more. 91 million of these were made by tourists aged 65 or over — 59 million of them in their own Member State and 32 million abroad. In other words, 65 % of their long holiday trips were domestic trips, which is slightly above the population average of 59 %.

The number of nights spent by tourists in the 65+ age group was almost a billion; on average their (long) trips took in 11 nights away. 12nights were spent on average on outbound trips and 10 nights on domestic trips. The difference in duration between the two types of destinations tended to be smaller than for the other age groups. More than € 53 billion was spent on long holiday trips by tourists aged 65 or over (or 20 % of the total spending of EU residents on such trips) — € 23.7 billion on domestic trips (45 %) and € 29.5 billion on outbound trips (55 %).

In terms of average expenditure per trip, the oldest age group spent a little less than the age group '45-64': € 586 and € 613 respectively. However, this is mainly because the younger of the two groups made relatively more trips abroad (44 % of their trips, compared to 35 % for those aged 65 or over). Looking at domestic trips and outbound trips separately, the 65+ recorded the highest average spending per trip: €401 on a domestic trip and €934 on an outbound trip. Expenditure per night was lower for the most senior tourists, but this can be explained by the fact that their trips were longer, meaning that flat-rate costs such as transport were spread over more nights.

In 2011, package travel absorbed 38 % of the spending by older tourists on long holiday trips, compared with 25 % for the full age range.

Data is lacking on the detailed expenses of silver tourists, however a Eurostat study reveals that *"age made a slight difference to the average expenditure per trip"*. On average, accommodation took up 36 % of tourism expenditure in 2014, while transport accounted for 32 % and miscellaneous other costs for 32 %. Looking at domestic and outbound trips separately, the share of transport expenditure was higher by 10 percentage points for outbound trips than for domestic trips. The difference in the share of accommodation expenditure was less significant (+6 percentage points for outbound trips).

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Figure 10: Expenditure by type of expenditure, EU-28, 2014 (%)
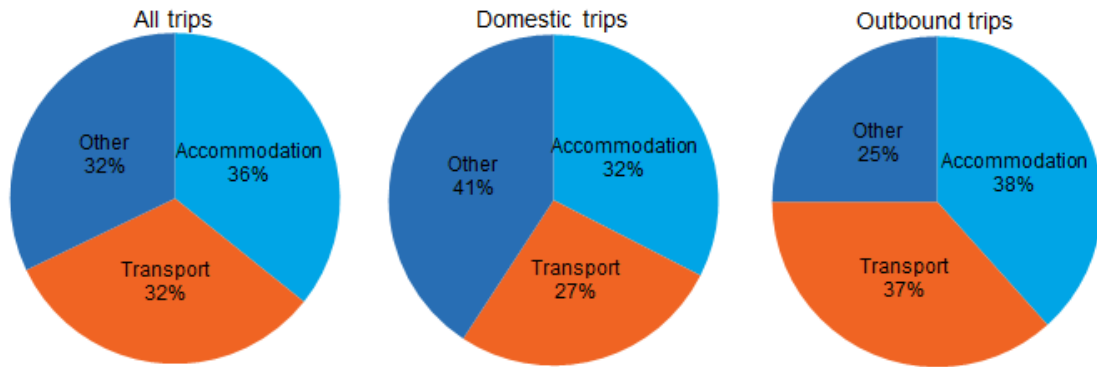
Source: Eurostat

Note: EU-28 aggregate calculated using 2013 data for the United Kingdom

On average, expenditure per trip was higher for trips for which the main accommodation was rented (see Figure 3). The average cost of trips spent at hotels was EUR 545 (as compared to the overall average of EUR 341), while trips spent at an own holiday home cost EUR 160 on average and those spent at accommodation provided free of charge by friends or relatives cost EUR 150.

For trips where the main means of accommodation was rented accommodation, the average expenditure per night on accommodation was EUR 41 – ranging from EUR 21 per night for trips spent mainly at campsites to EUR 53 for trips spent mainly at hotels (see Figure 4).

What the different reasons explaining why seniors spend less?

First of all, silver tourists tend to stay in their own country which reduces travel costs. For example, the French website veilleinfotourisme.fr estimates that in 2014, 88% of French senior tourists stayed in France for their vacations. This can be because of the language barrier outside of their own country, for budget reasons, because of accessibility, etc. Secondly, senior tourists tend to spend their holidays in their holiday home if they have one which reduces accommodation

costs. Thirdly, the all-inclusive solution explains lower accommodation, food service and transport costs. Finally, travelling outside the school holidays period also contributes to explain smaller daily expenses as the prices would not be at their peak.

1.4.3. SPENDING POWER OF SILVER TOURISTS: CONCLUSIONS.

The Silver Economy is a growing subject of interest as the number of 65+ increases parallel to their global spending power. However, multiple expenditure scenarios exist ranging from social tourism to all-inclusive outbound vacations. Silver tourists tend to spend more than younger tourists during their holidays, notably for accommodation, but don't go as far which balances out the expenditure trends.

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Reflective questions

Very few studies analyse the expenditure of senior tourists, can we really assume they are like average expenditure? Will the global increase of English-speakers in all European countries impact future touristic trends for senior tourists? How can the new economies (sharing economy, collaborative economy, etc.) involve silver tourists and reduce their expenditure?

Further information and references for learning, teaching and assessment activities

- The paper on Silver Economy of the European Commission
- Eurostat on-line publication: Tourism trips of Europeans
- Eurostat, Statistics in focus 43/2012, Christophe Demunter : Europeans aged 65+ spent a third more on tourism in 2011 compared with 2006
- European Parliament fact sheet on tourism, 2017

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1.5 Potential of New Technologies

1.5.1. THE INCREASING ROLE OF ICT IN THE TOURISM SECTOR.

The Information and communication technologies (further called ICT) have been **transforming the tourism industry** since the 1980s, but the **exponential** growth of the **Internet** since the second half of the 1990s and the emergence of the so-called **Web 2.0** since the second half of the 2000s has unleashed a revolution, which changed drastically the market conditions for tourism organizations. As this is recalled in the 2010 Commission Communication [Europe, the world's No 1 tourist destination – a new political framework for tourism in Europe](), innovation and ICT are key factors to stimulate competitiveness in the EU tourism sector and to attract new tourists.

ICT represent 5.6% of EU GDP (670 Billion Euro) and 5.3% of total employment in 2007. Half of the EU productivity growth (1.1% between 2000 and 2004) comes from ICT and 25% of research expenditure (2002-2003) is dedicated to this sector[3].

The Digital Agenda for Europe (further called Digital Agenda or DAE) is one flagship initiative of the Europe 2020 strategy. Through 101 actions distributed in 7 pillars, the DAE aims at using ICT to help Europe's citizens and businesses to get the most out of digital technologies and foster economy.

The European Commission has estimated that the full implementation of this updated Digital Agenda would increase European GDP by 5%, or 1500€ per person, over the next 8 years. In terms of jobs, up to one million digital jobs risk going unfilled by 2015 without pan-European action while 1.2 million jobs could be created through infrastructure construction. This would rise to 3.8 million new jobs throughout the economy in the long term.

Thus, **tourism operators, including the small ones needs to acknowledge this revolution and takes the best out of it. Indeed, all tourism businesses need to develop an ICT vision and expertise to better market their services and to successfully interact with customers, including the senior ones.**
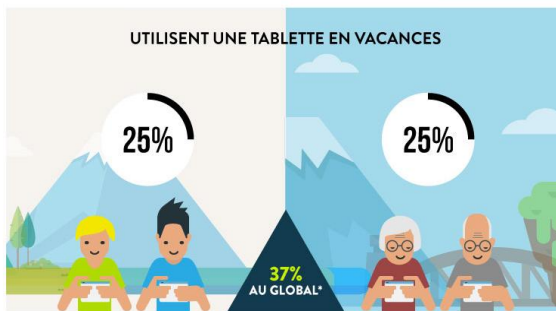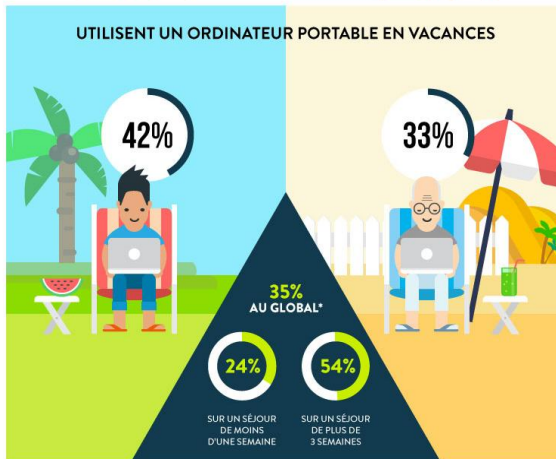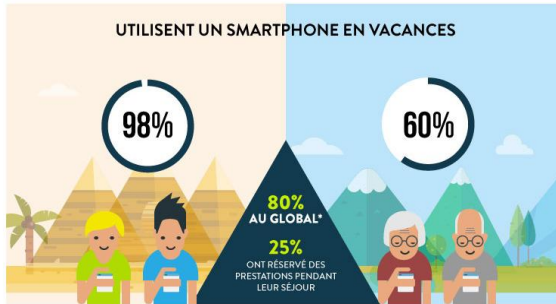
Even if senior people are, compared to other categories of population, a little less inclined to use ICT, the role of ICT tools is growing every year.

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[3]   DG   Enterprise: http://ec.europa.eu/enterprise/sectors/ict/competitiveness/ict-brief/index_en.htm

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Connected Young vs Connected Seniors

CONNECTES
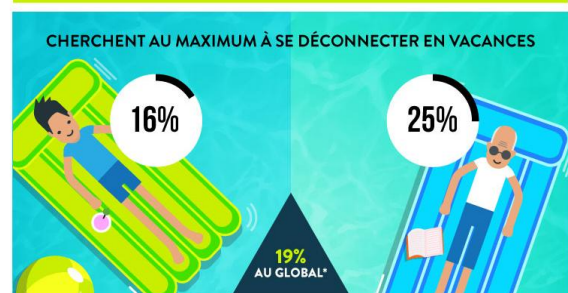JEUNES
VS
SENIORS

18-24 ANS

60 ANS ET +

LA CONNEXION EN AVION

UTILISERAIENT LE SERVICE WIFI EN AVION

75%

52%

73%
AU GLOBAL*

LES ÉQUIPEMENTS EMPORTÉS POUR SE CONNECTER

UTILISENT UN SMARTPHONE EN VACANCES

98%

60%

80%
AU GLOBAL*

25%
ONT RÉSERVÉ DES
PRESTATIONS PENDANT
LEUR SÉJOUR

FONT DU WIFI LEUR PRIORITÉ POUR AMÉLIORER
LEUR EXPÉRIENCE EN AVION

22%

6%

12%
AU GLOBAL*

UTILISENT UN ORDINATEUR PORTABLE EN VACANCES

42%

33%

35%
AU GLOBAL*

24%
SUR UN SÉJOUR
DE MOINS
D'UNE SEMAINE

54%
SUR UN SÉJOUR
DE PLUS DE
3 SEMAINES

ACCEPTERAIENT DE PAYER PLUS CHER (+5%) LEUR BILLET
D'AVION MOYEN-LONG COURRIER POUR UN ACCÈS WIFI

55%

29%

47%
AU GLOBAL*

DIGITAL DETOX

CHERCHENT AU MAXIMUM À SE DÉCONNECTER EN VACANCES

16%

25%

19%
AU GLOBAL*

UTILISENT UNE TABLETTE EN VACANCES

25%

25%

37%
AU GLOBAL*

L'enquête a été réalisée en mars 2016 par Next Content pour liligo.com, via un questionnaire en ligne, auprès de 1 287 français représentatifs des Français connectés, ayant réalisé au moins 1 voyage à titre privé au cours des 12 derniers mois.
*Ensemble des Français connectés, toutes tranches d'âge confondues.

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According to Eurostat, in 2014, rented tourist accommodation was booked online for 55 % of the trips made by residents of the EU[4]. The age pattern of online booking of rented accommodation and transport was in line with the overall internet use by age group: the share of online booking decreased slightly for older age groups, but stayed over 40% for accommodations and over 55% for flights as shown in the below figure.

Online booking for tourist accommodation (% of all trips spent at rented accommodation) and for air travel by age, EU-28, 2014
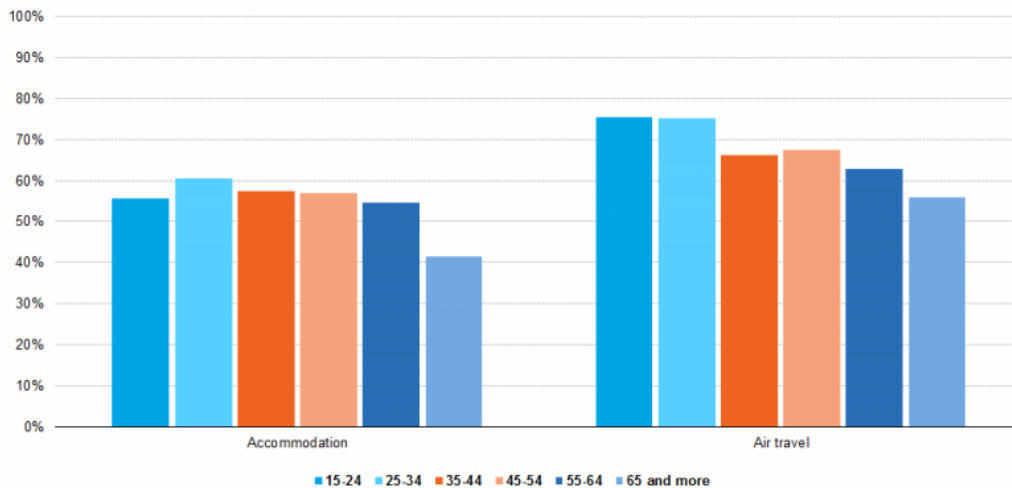
Source: Eurostat

Tourism actors need to explore the possibilities offered by the web 2.0 tools and the social networks in connection with a more active and central role of tourists in the planning and promotion of the local tourism offer.

ICT are more and more used by customers to prepare their travel and accommodation before their stay, but also to get practical information on their mobile during their stay and to share their impressions on the visited destinations during and after their stay, thanks to social networks notably. The customer's increasingly influential role in the tourism purchasing cycle has resulted in a constantly changing market place, in which the consumer/actor is becoming the most important player.

So far, **there is still insufficient access to the latest information and communication technologies, preventing especially rural and mountain actors from developing indispensable services for tourists. There are still several tourism operators who don't have a website or can't use the social media effectively in order to market their products and services**. Others don't even have the Internet which prevents the tourists to use the application and websites they like.

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[4]   Eurostats, Statistics on ICT use in tourism, May 2016, http://ec.europa.eu/eurostat/statisticsexplained/index.php/Statistics_on_ICT_use_in_tourism

This gap needs to be filled in, especially as

- customer satisfaction depends more and more on the accuracy and comprehensiveness of information provided and on the ability of organizations to react instantly to consumer requests;

- it is much easier for unsatisfied customers to voice complaints, which can have a high visibility on the social media than before. Even if senior people are not necessary the ones writing a lot of comments on social media, they will be more inclined to pay attention to the comments posted by previous consumers, to ensure that the quality of the service is well respected.

ICT offer new opportunities, even for senior people, that tourism operators have to seize. But how can the Silver Tourism Expert benefit from these tools?

silver-tourism

1.5.2. HOW CAN ICT TOOLS ENGAGE TOURISTS TO HAVE MORE ACTIVE INTERACTIONS WITH THE TOURISM OPERATORS?

To accompany the tourism operators in the adaptation of this ICT revolution, the DANTE project (Digital Agenda for New Tourism Approach in European Rural and Mountain Areas) has developed **an "ICT philosophy"** to order to help especially the small actors, in rural and mountain areas to adapt to these technologies and to attract visitors.
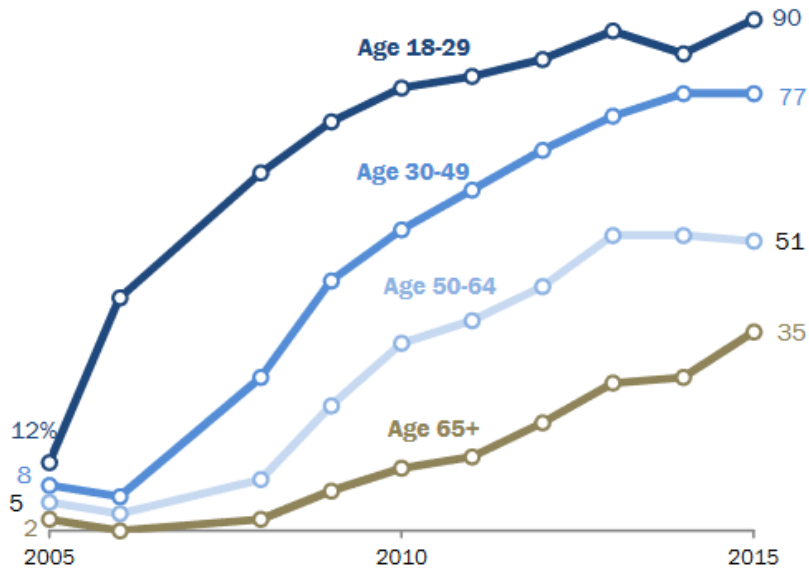
48

Before developing new tools, the tourism actors should bear in mind this philosophy. The tourism actors should be:

- **OPEN:** the hierarchy of relationships changes: the tourist is active (sends pictures, opens blogs, sends tourism information to the community, he is also a "blog-journalist", he could interact at the same level than the tourism operators), the operator should be able to use ICT tools to keep and get in touch with the tourists in a more interactive and instant way than before.

- **IN** (the event): with ICT and especially social networks, this is now easily feasible to comment an event while living it and interact with different participants or people who are not necessarily physically participating in the event, thus the speed of information and the need to answer more quickly to the demand of tourists is higher than before, the language to use is different than in more traditional media and should be adapted too.

- **CLOSE:** ICT use encourages and develops a language "closer to emotions", tourists expressed more their feelings and why they like (or don't like a place, an event, an attraction). The language used is more friendly, shared with friends and acquaintances, in real time, during the moment of the experience. To share the experience with the tourist, you need to communicate about stories, real experience about the life of the people.

- **LOW COST:** the use of open source and free software (ex. "open street map") and open data decrease the cost of information and increase its accessibility. All tourist operator can now have social media or a website for almost zero investment. But time is needed in order to adequately animate these tools.

Elderly people are more and more using social media. According to a study from the Pew Research Center on American people, "usage among those 65 and older has more than tripled since 2010 when 11% used social media. Today, 35% of all those 65 and older report using social media, compared with just 2% in 2005"[5].

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[5] Andrew Perrin, Social Media Usage: 2005-2015 65% of adults now use social networking sites – a nearly tenfold jump in the past decade; 2015

Among all American adults, % who use social networking sites, by age

Nevertheless, a good balance must be considered between ICT tools and human interactions. The Silver Tourist Expert needs to keep in mind that for this group of consumers, ICT literacy may be below the average of the population and to be able to use these technologies, a very good, easy and free access to High Speed Internet is needed for the tourists.

Silver tourists can now access specialised websites such as http://www.senioractu.com/ in France with a special section dedicated to Tourism. These websites seek out and analyse the information for the seniors and then group it all on the same website so it is easily accessible.

Senior people represents a growing market for social media and will be more and more inclined to use them in the coming years. Thus, the Silver Tourist xpert can bear in mind the key principles of interaction on social media when communicating on social media. But how can we the Silver Tourist Expert concretely implement this philosophy? What are the possible tools he could implement?

How technology can facilitate the travel and stay of senior people? Good examples

According to a TOURAGE study, the most important sources of information for seniors relating to tourism are their own experiences or family members/friends. The media and social media does not reach this target group successfully yet. Therefore, different communication channels should be used for this age group by tourist service providers. (...) It is important to invest in paper brochures for example.

Several ICT can be used not only for senior tourists but for all types of tourists. Nevertheless, some adaptations are sometimes needed in order to make them user-friendly for older tourists. A lack of ability, awareness, willingness and trust in using the ICT should often be overcome to encourage more senior people to use these tools. For instance, friendly interfaces for equipment and e-services, with simple designs and intuitive navigation systems are helpful.

Before designing a website or an application that will be widely used by seniors, the recommendations of the WCAG /WAI of the World Wide Web Consortium (W3C) should be respected to ensure a full accessibility of the website and the application. Discover here some tips to make your website more accessible. Click here see the video.

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the focus indicator for 'Daily deals' is invisible and the tab order is illogical as it jumps between the two elements.

For instance, for a website, it can include notably:

- The ReadSpeaker tool, which is converting the written content into audio content: which makes it easier for the persons who don't see well or who are tired when reading too much text on a screen
- Videoconference possibilities for users of signs language
- An easy possibility to adapt the size of the characters of the text to facilitate the reading of the text
- Some keyboard shortcuts to ease the access between the different webpages for those who have difficulties in using the mouse and who are more comfortable with the screen.

One good example of the implementation of all these recommendations is the municipality of Bilbao, in Spain, has developed a city web portal www.bilbao.net with information on administrative procedures to be done at the municipality level, transport and leisure activities, which ease the stay of tourists. Their website is also fully available on the mobile phone.

Users who have a successful experience on their first visit to a website tend to return. In contrast, a messy design with unclear navigation and descriptions tends to destroy enthusiasm and enhance frustration. Senior people are using the Internet less than other parts of the population; thus, this is particularly important to design a nice and practical website in order to be sure they come back again on the website to buy the product or service provided.
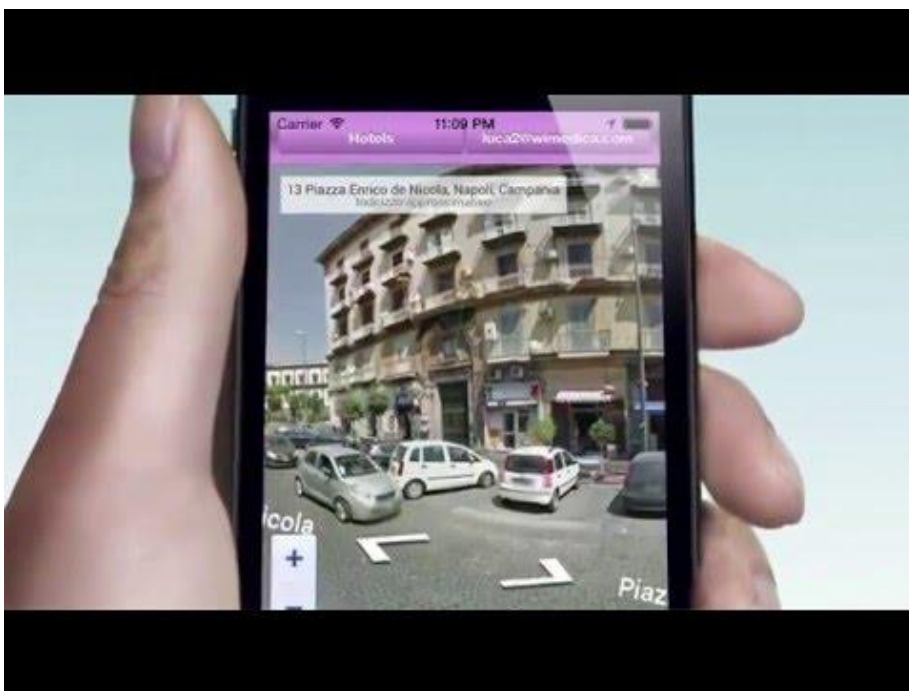
But most of the tourism operators are small ones, with less than 10 employees, with not a lot of time, nor knowledge to animate the social media or use ICT. So how can ICT for senior tourists be actually used and implemented by SMEs too?

1.5.3. HOW CAN DIGITAL TOURISM BE IMPLEMENTED AT SME LEVEL?

DG Growth (previously DG Enterprise and Industry) has well understood the importance to link ICT and tourism and thus has implemented in 2013, a specific programme called "ICT and Tourism Business Action". This initiative has 3 main components:

- Policy component: a high-level group (HLG) of representatives from the fields of tourism, ICT and other relevant stakeholders will analyse market evolution, identify needs and make recommendations for future policy development.

- Technological component TOURISMlink: this demonstration project (2012 – 2014) aims at linking tourism professionals with the digital market, by facilitating ICT aspects of cooperation between companies located at different sections of the tourism industry's value chain, and ensuring that SMEs can easily participate in the digital value chain without having to bear heavy costs.

- Operational component Tourism-IT: a portal to assist businesses (mainly SMEs) in each step of their business processes. Its aim is to become the one stop shop, providing SMEs with relevant, practical information, including up to date ICT business tools, tutorials and training to help any tourism company set up, manage and promote their business

Video to promote the Tourism Business Portal[6]: https://www.youtube.com/watch?v=k8m9EvQ2Bw4

The European Commission has launched a series of webinars to focus on digital tourism. They aim to guide the SMEs to better understand the recent trends in tourists use of technology and they covered issues such as digital marketing strategy or online reputation and use of social media or m-tourism (mobile tourism through smartphones). These webinars present some businesses tips for businesses. For instance, the one on social media, encourages to be visual, direct and fun to communicate on social media.

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6 The Tourism Business Portal is off-line at the time we are writing this MOOC, for maintenance reasons. The European Commission has assured us it is doing its best for the website to be back on-line before the end of 2017

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Some support programmes could be also available at regional level to help the digitalization of businesses, including in the tourism sector. This is for instance the case of the Tourisma'TIC example in the Massif central in France.

Tourisma'TIC

Tourisma'TIC is a programme targeted to businessmen of the rural tourism sector. It aims at helping them to take greater advantage of ICT in their activities.

This programme is declined in 3 main axes:

- improving the management of their business;
- increase the frequentation of their structure by developing their communication tools: internet, e mailing, social networks;
- offer new services to clients (WIFI,...).

Cybermassif, through its 14 ICT resource centers implanted in Massif Central territory in France (which is mainly rural), has noticed that, in recent years, the tourism sector in this area was mainly composed of small professional structures (less than 10 people), often family-owned and rarely up to date as regards the use of ICT.

Barriers to the massif use of digital tools are related to an under-evaluation of what is at stake and to a limited knowledge of existing solutions coupled with a low level of general culture regarding ICT. This is why Cybermassif has developed a programme to energize this sector which has a strong weight in the local economy of these territories.

The programme has two components:

- component 1: information and awareness raising
- component 2: accompanying implementation.

The first component, dedicated to awareness raising for businessmen, capitalizes on numerous tools and event coordination contents that are available on a presentation platform accessible on-line.

This resource space on E-tourism provides the actors from the sector to access a documents and technical knowledge, such as for example thematic guides. They can also try softwares and participate in awareness raising sessions via a web conference portal, which is particularly interesting for geographically remote structures.

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The second component consists in accompanying individually business actors from the tourism sector by offering them ICT diagnosis. These enable:

- to measure the current level of appropriation of ICT by the tourism business holder;

- to measure and then approve the technical, marketing and financial feasibility of the digital or web project of the business holder.

1.5.4. HOW TO UNDERSTAND WHO THE SILVER TOURISTS ARE: SPENDING POWER AND NEW TECHNOLOGIES.

The last two parts of the unit has been focused on the spending capacity and the potential of new technology in silver tourism. These two topics are very important for you due to your innovative products or services should be adapted to this kind of target but should be economically feasible as well.

Besides, it must be taken into account the new technologies in order to connect with senior people. If you create incredible experiences for them, but they do not know anything about you …, or the communication or payment channels are not friendly for them … it is possible that you have not successful.

This is the last chance to revise your questionnaire … Please, check it again and be sure that these two topics are included in the final questionnaire…

One of the most common mistakes is be focus on the idea or products and set aside de problem or the need… Design Thinking methodology is focus on this part…, if you do not know the "REAL" problem to be solved or the "REAL" needs of your "Customers", it is impossible to give them what they are looking for……

Let's go.

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Conclusions

ICT are a powerful tool to engage all tourists in living an experience, that will make their stay a unique experience. This is also true for senior tourists. Nevertheless, the specific characteristics of senior people (more willing to maintain interactions with people and not computers, lack of ability and skills to use ICT) oblige the tourism operators to adapt their tools to make them more user-friendly and used by senior tourists.

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Reflective questions

What kind of projects can you think of linking ICT and silver tourism? How is it possible to integrate in a marketing strategy user-friendly ICT for silver tourists, environmental sustainability (soft mobility, limiting paper use, etc.) and taking into account the higher need for silver tourists of direct human assistance?

Further information and references for learning, teaching and assessment activities

- European Commission, Live seminars on digital tourism, 2015: https://ec.europa.eu/growth/sectors/tourism/conferences-events/digital-tourism_en, especially on succeeding in social and on thinking mobile

- INTERREG IV C project DANTE, Guide of Good Practices on ICT and tourism, 2013

- EU consultation results on How can we grow Europe's Silver Economy? >Tourism for older people

Unit 2.

Designing Silver Tourism products and services

silver-tourism

2.1 Silver Tourism Design Thinking

2.1.1. IMMERSION PHASE

The immersion phase has been treated in the first unit of this course. It has tried to understand the different interests of the public of senior tourists, studying aspects such as the mobility of senior tourists and their companions, health-care and accessibility, and even their spending capacity. On the other hand, aspects related to ICT have been analyzed as a key factor for the future of the sector.

Immersion can be defined as the step in which the designer (or project team) is brought closer to the context of the problem. Immersion comprises the stages of empathy and definition.

In the immersion phase, we have tried to understand the needs of the silver tourist through the use of tools such as the profile card. This profile will be the center for the design of innovative products and services, being considered the basis on which to develop the ideation phase.

As a reminder, these were the four most relevant Design Thinking tools used in the unit 1 which are fundamental for a proper immersion process: Interviews, Profile Card, Empathy Map and Extreme Users. In addition, other useful tool, such as the Stakeholders Map, will be addressed later, in unit 4.

2.1.2. IDEATION PHASE

The ideation phase seeks to generate innovative ideas that serve to develop a new product or service, based on the experience gained in the immersion phase.

The design process follows a development of divergent-convergent thinking, where in the first place there is a generation of ideas and proposals that will later materialize existing possibilities, defining and profiling according to the needs of the final customers, resulting in a product / service with the highest value proposition for the client.

This step is where the design process begins, using creativity to analyze the knowledge obtained in the immersion phase and generating solutions adapted to that context. This stage defines the concepts and resources needed to launch a prototype that will offer innovative solutions.

All ideas are valid here and will combine both unconscious and conscious thinking; rational thoughts and imagination. It is at this stage when brainstorms will be developed and new ideas will emerge from the previous ones. The goal of this stage is to achieve a great number of ideas that give many alternatives as possible solutions instead of finding a single best solution.

Many possible tools can be used, from sketches to mind maps or storyboards, although using them all will not guarantee success and can even be counterproductive. Later in the sections of divergent thinking (2.1.3) and convergent thinking (2.1.4) will be exposed some tools considered of interest to the designer of Silver Tourism services.

At the same time, it is also necessary to clearly distinguish between the generation of ideas and their subsequent evaluation. The generation of multiple ideas allows addressing different goals:

- Think of obvious solutions, thus increasing the potential for innovation on the current basis of possibilities.

- Make better use of the different visions of each work-team also by using collaborative work.

- Discover unexpected areas of exploration by creating a greater range of ideas and greater options for innovation.

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Creativity vs Innovation

Creativity can be described as *"a process of becoming sensitive to problems, deficiencies, gaps in knowledge, missing elements, disharmonies, and so on; identifying the difficulty; searching for solutions, making guesses, or formulating hypotheses about the deficiencies: testing and retesting these hypotheses and possibly modifying and retesting them; and finally communicating the results"*[6].

> *"Creativity is a driver for innovation and a key factor for the development of personal, occupational, entrepreneurial and social competences and the well-being of all individuals in society."*
>
> Creativity and Innovation European Year 2009

The main difference between creativity and innovation is the approach. While creativity seeks the release of the mind's potential to create new ideas, under a purely subjective approach, innovation is clearly measurable and seeks to introduce changes in relatively stable systems. In this context, a Silver Tourism designer will only achieve genuine innovation if it is able to implement the services created.

Lateral Thinking

This term was promulgated in 1967 by Edward de Bono in his book New Think: The Use of Lateral Thinking as a technique to solve problems through an indirect and creative approach, using reasoning that is not immediately obvious and involving ideas that may not be obtainable by using only traditional "vertical" logic.

While critical thinking is primarily concerned with judging the true value of statements and seeking errors, the lateral thinking is more concerned with the movement value of statements and ideas. Some methods to use are:

− Use random words linked in some way to the problem to be solved
− Delete any characteristic of the problem
− Establish analogies with other situations
− Turn the problem inside out or analyze its opposite
− Split the problem in different components

6 Torrance, Paul. "Verbal Tests.Forms A and B-Figural Tests. Forma A and B".The Torrance Tests of Creative Thinking-Norms-Technical Manual Research Edition. Princeton, New Jersey: Personnnel Press. p. 6.

Figure 11: Vertical Thinking vs Lateral Thinking
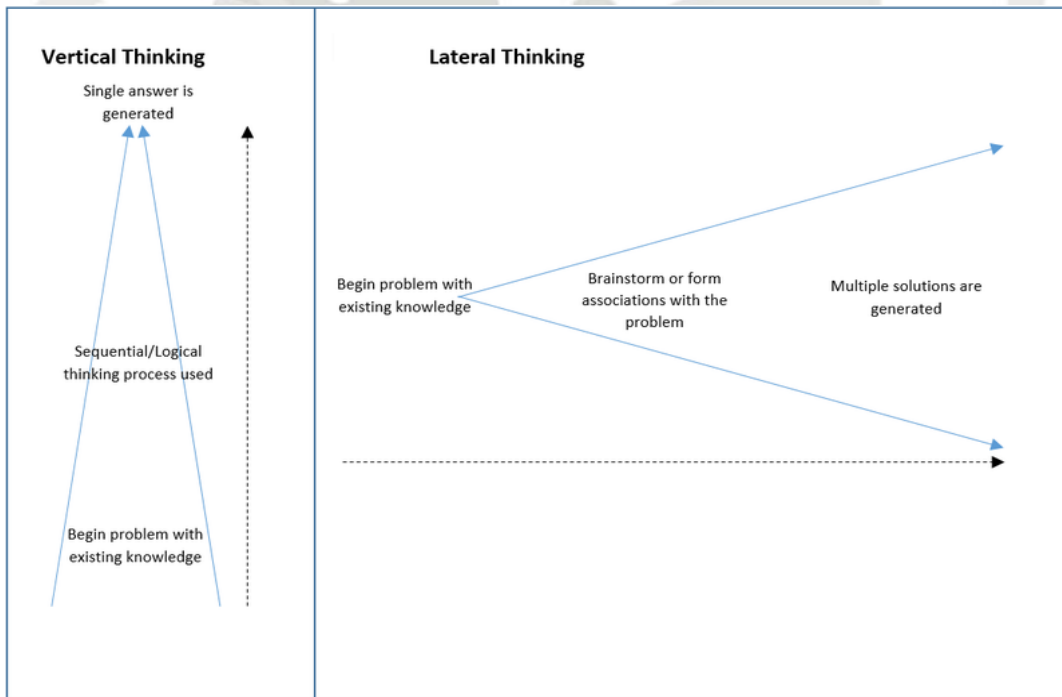
Source: Wikimedia Commons ([File:Vertical_thinking_pic.png](#))

Visual Thinking

Visual Thinking can be defined as the utilization of visual tools, such as photographs, diagrams and sticky notes, aiming to create meaning and establish a debate about it. Services are complex business models, integrate a system composed by some modules and their interactions, which makes it difficult to wholly understand if not visualized properly.

This representation creates a tangible model, open to clearer debate and possible changes. Visual Techniques enlighten a business model and ease collaborative creation. The graphical representation transforms models into a permanent object and a conceptual anchor that serves as a reference point for the discussions. It is definitely an essential aspect, as it embodies abstract concepts and significantly improves the debate quality.

Visual Thinking fosters strategic analysis, since it transforms the abstract into concrete, clarifies the relations among the different elements and simplifies the complex.

Figure 12: Example of Visual Thinking
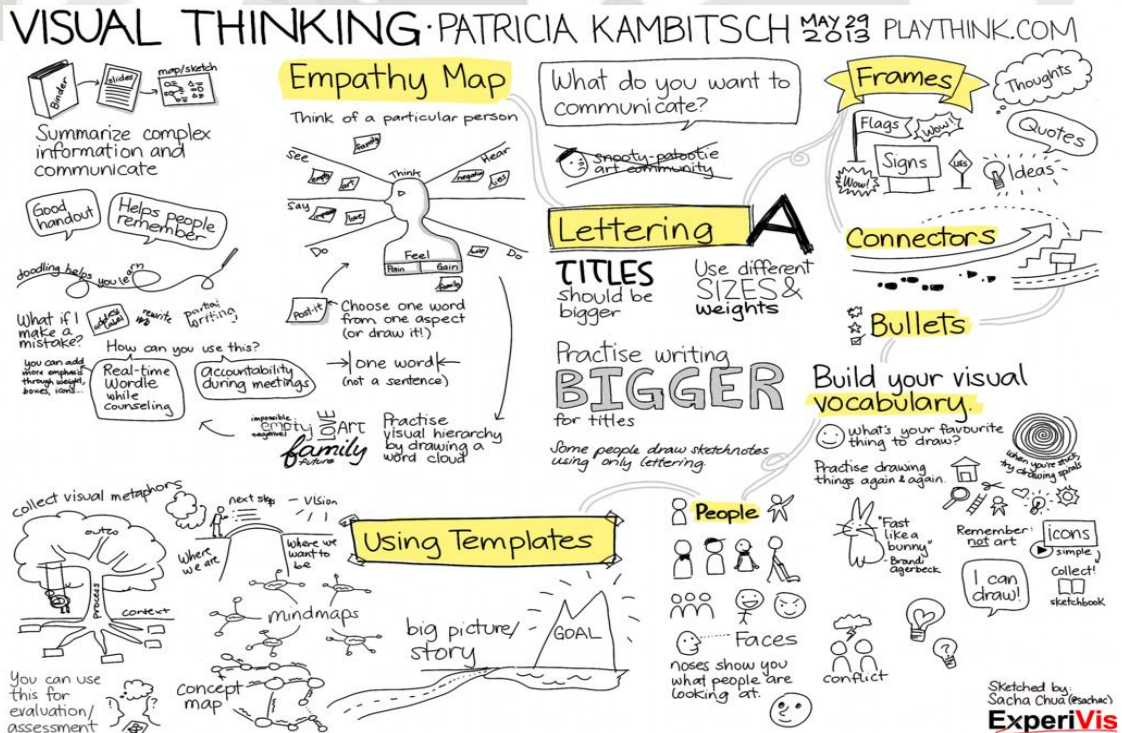
Radical Innovation vs Incremental Innovation

It happens incremental innovation when value is created from an already existing product, which is enhanced in the process. Innovation begins defining the starting situation, from where it will seek certain objectives through creative processes.

Incremental innovation is closely related with innovation and technology. As the available technology advances, the organisations are forced to innovate to avoid becoming obsolete compared to the rest of the players.

In a given services business, incremental innovation will allow to continually improve the quality of the service, achieve a proper return of investment for the company (although not as high as in the disruptive innovation case), as well as make reliables and predictables forecasts of those investments in innovations. Furthermore, the main advantage of this type of innovation lies in the continuous performance enhancement of the service in economic, processes and customer satisfaction terms.

An example of incremental innovation would be the modification of a restaurant menu to include low-salt food, or even safe for diabetics, since it just requires to modify part of the previously available dishes.

As opposed to incremental innovation, there is the radical or disruptive innovation. It happens when a completely new product is launched, able to create a new market category. Thus, this kind of innovation involves a high risk, although it generates important market opportunities, being able to modify in a short period of time the

practices and processes of a certain sector.

Creativity is key in radical innovation. In exchange for a higher risk (radical innovation expenditures are significantly higher than in incremental innovation), it aims to create new markets, without positioned competitors.

An example of disruption in the tourism sector is the introduction of Marketing 2.0 through the use of social media (Facebook) or even specific companies of the sector (TripAdvisor). Here, the user generates a feedback that benefits the provider company, turning the user into a prescriber also. In this case, social media created a great change in the tourism sector, in a way that now the tourist manages its own service contracts.

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2.1.3. DIVERGENT THINKING

Divergent thinking is a thought process used to generate creative ideas by exploring many possible solutions. It happens spontaneously, in a manner in which many ideas are generated in a short period of time, uncovering unexpected connections in our mind. In a similar way, Edward De Bono talked about lateral thinking focused on the destruction of schemes. Thus, divergent thinking is not restricted to a single plane, including multiple and simultaneous planes that enables approaching a challenge or problem from different points of view.

The difference between divergent thinking and convergent thinking is the key to understand how to use the creativity techniques, with the aim of dealing with and solving problems.

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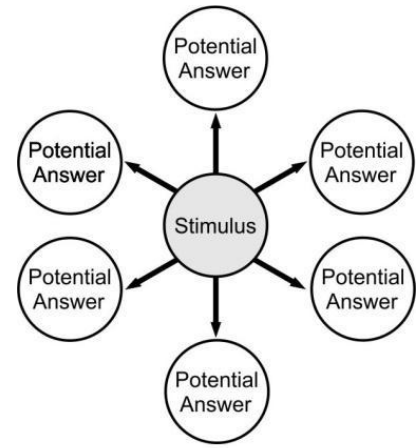
Figure 13: Divergent Thinking

Source: Wikimedia Commons (File:Final_divergent_thinking.jpg)

The main tools used to generate divergent thinking that should be used by services designers are brainstorming and scamper, which will be explained at the end of this chapter. There is also a wide array of tools and methods that the creative should already know to generate ideas. There are some of them which are especially useful for a Silver Tourism Designer: Mind Maps, 365 Method and Six Thinking Hats.

Mind Maps

Mind Maps is a graphic technique popularized by Tony Buzan, psychologists and investigator of the intelligence field. It consists in a diagram that represents different elements, used as key points, which provide specific information about a certain topic. This diagram is centered in a main idea, from which other secondary ideas spread out.

Figure 14: Example of Mind Map
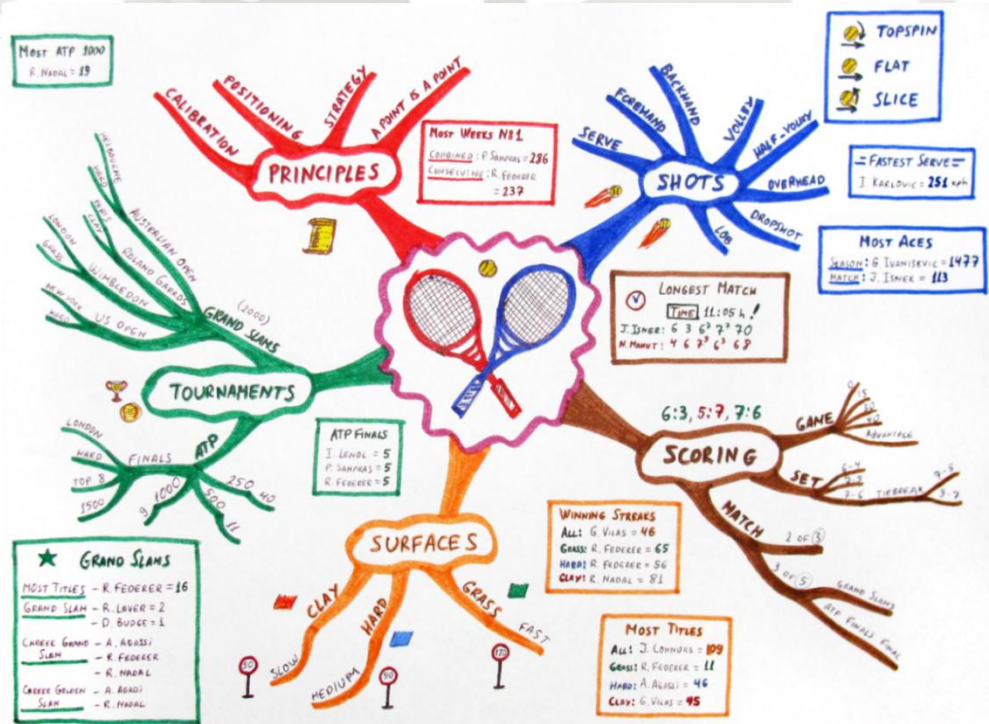
>
Source: Wikimedia Commons (File:Tennis-mindmap.png)

Buzan suggests the following guidelines for creating mind maps:

1. Start in the center with an image of the topic, using at least 3 colors.

2. Use images, symbols, codes, and dimensions throughout your mind map.

3. Select key words and print using upper or lower case letters.

4. Each word/image is best alone and sitting on its own line.

5. The lines should be connected, starting from the central image. The lines become thinner as they radiate out from the center.

6. Make the lines the same length as the word/image they support.

7. Use multiple colors throughout the mind map, for visual stimulation and also for encoding or grouping.

8. Develop your own personal style of mind mapping.

9. Use emphasis and show associations in your mind map.

10. Keep the mind map clear by using radial hierarchy or outlines to embrace your branches.

Before creating a mind map, it is necessary to decide which will be the central idea to be analysed. The goals or objectives need to be clear enough.

For example, there is a touristic services company that offers panoramic vision through balloon rides. The clients are usually in the 30 to 45 years-old range, although in that zone there are also many visitors between 55 and 65 years-old that don't even ask about this service. The company decides to redesign its service to approach this public, using a mind map as a starting point to fully understand the problem. The central idea should be something similar to: "offering a balloon experience for senior public".

The next step is to draw some branches spreading out from the central idea. Each of these branches will have a keyword written on it, the main thoughts or basic ideas for the ordination, that will be associated with the map topic. Some examples are: place, in-situ experience, subsequent experience, security, communication,... From each of these secondary ideas, thoughts will be proposed, spreading out from each of the branches and so on.

With this method, the mind focus on a single word, opening to all the possibilities that it suggests, and avoiding the dispersal of thoughts into different keywords. Furthermore, even if the ideas present a hierarchical structures, the radial spreading suppress the prioritization on concepts (present in other methods of organisation).

Scamper

SCAMPER is an acronym for seven thinking techniques that help those who use them come up untypical solutions to problems. Using any or all of the seven thinking approaches listed below will help those who use them produce surprising and sometimes very useful results:

⇨ **Substitute**. Remove some part of the accepted situation, thing, or concept and replace it with something else.

⇨ **Combine**. Join, affiliate, or force together two or more elements of your subject matter and consider ways that such a combination might move you toward a solution.

⇨ **Adapt**. Change some part of your problem so that it works where it didn't before.

⇨ **Modify**. Consider many of the attribute of the thing you're working on and change them, arbitrarily, if necessary.

⇨ **Purpose** (Put to other use). Modify the intention of the subject. Think about why it exists, what it is used for, what it's supposed to do. Challenge all of these assumptions and suggest new and unusual purposes.

⇨ **Eliminate**. Arbitrarily remove any or all elements of your subject, simplify, reduce to core functionality

⇨ **Reverse**. Change the direction or orientation. Turn it upside-down, inside-out, or make it go backwards, against the direction it was intended to go or be used.

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Six Thinking Hats

It is a technique created by Edward De Bono, used all around the World to ease problem solving and analysis from different points of view. It represents a framework for thinking that may include the lateral thinking.

The six hats represent six different ways of thinking, used proactively and not reactively. Consequently, they are used as guidelines to think about the problem and not as mode to destroy the ideas generated by other ways of thinking.

Each of the six different ways of thinking has a certain color assigned to it:

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⇨ **Managing** (Blue) – Focus on the subject, process and objectives. Can look at the big picture.

⇨ **Information** (White) – Consider purely what information is available and what are the facts

⇨ **Emotions** (Red) – intuitive or instinctive gut reactions or statements of emotional feeling, without any justification

⇨ **Discernment** (Black) – Logic applied to identifying reasons to be cautious and conservative. Practical and realistic.

⇨ **Optimistic Response** (Yellow) – Logic applied to identifying benefits, seeking harmony. Sees the brighter, sunny side of situations.

⇨ **Creativity** (Green) – Statements of provocation and investigation, seeing where a thought goes. Thinks creatively, outside the box.

Regarding how to put this method in practice, it can be used both individually and in group. In the latter, all the individuals must have the same color at the same time.

Other activities which promote divergent thinking include bubble mapping, keeping a journal, role-playing games, creating artwork, free writing, ...

After the process of divergent thinking has been completed, ideas and information are organized and structured using convergent thinking.

Braimstorming

Brainstorming is one of the most well-known and used creative tools. It is a process for generating creative ideas and solutions through intensive and freewheeling group discussion. Every participant is encouraged to think aloud and suggest as many ideas as possible, no matter seemingly how outlandish or bizarre. Analysis, discussion, or criticism of the aired ideas is allowed only when the brainstorming session is over and evaluation session begins.

635 Method

This creative technique is very similar to brainstorming, developed by Bernd Rohrbach. However, it is focused on gathering innovative ideas from a group of people, in a simple and efficient way, with the objective of solving a problem, developing a project or enhance an existing situation.

It consists of 6 participants supervised by a moderator who are required to write down 3 ideas on a specific worksheet within 5 minutes. This is also the etymology of the methodology name. The outcome after 6 rounds, during which participants swap their worksheets passing them on to the team member sitting at their right, is 108 ideas generated in 30 minutes.

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2.1.4. CONVERGENT THINKING.

Convergent thinking works in a single plane, representing a tool to solve well-defined problems through reaching a unique solution. For this, convergent thinking follows a particular set of logical steps, finishing in one single solution that in some cases is a 'correct' solution.

As opposed to divergent thinking, in which any solution is possible, convergent thinking represents a closed universe, with defined limits. There, the asked questions leads to the selection of a unique answer from various defined ones. As a result, it is not a method to formulate responses, but to identify which of them is the correct one.

Finally, the last step of the ideation creative process is the selection and checking of the generated ideas group, in order to concentrate development on the ideal solutions. For this, it is advisable to reuse the tools People and/or Extreme Users, already used in the empathy phase, aiming to adopt the role of the potential users again.

Other interesting tools for the Silver Tourism services designer are the following ones:

4x4x4

This technique has a clear group approach, interleaving both the ideas generation and evaluation processes. As a result, in case of wanting to employ other divergent creativity techniques, 4x4x4 should be used in the last place.

Initially, the group produce ideas: individually at first and in group later. Meanwhile, a facilitator will show the changes to be done in 6 to 10 minutes intervals. Each participant writes down individually the four essential ideas related to the creative focus (for example: "ideas of transport services to be offered to senior tourists in the region"). In the next phase the participants are grouped in pairs, reach an agreement and write down the four essential ideas about the creative focus. After that, they form groups of four people, and so on. In the last stage, the whole group would have to agree on the four main ideas of the creative focus or the problem. These four ideas represent the qualitative result of the commented performance.

PNI

PNI is a convergent thinking technique developed by Edward de Bono, that enables to discover the potential of each idea and avoids the neglection of possible adverse effects. This technique shall be used after filtering the generated ideas and selecting at most six of them. Each idea is analyzed taking the following 3 points into account:

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- Positive aspects (P): Strengths and reasons why the idea may lead to success

- Negative aspects (N): Weaknesses and reasons why the idea might not work or that should be carefully taken into account.

- Interesting Aspects (I): issues to be considered, and whether may not have positive or negative effects or may have both of them.

Potential vs Application Matrix

This convergent thinking technique, created by David Díez[7], allows to evaluate ideas according to two parameters:

- Creative potential: Measures until what point a certain idea is new (or even disruptive), or its utility to generate new ideas (acting as a bridge idea).

- Applicability: Evaluates the feasibility of putting the idea into practice.

Previously, it is required to make a selection of ideas. Later, they will be allocated in a dual-entry matrix:

High potentiality	Low potentiality	
Ideas hard to applicate and with high potential (ideas to develop)	Very applicable ideas, but with low potential	**High applicability**
Very strong ideas but difficult to applicate (ideas to work with in the future)	Ideas hardly applicable and with a low potential (ideas to get rid of)	**Low applicability**

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[7] https://www.neuronilla.com/cuadro-de-potencial-versus-aplicacion/

2.1.5. PROTOTYPE.

This stage takes place after the ideation phase. It consists on developing a prototype: generation of a tangible model from the generated ideas once they were filtered according to the resources and skills possessed. Thus, it aims to elaborate a viable proposition after the creative and ideation process.

This prototype is used to validate generated ideas and, although located in one of the last phases of the Design Thinking Process, it can be used simultaneously with immersion and ideation.

Prototyping helps to think as creators and communicate with clients or users. Furthermore, it is the cheapest method to optimize a product through progressive approaches to a satisfactory solution utilizing a trial-and-error process.

What to prototype for?

- ✓ Faster evaluation of alternatives, avoiding the development of work lines for much too long.

- ✓ Solution creation process control, helping to break down a product/service in different parts that can be analyzed and enhanced more easily.

- ✓ Ease communication and facilitate conversations with other users. A picture is worth more than 1,000 words. A prototype is worth more than 1,000 pictures.

- ✓ Make mistakes faster and cheaper.

How to prototype a service?

To prototype means to generate information elements, such as pictures, devices or objects, aiming to obtain answers that will help to reach the final solution. That is, it is not necessarily an object but anything with which interaction is possible. For example, a storyboard will be being refined as the project progresses.

To deal with a prototype phase, it is mandatory to build a model, devoting just enough time to be useful for the goals, as well as identifying the parameters that affect it. A SILVER TOURISM service requires the utilisation of the **Customer Journey Map**, described in section 2.3, although when prototyping a service other methodologies such as **Storyboard** and **Storytelling** (sharing stories) should be considered.

Sharing of Inspiring Stories

All the previous learning should make some sense. One way is to share the most important stories heard during the previous stages, in order to build a repository of stories to be retold. Capturing those resonant ideas and feelings, and building them into the very narrative of the team's work helps everyone down the line.

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For this, the following steps may be carried out:

1) Fixation a large piece of paper to the wall to capture all the team's sticky notes and ideas from the story in one place.

2) Telling the most compelling stories from the field to other teammates, trying to be both specific (talking about what actually happened) and descriptive (using physical senses to give texture to the description). Report on who, what, when, where, why, and how. Finally, invitation to each of the teammates to share their own inspiring stories.

3) Writing down of notes and observations in sticky notes during the teammates' stories. Concise and complete sentences should be used, so everyone on the team can find it easy to understand. Quotes, the person's life history, household details, income, aspirations, barriers, and any other observations should be also noted.

4) Notes should be written with large enough letters, so that everyone can read them. All the sticky notes will be posted up on the wall, organizing them into separate categories for each person that the team interviewed and each place that the team visited.

5) At the end of story sharing, there will be many sheets lined up on the wall with numerous sticky notes. This shared information should be considered as a whole, and represent a starting point from which imagine opportunities and solutions.

Storyboard

Storyboard is a tool that provides knowledge about the user experience with a product or service, as well as how the proposed design could help them to accomplish their objectives. This tool was initially employed in the movie industry, and helps to describe the interaction between the final user and the products or services in one or more frames by showing the key experience touchpoints.

Storyboards are considered great ways to share a concept with final users and customers and make them understand design ideas and decisions. They can be used during design workshops in order to obtain feedback and help to identify areas of improvement or missing elements of the experience. They can be considered as quick prototypes of the experience, which also help clients to empathise with their customers.

There are many different ways to create a storyboard. The most common is a sequence of images or sketches, accompanied by a short description of the actions the user is taking in each touchpoint.

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Figure 15: Example of Storyboard
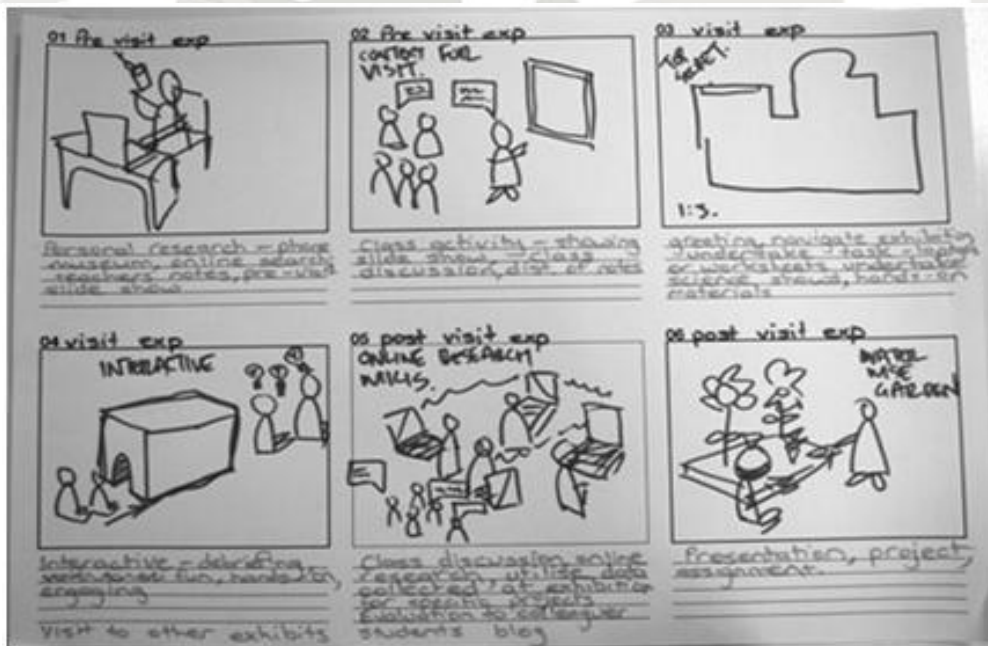
Source: Silver Tourism project

The prototype phase will be fully described later in section 2.3, when treating the Business Model.

2.1.6. TEST.

Test is the last stage of the Design Thinking process, previous to the Silver Tourism service final implementation. It can be summarized as follows: test, learn, change and change. That is to say that in this phase the designed prototype will be placed in the market, so the users will provide real feedback to improve the prototype, or even step back to re-ideate the service. Once the prototype results valid it will be possible to face the implementation, committing resources to the service launching in the usual background.

Test phase is closely related with the market, and for this reason it will be fully treated in the chapter 3.

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Reflective questions

Since the Service Design process is completely client-centered, is it possible to actively implicate clients in phases in which they don't take place (define, ideation and prototype)?. Solid feedback systems should lead to gathering relevant information about the target public, how can they be implicated in the design process?. How can the service design process be connected to innovative business models such as Lean?

Further information and references for learning, teaching and assessment activities

- Design Thinking. (G. Peter Rowe, 1987)
- Lateral Thinking: Creativity Step by Step. (Edward De Bono, 1970)
- Visual Thinking Is ... (Jeff Bennet, DigitalSplashMedia, 2012)

    https://youtu.be/ItnNf4jHsiY

- Innovation and service experiences in small tourism family firms

    This paper aims to explore the pertinent issues of innovation and service experiences in family firms in the tourism industry, which are mostly small- and medium-sized enterprises. Design/methodology/approach: The conceptual paper, building on social identity theory, undertakes a thorough review of the relevant literature before developing propositions regarding innovation and service experiences for small family firms in the tourism industry. Findings: Small tourism family firms are faced with deficits in strategic orientation and innovation, and cooperation seems to be a means to overcome size deficits in family-run businesses. Customers integrated into the service experience enhance innovative developments and foster innovation in small tourism firms. As a prerequisite, the service experience must be appropriately managed by collecting and evaluating relevant data on customers' needs, expectations and satisfaction. An open-minded and consumer-focused market-driven strategy seems to be an advantage. Practical implications: Future research should undertake empirical studies to validate and/or modify the propositions presented in this conceptual paper. Originality/value: This is one of the few studies to have addressed the relationship between service experiences and innovation for family-run small businesses in the tourism industry.

    https://www.researchgate.net/publication/309523518_Innovation_and_service_experiences_in_small_tourism_family_firms

- A practical project of new service design in the tourism industry : Case Anttolanhovi

The topic of the thesis is new service development in the context of tourism industry. The objective of the research is to create new activities that the commissioner can provide to its customers outside summer season, when the occupancy rate is lower than during the peak. The thesis is done for Anttolanhovi, a tourism resort located close to Mikkeli on the shore of Saimaa.

The research was completed as a qualitative case study. Methods of user-driven innovation were used. Customers were invited to participate in the project through an open call for innovation and through group interviews. In addition, observation and expert interview were used. Data gathered through these methods was analyzed through content analysis.

The empirical research indicates that it is not the activities themselves that create problems for the case company. There seems to be space for strategic definition of target customer segments. Therefore, there seems to be challenges in the case company's decision making processes, specifically in view of committing to long-term goals, which could also create hindrances establishing a recognizable profile. It could also pose challenges for product development, if the company tries to provide products that suit all customers' needs. The research indicates that there also seems to be space for enhanced communication about the activities available. It is suggested that the company assesses its current customer groups and makes a strategic decision about which groups to target in the future. Regarding product development it is suggested that in the future the memorability of the experiences is enhanced through story based design.

http://www.theseus.fi/bitstream/handle/10024/81933/Rytkonen_Johanna. pdf?sequence=1

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2.2 Emotional Design for Silver Tourism

## 2.2.1. UNDERSTANDING HOW EMOTIONS WORK

In the market, customers often seem to have a constant conflict between acquiring a functional product or another product that is more attractive to them. This is due to emotional message that some products offer. The weight of the emotional factor becomes even more important in the decision to purchase a service because the key element is the user experience. In the case of tourism, the user experience is everything, and that experience is made up of the set of experiences that tourists live along their stays, from experience in transport to experience at hosting, at shopping, in cultural visits, or even in the restaurant.

Consumer satisfaction

The psychologist Abraham Maslow argued that human satisfaction is only temporary and that follow a hierarchy so that only when a lower need is achieved can cover another superior.[8]

In 2000, Patrick W. Jordan adapted the Maslow's hierarchy of human needs to apply for the needs of consumers:

Figure 16: Hierarchy of needs by Maslow
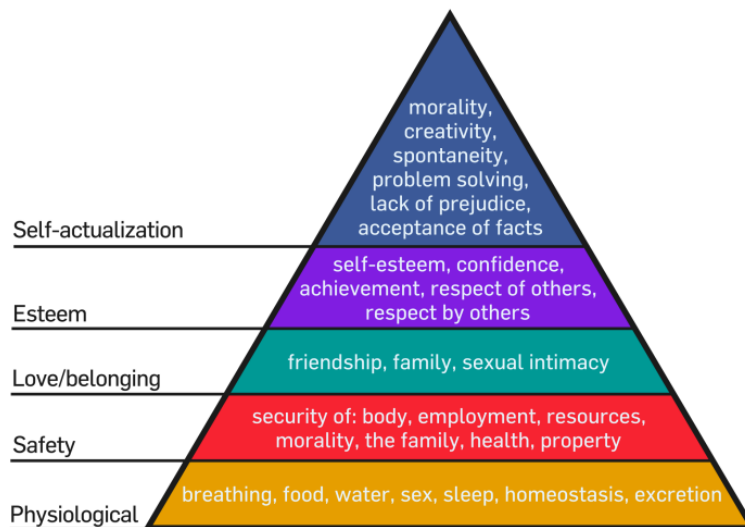
Source: Wikimedia Commons (File:Maslow%27s_Hierarchy_of_Needs.svg)

So, three different levels are established to offer appropriate solutions to the consumers' needs:

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[8] Maslow, Abraham H. (1943), "Psychological Review 50 (4) 370-96 - A Theory of Human Motivation".

- ☐ Level 1. Functionality, where a product or service meets a purpose or function, solving a particular problem.

- ☐ Level 2. Usability, where the product or service is also easy to use, comfortable and safe.

- ☐ Level 3. Pleasure, where the product or service in addition provides emotional benefits to the consumer.

Emotion vs feeling

But, what are the emotions? Are feelings? Are they related to the senses?

The **emotions** are psychophysiological reactions that allow the individual to adapt to stimulus caused by the perception of objects, persons, places, events, or even memories. Emotions alter attention reinforcing certain behaviors of individual response and activating relevant associations in memory. Thus, emotions serve to establish positions with respect to the environment, which leads the individual toward certain people, objects, actions, …, and resulting as a repository of innate and learned influences.

On the other hand, **feelings** are the result of emotions, being the perception that the mind interprets of a particular emotional state. While emotions are short in time, they generate feelings that last for very extended periods. In this way, a feeling is a conceptualized emotion, that can be expressed in words. The senses are the channel through which the brain perceives the environment.

Emotions and cognitive functions

Emotions change the way in which the human mind solves problems, such as the decision to buy a good or use a service. Thus, the affective system is able to change the operating mode of the cognitive system.

While the **cognitive system** interprets the world in a way that allows humans to understand and learn, the **affective system**, based on emotions, serves as assessment system in order to help the human being to decide quickly and unconsciously.

Different experts believe that the decision process occurs subconsciously between 80%[9] and 90%[10] of cases. For this reason, it is important to know how emotions influence the decision process.

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[9]Pedro Bermejo, neurologist.President of Spanish Association of Neuroeconomics.

[10] Aldo Rustichini, neuroeconomist. University of Cambridge.

The human being makes its decisions based on three levels:

Source: Silver Tourism project

In the **visceral level** the first impression is created, where the product or service provides initial impact. The brain is programmed by default to obtain a positive or negative response from the visceral level. Thus, the attractive things tend to work better, producing positive emotions which in turn encourage creativity and tolerance to adversities.

The **behavioral level** is not conscious. It is that which allows people to act daily in "automatic" mode. The behavior level occurs when a product or service is used, basically referring to the function for which it was developed. However although the object or service performs its function properly, the user can have negative emotions if their use is complex or positive if it's fun.

The reflective level contains the contemplative part of the brain, and is used when it is necessary to study, interpret and reflect on something. This level is the more prone to change based on culture, experience, education, ... of the individual.

Keeping in mind the three levels of processing, different ways to design can be adopted: viscerally, behaviorally, or reflectively.

The designer can concentrate on developing an aesthetically beautiful product, to awaken in the consumer's desire to purchase. This is not for its beauty but for the positive emotion that produces it. Or the designer can concentrate on developing a product that is very simple and usable, so it is very easy to use by the consumer. It can be even fun to use. In many cases, these features are critical to meet the user. These levels (visceral and behavioral) are related with the "right now", while the reflective level works in the long term, influencing satisfaction of use (memory), how it is shown to others, and its interaction with the own consumer's identity.

The first impression is processed through the visceral level. **Can you identify the following elements according to the visceral response? Positive or negative?** Loud sound, snake, sweet flavor, heat, sharp objects, symmetrical object, soft, jungle, bright object, comfort, happy face, crowds, heights, desert, sour taste, spider, simple melody, extreme heat, ...

Theories on emotion

Paul Ekman, a psychologist and pioneer in the study of emotions and facial expression says that there are universal emotions that have a biological origin above any cultural aspect. His research findings led him to classify seven basic emotions: anger, disgust, fear, happiness, sadness, contempt and surprise.

**Figure 17: 7 universal facial expressions of emotions by PhD. Paul Ekman**

Source: Wikimedia Commons (File:Universal emotions7.JPG)

Robert Plutchik gave way to the **"wheel of emotions"** that comprises of eight primary emotions and eight advanced emotions grouped on a positive or negative basis:

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Opposite	Emotions	Human feelings (results of emotion)	Basic opposite	Basic emotion
Disapproval	Anticipation + Joy	Optimism	Sadness	Joy
Remorse	Joy + Trust	Love	Disgust	Trust
Contempt	Trust + Fear	Submission	Anger	Fear
Aggression	Fear + Surprise	Awe	Anticipation	Surprise
Optimism	Surprise + Sadness	Disapproval		
Love	Sadness + Disgust	Remorse		
Submission	Disgust + Anger	Contempt		
Awe	Anger + Anticipation	Aggressiveness		

The complex emotions could arise from cultural conditioning or association combined with the basic emotions. Similarly, primary emotions can blend in a greater or lesser proportion to form the full spectrum of human emotional experience.

Figure 18: Robert Plutchik's Wheel of emotions
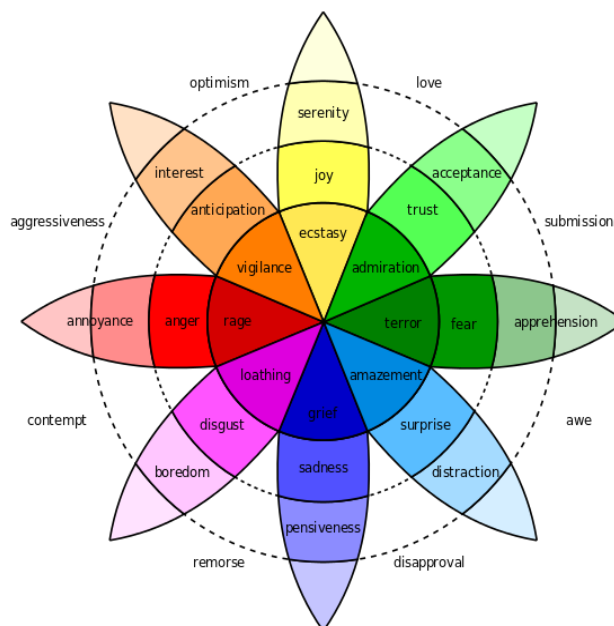
Source: Wikimedia Commons (File:Plutchik-wheel.svg)

In 2001 Parrot identified over 100 emotions conceptualizing them as a 3 structured list: [11]

Tertiary emotions	Secondary emotion	Primary emotion
Adoration, affection, love, fondness, liking, attraction, caring, tenderness, compassion, sentimentality	Affection	Love
Arousal, desire, lust, passion, infatuation	Lust	
Longing	Longing	
Amusement, bliss, cheerfulness, gaiety, glee, jolliness, joviality, joy, delight, enjoyment, gladness, happiness, jubilation, elation, satisfaction, ecstasy, euphoria	Cheerfulness	Joy
Enthusiasm, zeal, zest, excitement, thrill, exhilaration	Zest	
Contentment, pleasure	Contentment	
Pride, triumph	Pride	
Eagerness, hope, optimism	Optimism	
Enthrallment, rapture	Enthrallment	
Relief	Relief	
Amazement, surprise, astonishment	Surprise	Surprise
Aggravation, irritation, agitation, annoyance, grouchiness, grumpiness	Irritation	Anger
Exasperation, frustration	Exasperation	
Anger, rage, outrage, fury, wrath, hostility, ferocity, bitterness, hate, loathing, scron, spite, vengefulness, dislike, resentment	Rage	
Disgust, revulsion, contempt	Disgust	
Envy, jealousy	Envy	
Torment	Torment	
Agony, suffering, hurt, anguish	Suffering	Sadness
Depression, despair, hopelessness, gloom, glumness, sadness, unhappiness, grief, sorrow, woe, misery, melancholy	Sadness	
Dismay, dissapointment, displeasure	Dissapointment	
Guilt, shame, regret, remorse	Shame	
Alienation, isolation, neglect, loneliness, rejection, homesickness, defeat, dejection, insecurity, embarrassment, humiliation, insult	Neglect	
Pity, sympathy	Sympathy	
Alarm, shock, fear, fright, horror, terror, panic, hysteria, mortification	Horror	Fear
Anxiety, nervousness, tenseness, uneasiness, apprehension, worry, distress, dread	Nervousness	

Affective design

Today, people want to use products that must be functional on a physical level, usable on a psychological level, and should be attractive on the emotional level, which is obviously subjective. The emotional design studies the interactions between the consumer and the product focusing on the relationship between physical features and emotional influence on the user.

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[11]Parrot, W. (2001), "Emotions in Social Psychology".Psychology Press. Philadelphia.

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Emotional (or affective) design seeks to integrate the "affective meaning" on products and services, so that evoke emotions that allow products to reach not only the brain through the senses, but also to the heart through emotions.

The design of products (or services) follows six phases. Within the overall design process and product development, emotional design is involved mainly in the first four phases.

Figure 19: Phases of design process [12]
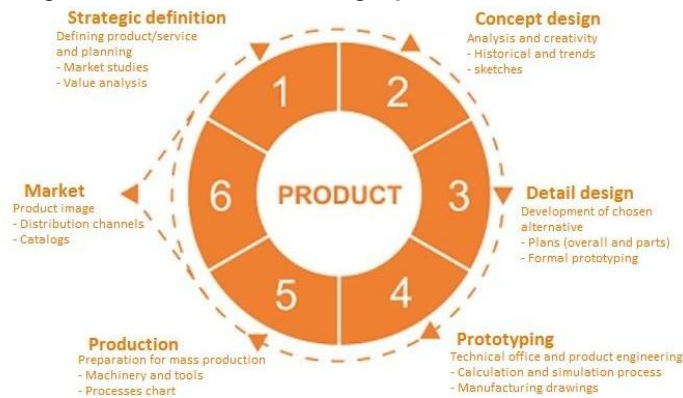
Starting under the emotional design approach, in the study phase (definition) the designer obtains sufficient information to identify concepts and ideas that users must perceive, and that will define the product (or service, or business) at the strategic level.

During the phases of concept design and detail, the designer will identify the properties that most influence a certain perception, allowing to select between different categories of design elements.

Finally, at the stage of prototyping will be launched simulation mechanisms before the production stage in order to test the product or service developed.

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[12] Guía metodológica PREDICA de Diseño Industrial. Fundación PRODINTEC.

2.2.2. USER EXPERIENCE.

The user experience has a close relationship with the value proposition studied using the Canvas model. It is important to clarify that it is not possible to design the experience itself because in this case the user would be controlled, although it is possible to evaluate the experience and try to promote better experiences. In practice, there are numerous different kinds of people, products and environments that influence the experience that interaction evokes.

How emotions arise by the use?

Pieter Desmet suggests that there are 5 categories covering emotional responses that products evoke in people:

- **Instrumental emotions.** It is the perception of the user to achieve the goals that the product must perform.
- **Aesthetic emotions.** This reflects the potential of the product to delight or offend the user perception.
- **Social emotions.** It is the evaluation performed by the user in relation to certain social standards.
- **Surprise emotions.** It refers to the perception of novelty that a product or service evokes in the customer.
- **Interest.** It refers to the perception of challenge combined with promise. It implies the attraction or rejection of the product.

Usability vs UX

Usability means ease of use, and refers to the degree of effectiveness, efficiency and satisfaction with which specific users can achieve specific goals in specific contexts of use. Usability engineering and user-centered design are the set of process and methodologies that ensure usability levels required for the product.

Figure 20: Usability vs User Experience
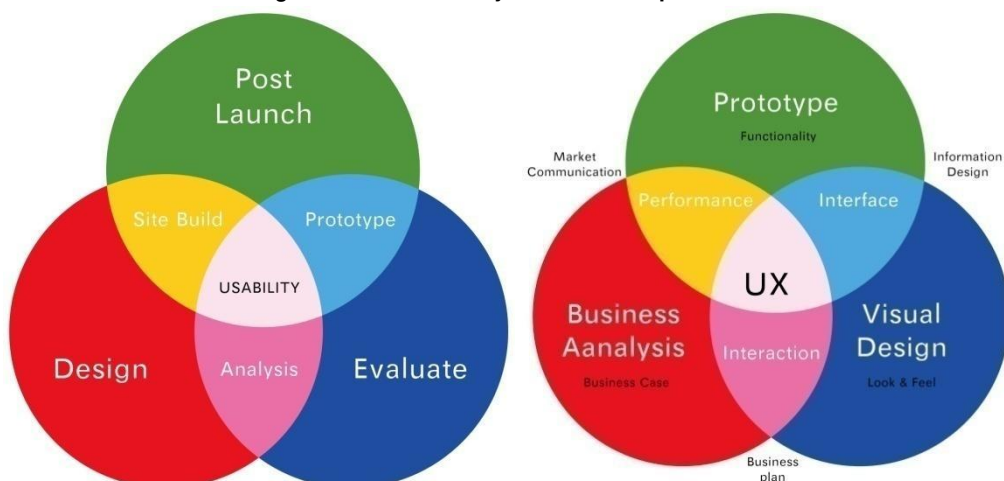
Source: Wordpress - Usability and User Experience (2011/10/19)

The user experience (UX) is the entire experience, including sensations, feelings, emotional responses, assessments and user satisfaction, regarding a product or service as a result of the process of interaction with this product or service, as well as interaction with its provider.

The UX represents an emerging change of usability, where the goal is not just to improve the performance of user interaction -effectiveness, efficiency and ease of learning- but try to solve the problem of usefulness of the product as well as the psychological problem of pleasure and fun use by the user. 13

The user experience design presents a highly interdisciplinary approach that results in a holistic view of designing products and services. Some of the disciplines that comprise are as follows: industrial design, marketing, ergonomics, engineering, psychology, sociology, visual arts, semantic, business administration, ...

Figure 21: User Experience Honeycomb

Source: Semantic Studios (user_experience_design/)

Key element: Interaction

The User Experience model proposed by Arhippainen and Tähti is quite complete and comprehensive, classifying different factors in five different groups:

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[13]http://www.nosolousabilidad.com/articulos/experiencia_del_usuario.htm

Figure 22: User Experience Model
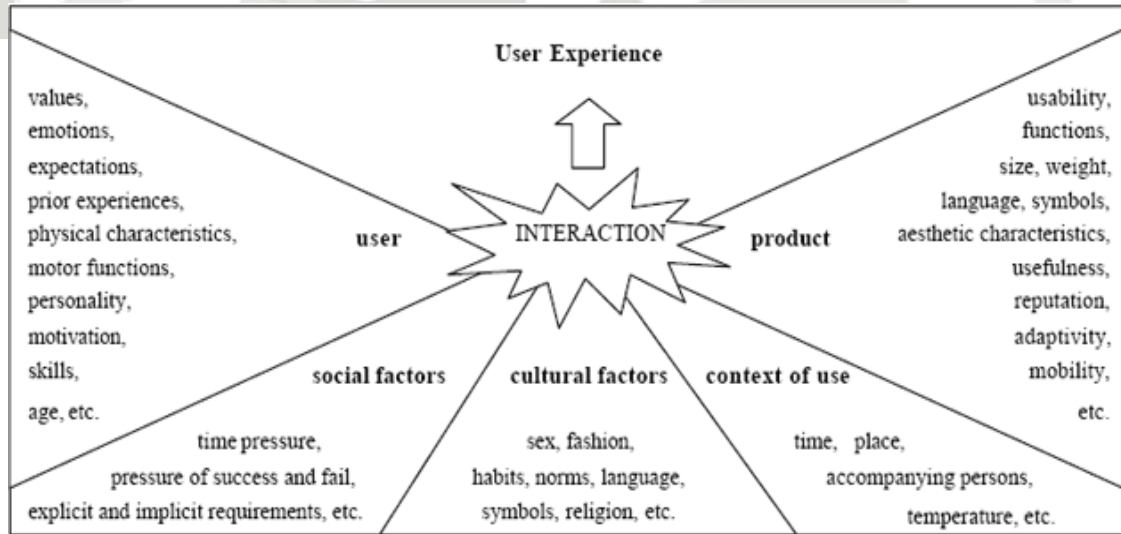
Source: Arhippainen and Tähti UX Model (2003) [14]

In this way the interaction that generates the user experience takes into account that it is not only determined by the product itself (or service) and the user profile, but also by the external environment (social and cultural factors) beyond our control and the closest context of use, where it is possible act directly.

The user experience is a result of a motivated action in a certain context. Thereby, previous experiences and expectations influence the present experience, as well as the present experience leads to more experiences and modified expectations. This cumulative effect allows the entrepreneur to retain users through intangible emotional elements that are difficult to emulate by competitors.

Figure 23: Timeline of User Experience
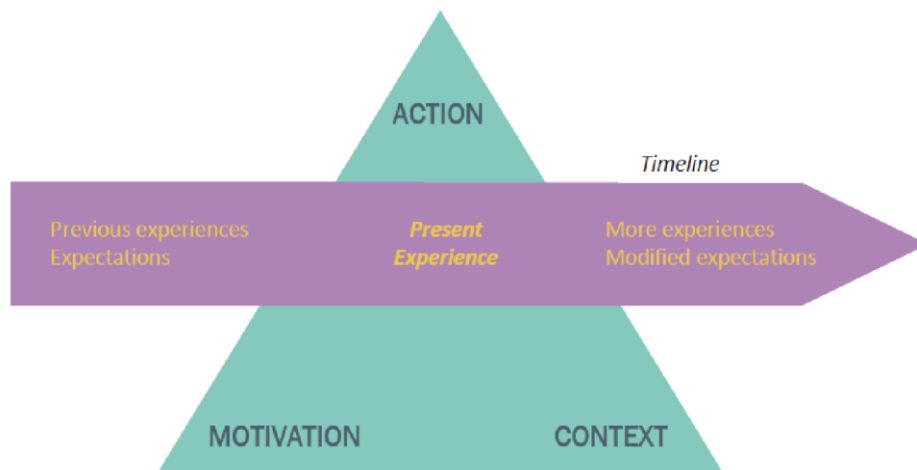
Source: Silver Tourism project

[14] Arhippainen, Tähti. (2003), Empirical Evaluation of User Experience in Two Adaptive Mobile Application Prototypes. http://www.ep.liu.se/ecp/011/007/ecp011007.pdf

Knowing the user

A guide to know the user emotionally is:

First, **user groups** and their emotional needs will be established according to their characteristics. Subsequently, an approach through **observations** will begin. In these observations we will pay special attention to the easy of access to the product (or service). That is, ease of use, ease of **learning** and ease of remembering how it works. Also its use **efficiency** and the frequency and degree of errors. Finally, we also study the **subjective satisfaction** to the user.

During the observations we must make an **association** between emotions and when they occur. To achieve this, a flow chart of interaction process will be produced, identifying when and what emotions occur.

As detailed above, over time emotional responses of users (in tests) may facilitate satisfactory user experiences. The aim in the medium and long term is to achieve an emotional relationship between user and the product or service in order to obtain the best results.

Figure 24: Experience over time
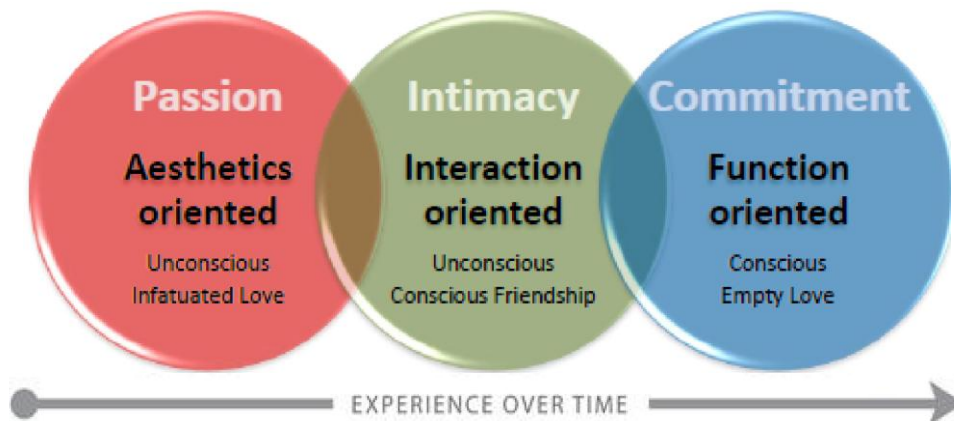
Source: Silver Tourism project

2.2.3. MEASURING EMOTIONS.

The measurement of emotions is essential in order to understand them, being the first step for modifying an emotional design that will allow improving of touristic products and services. But this process is not easy and usually refers to purely subjective issues that result in qualitative values.

Below are some methodologies that allow us to translate emotions easier in order to interpret how to achieve our goals.

Method of Semantic Differential

Charles E. Osgood developed in 1957 the "Method of Semantic Differential" in which perceptions of objects were quantified. Thus, the idea of aesthetics began to take part in the scientific-technological context.

This tool allows to know the different meanings around two conceptual dimensions: denotative value (which appears in the dictionary) and connotative value that refers to the personal perception of a particular object. The connotative value, since is related to emotion can vary its intensity level. This degree of intensity can be viewed when facing opposite concepts, placing each of them at the edge of a scale. To assess the degree of intensity of the emotion that produces an object can be used the following:

Sadness	-5	-4	-3	-2	-1	0	1	2	3	4	5	Happiness
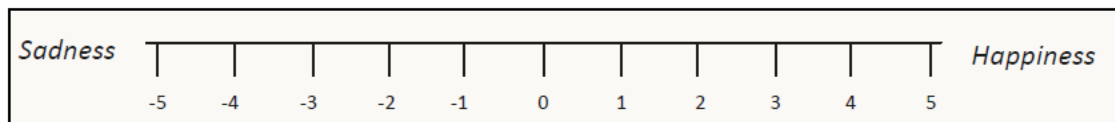
These adjectives can be categorized into 3 dimensions as follows: 15

- Evaluation, that usually contains word pairs that allow to know attitudes towards the concept under study. Examples: good-bad; beautiful-ugly; wise-foolish; timely-untimely; etc.

- Potency, that usually contains word pairs that reflects the intrinsic strength of adjectives. Examples: hard-soft; large-small; strong-weak; etc.

- Activity, that is characterized by word pairs that allow to know the dynamics of adjectives. Examples: active-passive; fast-slow; hot-cold; etc.

This tool requires generate a database maintained by a series of bipolar adjectives, making clear that if the amount is greater more finely tuned results will be obtained.

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[15] Schütte, Eklund, Axelsson, Nagamachi. "Concepts, methods and tools in Kansei Engineering".Article in "Theoretical Issues in Ergonomics Science" - May 2004.

Quality function deployment

The **Quality function deployment** (QFD) is a method to transform qualitative user demands into quantitative parameters, to deploy the functions forming quality, and to deploy methods of achieving the design quality into subsystems and component parts, and ultimately to specific elements of the manufacturing process. 16 Summarizing: it is a method that transforms customer requirements in technical characteristics for the design of a product or service.

The process begins by listening to customers in order to determine the characteristics of a product or service. This information helps to identify customer requirements by using of surveys, results of complaints and claims, market research, and individual and group interviews. In addition, the characteristics should be prioritized according to the customer's valuation.

Once the technical requirements that relate to the achievement of customer requirements are defined, may be decided the most important characteristics to achieve.

Moreover, the most popular tool on QFD, the **House of Quality,** considers a product comparison with the competition from the perspective of customers. Thus the designer will understand better what is the relative positioning of the product against the competitors in the different aspects valued by customers, allowing also visualize the strengths and weakness in this dimension.

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[16] Akao, Yoji. (1994), "The Customer Driven Approach to Quality Planning and Deployment".

Figure 25: QFD House of Quality for Enterprise Product Development Processes [17]
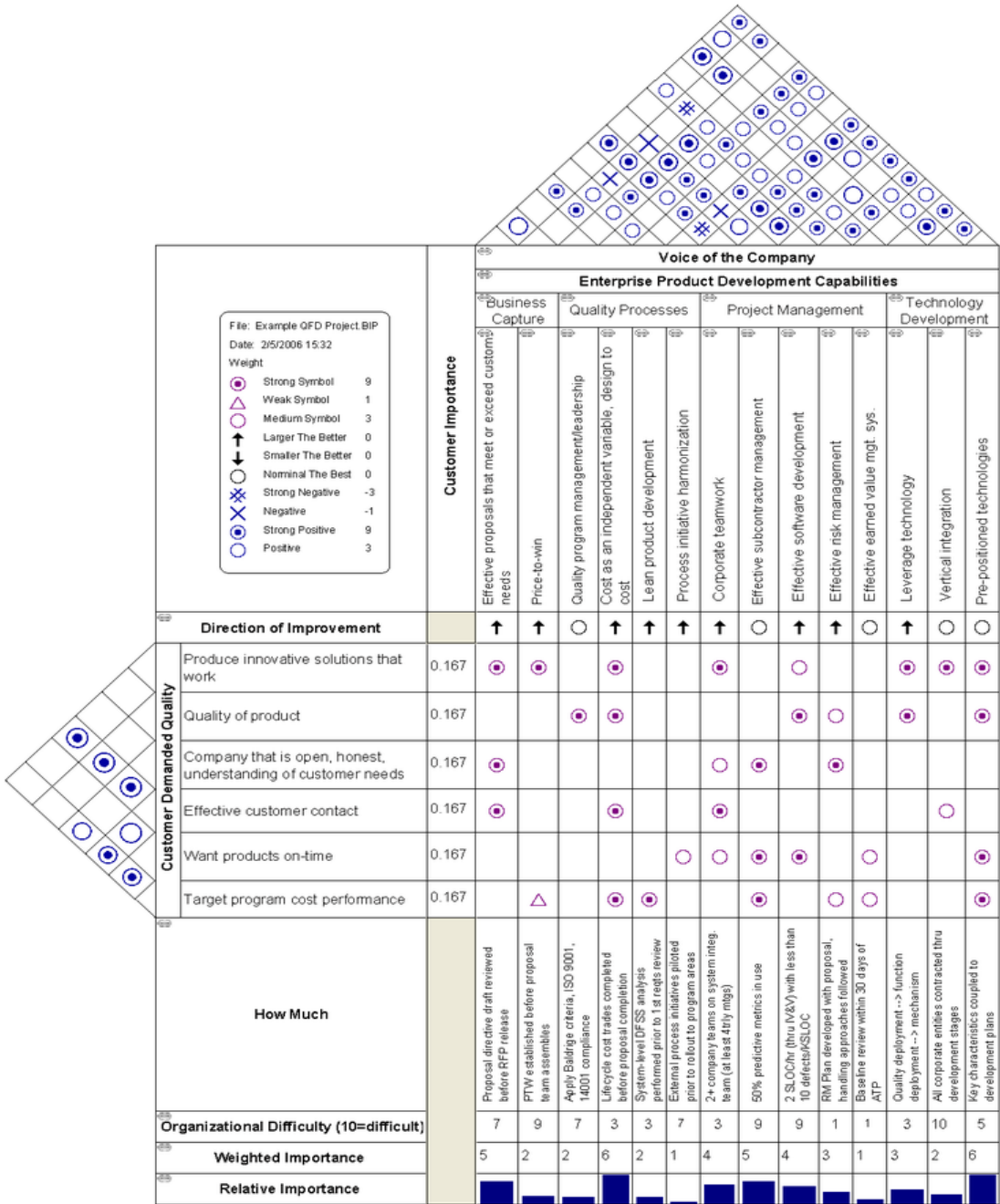
Source: Wikimedia Commons (A1 House of Quality.png)

2.2.4. DESIGNING EMOTIONAL PRODUCTS AND SERVICES.

Once the different emotions that a particular product or service causes, it is time to use those data to design (or re-design).

Engineering takes much advantage in emotional design (related to products). This course does not seek to get into engineering field but is more oriented to design touristic services aimed at senior target. For this reason, only a couple of methods that can help the persons concerned to conduct their own studies will be exposed, always having in mind that these works would be based on their needs and means.

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Kano model

The **Kano model** is a theory of product/service development and customer satisfaction which classifies customer preferences into five categories:

- Must-be Quality, attributes that are taken for granted when fulfilled but result in dissatisfaction when not fulfilled.

- One-dimensional Quality, attributes which result in satisfaction when fulfilled and dissatisfaction when not fulfilled.

- Attractive Quality, whose attributes provide satisfaction when achieved fully, but don't cause dissatisfaction when not fulfilled.

- Indifferent Quality, that refer to aspects that are neither good nor bad.

- Reverse Quality, whose attributes refer to a high degree of achievement resulting in dissatisfaction and to the fact that not all customers are alike.

Figure 26: Performance trend of Kano model
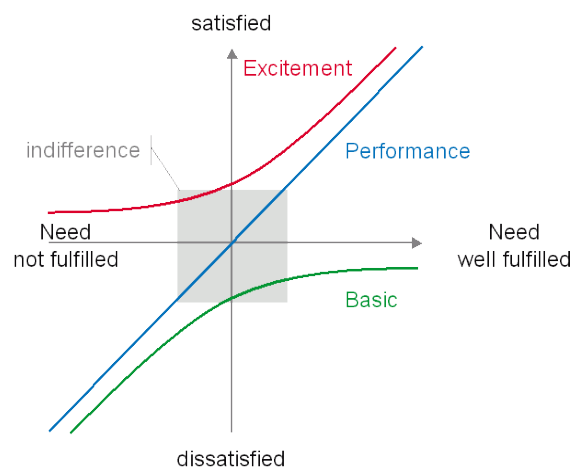
Source: Wikimedia Commons (File:Kano_Model.gif)

The model can be structured into the following steps:

1. Define the characteristics or performances of the product or service, without forgetting the most basic (legal requirements, functionality, durability, etc.), along with all those to be considered in the new design.

2. Develop a questionnaire containing a couple of questions for each of the features or performances of the product or service.

3. Select a representative sample of the target market segment.

4. To study the results of the survey, obtaining a classification of the characteristics or performances of the product in the following three levels **(basic quality, on-quality and improved quality).**

Thus, using the Kano model, innovations implicitly demanded by users are detected and it is possible to focus attention on those elements. Have in mind that over time innovation becomes another basic need.

Kansei engineering

Kansei is a Japanese word that translates as "psychological feeling". In this way, Kansei is the feeling or stimulus that a person might have facing a particular product, environment or situation, when fully uses him/her senses. These Kansei are mostly adjectives although they can also be words in different languages, facial expressions or drawings.

Kansei engineering is a methodology for developing new consumer-oriented products. It was developed by Mitsuo Nagamachi in order to facilitate the translation of the emotional expectations of customers in technical design specifications. Kansei engineering provides the methodology to integrate the semantic space (Kansei values) and attributes' space (product characteristics), analyzing them by using statistical methods, thus obtaining useful information for decision-making in product design.

— 1st stage. The customers' feelings on the product are collected using the semantic differential method (before explained).

— 2nd stage. The relationship between characteristics of product design and their feelings (or Kansei words) is studied.

— 3rd stage. Software tools are used to build a Kansei Engineering framework that allows using easily and systematically the relationships found when designs were analyzed or planning future developments. This tool should also allow regular updating of feelings.

Reflective questions

Is it possible to extend the emotional aspects to complementary services, such as client relations or after-sales service?. There are certain services where emotional factors are either negative or harder to evoke. Could be found alternative ways to solve this?

Further information and references for learning, teaching and assessment activities

- Norman, Donald Arthur (2005). Emotional Design. Basic Books.

- Emotional Design for Hotel Stay Experiences: Research on Guest Emotions and Design Opportunities

   Hotel guest emotions and design opportunities in relation to hotel stay experiences are the basis of this study. The three-level model of emotional design for hotels is proposed to clarify the relationships between hotel offerings, design emphases, guest emotions and guest perception, with theoretical basis on a synergy of knowledge in emotional design, experience design, and hospitality. This paper also outlines a design research study that aims to explore sources that evoke guest emotions, uncover concerns and meanings from the travelers' perspective, and identify design opportunities which will lead to potential innovations in both tangible elements and intangible processes for enhancement of hotel stay experiences. For the purpose of this study, an analytical approach based on appraisal theory in psychology is also introduced for examining hotel guests' emotional experiences and extracting relevant insights for design.

   https://www.sd.polyu.edu.hk/iasdr/proceeding/papers/Emotional%20design%20for%20hotel%20stay%20experiences_%20Research%20on%20guest%20emotions%20and%20design%20opportunities.pdf

- Emotions in Online Destination Management: Towards the Development of a Destination Website Emotional Design (W.E.D.) Model For Romantic Travel Consumers.

   With the increased use of the internet for information search, entertainment and purchasing, electronic commerce has significantly altered the marketing environment for tourism products and services. As people spend more time online, emotional aspects of Website interfaces are becoming more important (Kim, Lee & Choi, 2003). The research will seek to promote the design of emotionally evocative Website interfaces as one strategy that could be used to curtail the decline in visitors but more importantly, to serve the emotional needs of the romantic travel market. Emotions have been identified as a major catalyst in the consumer decision making process. The

proposed research will be geared towards the development of an "e-motional scale" and model for destination Website emotional design (W.E.D.) of tourism destinations.

https://www.researchgate.net/publication/265986987_Emotions_in_Online_Destination_Management_Towards_the_Development_of_a_Destination_Website_Emotional_Design_WED_Model_For_Romantic_Travel_Consumers

- The Dimensions of Tour Experience, Emotional Arousal, and Post-experience Behaviors: A Research on Pamukkale in Turkey

As the emotions settling in the center of the consumptions, the level of the emotional arousal directly affects the human behaviors. As tourists choose the destinations according to the emotions formed by pre-experience and the post-experience, the understanding the formation of the emotional arousal in tourism sector has been a mediator to understand the post-experience behaviors. In this context, the purpose of this study is to identify the dimensions of tour experiences and to investigate the relationship between the tour experience dimensions, emotional arousal, and post-experience behaviors. To examine the relationship between the parameters, a questionnaire based on four dimensions of the 4E model (Escapism, Education, Entertainment and Esthetics) of Pine and Gilmore (1998) were conducted on tourists who visited Pamukkale popular with the white terraces and Hierapolis ancient city in Turkey. The data was analyzed with Structural Equitation Model (SEM). Results of this study indicate that tour experiences can be represented in terms of 4E dimensions demonstrating adequate reliability and validity. As the tour experience was disclosed in 4E model dimensions, only escapism, entertainment and esthetics have positive effects on emotional arousal. And also it was determined that the tourists' emotional arousal affect the post-experience behavior positively as being a fundamental determinants of satisfaction and post experience intentions.

http://www.sciencedirect.com/science/article/pii/S1877042814051180

2.3 Business Planning

2.3.1. RESOURCES AND PROCESSES.

In the left upper part of the Business Model Canvas there are three boxes directly related with the resources that the organization possess and technology and products that the organization knows. This is, where the available resources can be invested in. The three boxes are the following:

Key partners

Any given SME, public administration focused on touristic sector or independent professional need to know about the players that interact somehow with the provision of the services. This is especially relevant in the touristic sector, even if the Silver service were entirely provided by the organization. Since it is a highly fragmented in which the client values destination over the service itself, there will always exist the participation of external agents: providers, marketers or even directly involved partners.

Businesses associate among them for numerous causes. The most common are the following ones:

> o Optimization and economy of scale: It is impossible for a single company to do everything well. Often times, it is better to focus on the key elements of the business, leaving the other areas to other partners.

> o Risk and uncertainty reduction: Sometimes it is possible to collaborate with direct competitors. Not as a global alliance, but more as a collaboration in certain areas to reduce risks.

> o Resources and activities purchasing: In this way, the organization will be able to share its resources to obtain a return, or utilize external resources without the need of high investments. In a similar way, it will be possible to drop certain non-key activities and focus on the most profitable ones, or vice versa, working to complete the service of the other company.

In this actual socio economic scenario, the global trend is to increase this kind of relationships in business models, and especially in the touristic sector, aiming for flexibility and efficiency. Hence, business create alliances to optimize business models, reduce risks, or even acquire resources. There are four different types of association among businesses:

> o Strategic alliances among non-competitor businesses: An example is the agreement between a hostel that offers bed and breakfast and a nearby restaurant that offers food service or breakfast catering, so both can benefit from this.

o Coopetition: This is a term that mixes cooperation and competition, consisting in the establishment of strategic partnerships among competitor business. An example would be the collaboration among hotels to collectively promote a certain place. Beyond that, they can also collaborate through transferring customers in cases of full occupation. In this way, although those business are competitors, they collaborate for their common benefit.

o Joint Ventures: This collaboration formula is usually employed for the creation of new businesses. Returning to the hostel and restaurant example: one of them has rooms while the other has dining-rooms. A possible joint venture would be the creation of a new business to operate the hostel cafe, combining the know-how of the restaurant and the facilities of the hostel.

o Client-provider relationships: They are established seeking to guarantee supply reliability. That would be the case, for example, of a restaurant that offers a certain brand of fair trade infusions, establishing a relationship of trust between the provider and the hotel establishment.

Key resources

Any business model requires the use of resources which are key to create and offer a value proposal with which obtain incomes. Each type of service will require different resources. For example, a camping requires a land plot and common services to put at their clients disposal, while a cultural guide will only need a professional with a good knowledge of the local heritage.

Key resources may be property of the company, rented or obtained from the identified key partners. There are some types of resources:

o Physical resources: Including facilities, machinery, computer systems,… The needed resources will surely be very different according to the case. For example, a take away catering service for senior customers will require kitchen, products and mean of transport; while in the case of a hired cook it will be the client who provides these resources.

o Intellectual resources: Mainly related with the industrial property, commercial brand, intellectual property rights, databases, etc. On the other hand, it is very important to handle the data of the business' clients, since they represent a key resource to generate cross-selling and client loyalty.

o Human resources: They are essential in the service portfolio. Beyond having technical skills to provide the service, the team should be specifically motivated and trained to satisfy the target client, offer satisfactory experiences.

o Economic resources: Some business models require funds availability or extraordinary guarantees. For example, travel agencies usually take out insurance to operate in the market.

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Key activities

Any company have its own key activities: they are the secret of the business and the know-how that makes possible to provide a good service. Activities may be divided in the following categories:

o Production. Production activities are related with design, development and product delivery under parameters related with quantity or quality level. This kind of key activities are common in fabrication companies.

o Problem solving. These activities implies personalized work, which means concrete solutions for each particular client. Services businesses (consultancy, health,...) are usually directed to this kind of activities, and therefore their members need continuous training and an efficient information management in order to succeed in their business model.

o Platform/network. Finally, there are business models designed for the key activities to be subject to a platform or network. That would be the case of certain franchises, e-commerce over external platforms or telematic pay systems.

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2.3.2. VALUE PROPOSITION.

Basically, the value proposition is the reason of the existence of a product or service. It is the solution that it offers to the clients in order to satisfy their needs or solve their problem, and should be focused to a segment of clients of a certain market (in this case: senior clients). The best way to achieve this is through a client centered business philosophy and employing Design Thinking methodologies.

The basic guidelines of the human mind are avoid pain and obtain pleasure, so everything the organization can do in those ways will be welcome for the users. This is the key point: identify what is the most important thing to do to achieve this.

Prior to start defining the value proposition, it is necessary to find a problem which is worth solving. This is a problem still not enough well-solved by the current offer, or a problem whose existing solutions could be improved or one still nt solved. The harder the problem, the stronger the value proposition. In order to find a good problem to solve, it may be used the unit 1 (empathize and define).

Once located a suitable problem, it will be necessary to find a solution for which the client should be willing to pay for. Depending on the type of problem and the current existent solutions, it will be needed:

⇨ **An acceptable solution:** If there are no product or service able to solve the problem, it may be enough to just offer a first acceptable solution. From this point, it can be improved when more market details were known. For example, if there aren't yoga/pilates activities in a certain zone, they can be offered even if the company has not enough experience.

⇨ **A better solution:** In case there are available products, the company should concentrate on improving one or some aspects to differentiate from competitors. In the previous example, if there already are gyms that offer yoga/pilates, it can be created an outdoors service for small groups.

⇨ **A cheaper solution:** Supposing that the company hardly can improve the current solution, a low-cost one can be introduced. However, this is a risky strategy, since the price war may lead to bankruptcy if greater organizations enter the competition.

Once both problem and solutions are defined, the most important is not to create a summary of characteristics of both, but to explain how to solve the problem of the potential clients, mainly benefits provided and differentiation from existing products/services. In the yoga/pilates example, the problem is that the existing service doesn't satisfy the needs of the senior clients, who don't find it attractive the gym's ambience. The solution is offering something more specific for them, both ludic and healthy, utilizing outdoors zones and working in small groups. The value proposition in this case is as follows: "Do a ludic and healthy outdoor activity among friends". As stated before, a value proposition defines what the service can do for the clients and how it can help them to solve a problem for which they could be willing to pay for.

Value Proposition Canvas

The Value Proposition Canvas focuses on the two most important blocks of the Business Model Canvas: Customer Segment and Value Proposition.

First of all, it is about knowing your client, their habits, their problems and the benefits they get when consuming your product / service. Alexander Osterwalder proposes to define the following elements of each customer segment:

- **Customer Jobs.** Regular activities related to your product / service that your customers are trying to do regularly.

- **Pains**. Situations or undesired costs experienced by your clients when performing the above activities.

- **Gains.** Benefits that your clients expect to get from doing these activities.

Second, we will fine tune our product / service to guide the customer:

- **Products/services.** Those you offer your clients to help them with the activities outlined.

- **Pain relievers**. The way you solve the problems or needs of your customers.

- **Gain creators.** The way you are bringing benefits to your customers based on the expectations of your customers mentioned above.

This canvas we have seen is a good complement to the Business Model Canvas, as it will allow you to find the Product-Market Fit, stopping over what your market really needs, your customers. The Business Model Canvas will help you find a business model that is sustainable and scalable. Exercise 1 in this chapter is dedicated to working this tool.

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2.3.3. MARKET.

Observing the Canvas as services road map, it follows that starting from a given resources, counting with external collaborators and adding the work of the organization, it is obtained a value proposition which differentiates the Silver Tourism service. This will match the empathy, define, ideation and prototyping phases. The next step is to test the service and, after that, implement it in the organization usual activity. That means to put the service in contact with the market.

Following the process, three can be found three boxes that define the relation of the organization with the market.

Customer relationship

In order to provide a service, it is mandatory to define the type of relation that is desired to be established with each kind of client. With the rise of the ICT, strictly automatised relations are gaining importance, opening an opportunity niche for services offering a more human relationship.

Clients relations involve new client attraction activities, loyalty of the actual ones so they keep using the service in the future, or additional sales stimulation (cross-selling, consumption increase, etc.)

It is possible to distinguish among the following client relation categories:

o Personal assistance: Based in human interaction, in which the clients have an interlocutor to help them. This is the typical communication with clients in sale points or telephone attention services.

o Exclusive personal attention: Is the case in which each client specific have a certain interlocutor, establishing a closer and deeper relationship. Examples are a personal trainer or a freelance travel agent.

o Self service: this kind of communication with clients lacks of any direct relation. The service provision lies in putting a series of services at their disposal, from which they can freely choose. They are also offered tools in order to help them in their decision process.

o Automatic service: It is a sophisticated type of self service, in which types of clients are identified according to their different characteristics and provided useful information to guide them during their selection.

o Communities: This relationship eases the relations among users to share experiences, while enables the company to better know their clients.

o Collective creation: Considered the most effective and useful to provide value to a certain service, since clients become part of the organization and collaborate to design their own service.

The main tool for analyzing stakeholders is the Stakeholders Map. The objective of the Stakeholders Map tool is to map "who's who" in our sector, identifying potential stakeholders to analyze how they can influence our project, how they relate to each other, or determine the degree of influence among all. But the really interesting thing is to be able to establish a connection or strategic relationship with each one of them. The process for conducting a good stakeholder analysis is simple:

- Identify stakeholders. For this you can use the stakeholders map.

- Prioritize them according to the interest and power of influence on your project.

- Understand the motivation of each stakeholder in relation to your project and establish the type of strategic relationship for each of them.

Exercise 2 in this chapter is dedicated to working this tool.

Channels

Communication, distribution and sales channels permits establishing the contact of our services with clients, representing contact points performing an essential role in the client experience. Channels have 5 different phases, although not all of them must be carried out:

– Information: Ways to make the service known

– Evaluation: Help clients to consider the proposition of value

– Acquisition: How can a client have access to the service

– Performance: Provide a client with the proposition of value

– After-sales: Services provided once the organization received payment

Regarding types of channel types, there are numerous ones that can be divided in:

– Direct / Indirect. An example of direct channel would be sale and service in-situ, while and indirect one could be anticipated sale of tickets through an external service.

– Own / partner-owned. A country house that only accepts booking through its own website could be an example of own service. This business could use an e-commerce site as a partner as an additional channel, which surely have a better positioning and a wider service offer, granting a better access to new clients in exchange for a commission.

When commercializing a value proposition, it is essential to succeed in selecting the best combination of channels to approach the client properly. The organization should find the equilibrium among different channels so they can be integrated in a way that ensures a satisfactory experience for clients.

Customer segments

Every business model should be client-centered, since no company can survive for too long without them. Through segmentation, an organization improves the satisfaction of his clients offering them services that meets their needs in a higher degree.

Silver Tourism have its own defined segmentation in a certain way, although it is possible to make a further segmentation to provide the service offer with a higher chance of success. Clients can be grouped in segments as long as:

1) Their needs require and justify a different offer of services

2) Require different channels to reach them

3) Need a different type of relationship

4) Generate a different profitability

5) Have willingness to pay for different aspects

The following kinds of segmentation may be considered:

o Mass market: There is no segmentation, directing the service to general public, with no distinctions

o Market niche: The business model is oriented to a specific and specialized market segment, adapting proposition of vale, channels and relations with clients to meet the requirements of the said public.

o Segmented market: Model focused to different market segments, which present slightly different needs a problems.

o Diversified market: Through this business, an organization serves different market segments, although they lack any relation among them or have substantially different needs and problems.

o Multilateral market: This is the case of a business model focused to different market segments, all served by the same service. For example, a company that organizes a gastronomic festival needs to succeed attracting public to the event, offering them a pleasant experience. Furthermore, there shall be also collaborating companies, taking part on it. Both points are necessary for the business model to work.

Further information about market will be provided in unit 3.

2.3.4. FINANCIAL ISSUES.

Previous sections showed the process since the service is defined until it is provided to clients. It was studied from a feasibility perspective, considering the available resources and technology. On the other hand, now it is the time to study that process from a financial point of view. The two boxes located at the bottom of the Business Model Canvas are related to it: Cost Structure and Revenue Streams.

Revenue Streams

If the clients are the center of a business model, the income sources are its arteries. A Silver Tourism designer must estimate how much a certain client is willing to pay for the service. It doesn't mean that only one factor should be taken into account, since it is possible to segment and set different prices according to the employed channel, type of relation, etc.

Essentially, it is possible to differentiate two income sources in a business model.

1. Transactions incomes, derived from clients' timely payments

2. Recurring incomes, derived from clients' periodic payments in exchange for the provision of a value proposition (common in after-sales services)

There are many ways to generate incomes. The most important are the following:

o Sale of assets: sales of property rights over a product. It is the most common in the commerce sector.

o User fees: payment of a price for the utilization of a certain service. An example would be the booking of a hotel double room for one night.

o Subscription fee: payment of a price in exchange for the continuous access to a service, regardless of the use.

o Loan/renting/leasing: payment of a fee that grants exclusive access to an asset for a limited time. A common example is home rental.

o Licensing: Sometimes, the intellectual author transfer the rights, with some restrictions, in exchange for a payment. This is the case of franchising, that transfer their brand and know-how and receive a fee.

o Brokerage costs: In some cases, brokers carry out operations on behalf of two or more parts. An example would be a travel agency that gain a commission from selling flight tickets

In addition to the different ways of generating incomes, pricing mechanisms for the Silver Tourism service should be taken into account.

Pricing methods are based in static variables, according to product characteristics (i.e., a basic and a premium service), the market to which it is focused to (i.e., a discount to recent retirees), or even the volume purchased per client (i.e., 4 nights + 1 night for free).

Conversely, dynamic pricing methods change according to the market. Thus, they can depend on the result of a negotiation (setting a price and conditions for each case), profit management (as with flight tickets, whose price varies depending on dates and available seats), real-time market, or an auction.

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2.3.5. CUSTOMER JOURNEY MAP.

Once we have considered all the aspects involved in defining a business model, we can get a global idea of the itinerary that a customer is following when receiving their Silver Tourism service.

The Customer Journey Map can be used to have a visual idea about the steps that your customer goes through as they experience your product or service and the impact of each. This knowledge will give you information about the real experience of them in with your products or services, its needs, motivations, and the real contact between you and them.

Two important reasons to use Customer Journey Map:

- ☐ Identify all the touch points that make up the customers´ experience of your products or service, in order to improve it at these touch points.

- ☐ Understand the emotional impact the interactions between your final users and your products or services in your existing customer experience.

Exercise 3 in this chapter is dedicated to working this tool.

Reflective questions

Silver public is considered the type of public with the lowest use of ICT. Is it any way to ease the use of ICT new channels of sale and communication?. How can be found alternative revenue streams to finance silver services?

Further information and references for learning, teaching and assessment activities

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- Business Model Innovation in the Tourism and Experience Economy. A Joint Nordic Innovation and OECD Programme on Innovative Green Growth.

  With the programme Business Model Innovation in Tourism and Experience Industries (BMI Tourism and Experience), Nordic Innovation and the OECD initiate a joint cooperation programme.

  The programme has the goal of creating a broad testing ground for business model innovation and green growth in the tourism and experience industries.

  The aim of the project is to assess at what level innovation takes place in the Tourism and Experience industry today, including green innovation, and assess what lessons could be drawn from getting specific Nordic-OECD cross-national company insight using the same approach.

  http://www.nordicinnovation.org/Documents/Attachments/BusinessModelTourismOECDx.pdf

- Social Entrepreneurship and Tourism Philosophy and Practice. Chapter: Business Models for Social Entrepreneurship in Tourism. Editors: Pauline J. Sheldon, Roberto Daniele. ISBN: 978-3-319-46516-6 (Print) 978-3-319-46518-0 (Online)

  This book´s chapter examines the business model construct as a possible tool to analyze how social enterprises create value for their stakeholders. In particular it identifies different operational models and examines how they are particularly relevant to tourism and hospitality. The chapter first reviews the extant literature on business models before moving on to examine their applicability to social enterprises. Key components of the business models are then analyzed in the context of tourism social enterprises. These include the identification of a value proposition, key resources, key networks, and an analysis of economic capital, revenue streams, cost structures, legal structures and marketing and distribution channels. The paper's conclusion argues for more extensive use of the business model construct by tourism social entrepreneurs to help them become more successful and sustainable. This will provide a more consistent approach to analyzing in-depth case

studies of tourism social enterprises in the future.

https://link.springer.com/chapter/10.1007/978-3-319-46518-0_5

▪ The Value Creation of Social Enterprise in Tourism Industry

The purpose of this study was to find out the value creation of a social enterprise and what is the advantage of the social enterprise if the entrepreneur wants to invest in it. Another purpose is to study and analyse the benefits and competitive advantage between social enterprise and traditional business. This information was gathered from literature, company profiles, annual reports, webpage and the Internet in understanding the few key features of this thesis which are entrepreneurship, social enterprise, value chain framework, the case study example, the Eden Project and the applications of the theory connected with the Eden Project which is an existing example of a social enterprise in the tourism industry. The recommendations made as a result of this study have been implemented as the entrepreneurs now have the understanding of the reason for establishing the social enterprise and how it is contrasting the traditional businesses. It can be understand also with the values created to create social enterprise as a new business idea so therefore they are able to make the decision if they want to start up a social enterprise.

https://www.theseus.fi/bitstream/handle/10024/55387/Melody%20Lee%20Thesis.pdf?sequence=1

▪ Business models among SMTEs: identifying attitudes to environmental costs and their implications for sustainable tourism

This paper examines how environmental resources and costs feature in business models of small- and medium-sized tourism enterprises (SMTEs). Several studies have pointed to the generally positive nature of the relationship between the economic and environmental performance of tourism firms. Yet, although business models act as a vector between these aspects of firm performance, they have been overlooked in sustainable tourism discourse. The paper reports findings from discussion groups of SMTE businesses in South West England during the global economic downturn. Environmental costs and cost control were afforded relatively little importance in terms of value creation; conversely, there was a strong and predictable emphasis on revenue generation. Indirect tactics emerged for dealing with guests' environmental behaviours which reflected this prevailing commercial logic. Green credentials were routinely de-emphasized, sometimes regarded as liabilities, in a form of greenhushing. Responses were framed by reference to social media and how online reviews may negatively impact on future value capture. Conceptually, the business model emerged as an important lens for understanding how environmental resources and costs were valourized. The paper highlights the need to ensure that contemporary approaches to environmental

management in SMTEs reflect the current and fast-changing conditions that frame business models.

http://www.tandfonline.com/doi/abs/10.1080/09669582.2016.1221414

- Business model dynamics in the tourism industry

The tourism industry is subject to constant change, especially since the emergence of the internet and new ICTs challenge prevailing business models and stimulate the development of new organizations. Throughout the years, the increasing online growth gave rise to a new business model of online travel agencies which threaten traditional tour operators nowadays. Tourism companies are exposed to a variety of external and internal factors, which stimulate a continuous need for business model innovations. The most important forces can be identified as social and technological.

The former describes the change in customer behavior in regard to ever more demanding traveler in terms of destinations, value for money and the overall experience. On the other hand, the consistent development of technologies and respective online trend requires companies to invest in business model experimentations, if they want to stay competitive in the fierce travel sector. Based on two case studies, this paper explores how incumbent and entrepreneurial firms are affected by external pressures. The business model evolution of the analysed firms demonstrate that over time there seems to be a convergence between online and traditional travel agencies, which in the long run can lead to a dominant business model in the future.

http://essay.utwente.nl/65327/1/Henne_BA_MB.pdf

- Innovation in the Tourism Industry: the Case of Tripadvisor

This thesis analyzes the evolving patterns of business model innovation in the tourism industry after the introduction of Information Technologies, placing particular emphasis on the case of Tripadvisor.

http://tesi.eprints.luiss.it/15272/1/176581.pdf

2.4 External Context Analysis

2.4.1. BUSINESS STRATEGY

The process of analyzing the implications of external changes and modifying the way that the organisation reacts to them is known as business strategy. A good understanding of the appropriate business analysis techniques will help the designer to contribute to the strategic decision-making processes.

The process to implement this business strategy is as follows. Firstly, the entrepreneur must analyze the external environment to identify those factors that will have some level of impact on the business. For this step it can be used the PESTLE tool to analyze the macro-environment or the Porter's 5 forces analysis, more focused on the micro-environment.

Porter's five forces analysis

This model provides a framework for analyzing the level of competition within a specific industry, and serves to develop a business strategy. The Porter's five forces include three horizontal forces: threat of substitute products, threat of new competitors in the industry, and rivalry between competitors, and also comprise two vertical forces: bargaining power of suppliers and bargaining power of customers. These 5 forces operate in the micro-environment of an organisation affecting the ability of this to satisfy their customers, and its profitability.

Figure 27: A diagram of Michael Porter's Five Forces by Denis Fadeev

**Source: Wikimedia Commons (File:Elements of Industry Structure.svg)**

Simultaneously, the entrepreneur must analyze the business internal capability to assess if there is enough elements for adapting to the market changes. The Growth-share Matrix is a relevant tool to do this.

Growth-share Matrix

Also known as Product Portfolio Matrix or Boston Box, the Growth-share Matrix is used to analyze product and service lines, although is a tool deeply related to the strategic marketing field. This method use a 2x2 matrix in which the vertical axis defines the market growth while the horizontal axis defines the market share. In this way, there are four different sectors to include options of developing: stars, question marks, cash cows and dogs.

Figure 28: Growth-share Matrix
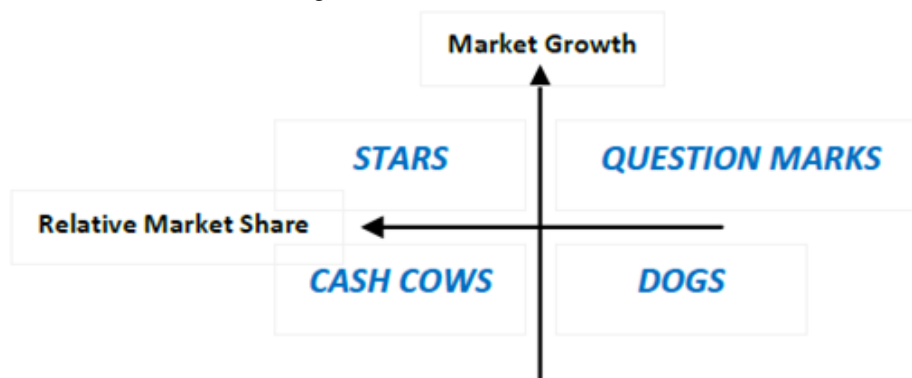
Source: Silver Tourism project

Star services should assume the investment priority, in order to try to turn them into cow services when the market matures. Similarly, the cows will be milked to generate the necessary liquidity to address new stars. Dogs must be discarded for purely economic reasons, although they can contribute to create synergies or provide social benefits. Finally, question marks are businesses operating with a low market share in a high growth market so they have potential to gain market share and become stars, or degenerate into dogs when market growth declines.

Once these factors has been identified and valued properly it will be defined a strategy to be implemented in our business, using tools like the SWOT analysis or the Ansoff Matrix.

Ansoff Matrix

Also known as Product/Market Matrix or Growth Vector, the Ansoff Matrix is used to identify growth opportunities in the business units of an organisation, expressing possible combinations product/market in which the company can establish its future. It can express four different growth alternatives: market penetration, market development, product development and diversification.

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Figure 29: Diagram showing the Ansoff Matrix by Jaison Abey Sabu

Source: Wikimedia Commons (File:Ansoff Matrix.JPG)

An external analysis will help the designer to determine which opportunities and strengths can be exploited to take advantage and obtain successful products/services, as well as to identify both barriers (social, cultural, …) and legal issues which could hamper developing regular transactions.

2.4.2. PESTLE ANALYSIS.

PESTLE is an analytical tool, often used when launching a new product or service, which considers all external factors and their impact on a location, organisation or business. Represents an useful method for understanding the environment in which the product/service is provided.

This is considered a suitable methodology in the following cases:

- ✓ Planning to launch a new product or service
- ✓ Selling to a new region or country
- ✓ Exploring a new route to current market

The main objective of PESTLE is identifying issues that fulfill one of these criteria:

- – they are beyond the control of our organisation
- – they will have some impact on our organisation

To do that it is necessary be aware of the specific externalities affecting especially the senior target audience. The PESTLE method comprises the following factors:
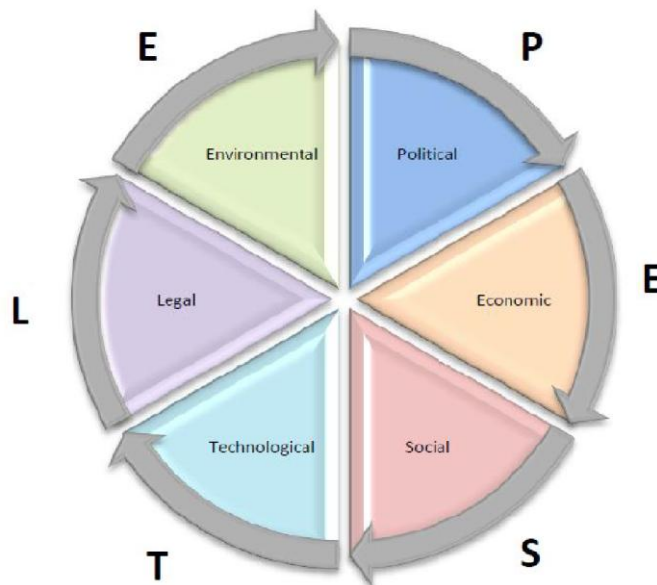
Source: Silver Tourism project

Regarding the process to use the PESTLE technique, the procedure is as follows:

1. List key issues that are outside the organisation's control.
2. Identify the implications of each issue.
3. Rate the relative importance of each issue.
4. Rate the probability of it to occur.
5. Consider the implications, in case that it eventually occurs.

Don't confuse PESTLE and SWOT. While SWOT is a flexible tool that seeks to measure a specific proposal (product or service), PESTLE measures the potential of a market situation, pointing its mode access, offered potential, and so on.

Political factors

One of the external factors to consider is the political sphere. Governments play a major role in economic activity, especially regarding regulation. Equally important is the public role as a supplier of public services (directly or via public procurements) to mitigate the difficulties faced by disadvantaged groups, such as retired people. Businesses need to be able to address the current situation, as well as anticipate to the future adjusting their strategies accordingly.

Some issues to have in mind:

⇨ **Political stability.** The EU provides a framework of political stability since all its members have free and strongly consolidated democratic systems in addition to develop a political vision strongly oriented to sustain the welfare state, allowing an appropriate business climate while avoiding social disparities that could cause problems for the tourism sector. In this regard, the EU becomes a guarantee of security for tourists globally.

⇨ **Tax regulations.** Tax regulations significantly affect the business world. In the EU there is a wide disparity of taxes and fees that produce distortions in the internal market between regions and others.

⇨ **Employment law.** Labor legislation is very relevant since human resources are key to the efficient delivery of services.

⇨ **Trade restrictions.** The birth of the European Economic Community involved the development of a common market and a customs union of all members. Regarding the tourism sector, the EC Treaty guarantee to EU businesses the freedom to establish themselves in any other Member State, as well as the freedom to provide their services to the common market. The EU allows free movement of goods and services between their countries, as well as people in the framework of the Schengen area. 18 In the tourism sector, the Schengen agreement entails freedom and security for travellers, including those from outside the EU.

⇨ **Health and safety requirements.** It is also very important the compulsory social contributions that serves primarily to pay the welfare services like health system, pensions, social and unemployment benefits, ...

⇨ **Bureaucracy issues.** One of the key issues in obtaining permits and licenses is the bureaucratic and administrative framework with which we will meet.

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[18] http://ec.europa.eu/dgs/home-affairs/what-we-do/policies/borders-and-visas/schengen/index_en.htm

⇨ **Government leadership.** The EU is working in a new political framework for tourism in Europe to achieve that Europe becomes the world leader touristic destination. 19 Furthermore, European policies *"underlines the need to identify the different groups within the community of elderly, defining their market preferences and needs in order to develop business plans adjusted to ensuring the best possible development of age-friendly tourism in the EU".* 20

⇨ **Stability of neighbors.** The situation of political stability is also defined by neighboring countries. Phenomena such as immigration, wars, political instability, terrorism, etc., affect to a greater or lesser degree the tourist activity, either in the countries of destination or in the countries of emission of visitors.

⇨ **Corruption levels.** Closely related to the bureaucratic system, the presence of high levels of corruption muddies the business climate, seriously affecting it.

⇨ **Consumer protection laws.** Of course, strong legislation has been developed for consumer protection, so that in addition to meeting their needs, we must consider existing legislation.

Economic factors

Economic environment has a significant impact on how an entrepreneur does business and the profits that can obtain. These factors can be divided into macro-economical and micro-economical. While macro-economical factors deal with the management of demand in the economy, the micro-economic attends to the way in which people spend their incomes.

Some issues to have in mind:

⇨ **Economic growth.** Economic growth is determined by the increase of income or value of final goods and services produced in a economy. Thus, economic growth often leads coupled an improvement in the standards of living of the population (as a whole). However, to have a clear idea of how economic growth affects it is needed have in mind various aspects such as the level of distribution of wealth, negative externalities that occur as a result of growth (mainly environmental aspects), sectoral economic structure, and so on. At the strategic level it is also very important to recognize how much the tourism sector is cyclical and how the economic slowdown may affect it.

⇨ **Inflation.** Inflation is the generalized increase in the prices of goods and services. We must take this factor into account when setting prices,

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[19]COM(2010) 352 final - Europe, the world's No 1 tourist destination - a new political framework for tourism in Europe
[20](2016/c 120/03) Opinion of the European Committee of the Regions - Age-friendly tourism

especially if there are medium- or long-term commitments.

⇨ **Cost of living**. Also related to inflation, the cost of living refers to the level of consumption that people can afford. This factor is decisive in the case of tourism since it can significantly affect the decision between destinations due to economic advantages for the traveler.

⇨ **Exchange rates.** A key factor to take into account is the effect of exchange rates between currencies. In this sense, the implementation of the Euro has meant on the one hand access to a large stable market, and on the other, a currency that is stronger in relation to others.

⇨ **Finance and credit.** We must also take into account the facilities for obtaining credit, both for our business and for the financing of visitor consumption through various financial instruments.

⇨ **Economic activity.** The most used economic indicators (GDP or GNP) are related to the value of the production or the wealth of a country. In the case of tourism, the access to public goods and services that the destination can offer, including from means of transportation or health services, to security or cultural heritage, are appreciated. In this sense, a higher level of wealth or higher production usually entails greater access to public goods, or the provision of private services.

⇨ **Globalisation**. The economic globalization is supposing a high impulse of the traffic of people, benefiting the tourism sector.

Social factors

Socio-cultural factors involve those areas such as shared belief and attitudes of the population. These factors have direct effect on what drives customers. For this reason, in the field of tourism is important to know not only the local population but also the social and cultural characteristics of the travelers.

Some issues to have in mind:

⇨ **Lifestyle.** In this sense, it is important to highlight the concept of social tourism[21]. According to BITS (Le Bureau International du Tourisme Social), social tourism is based on five criteria: the right of the majority to enjoy tourism; the contribution of social tourism to social integration; the creation of sustainable tourism structures; the contribution to employment and economic development; and the contribution of social tourism to global development.

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[21](2006/C 318/12) Opinion of the European Economic and Social Commitee on Social tourism in Europe

⇨ **Attitudes and beliefs.** In this section we must consider from religious beliefs to the predominant cultural traditions of both destinations and visitors.

⇨ **Historical issues.** The culture and tradition of the people is determined in many cases by historical issues.

⇨ **Demographics.** Within the demographic section we must consider the age distribution (especially if we are targeting senior people), population growth rate, social mobility, etc.

⇨ **Education.** Within the social aspects, the educational level becomes especially relevant as it provides the basis on which the social capacity of the people that make up a nation is based.

⇨ **Cross-cultural communication.** In a way related to education, intercultural communication is key in the tourism sector because it allows the visitor to experience satisfaction of the knowledge of a different culture.

⇨ **Employment levels.** Although related to the economic sphere, employment levels are considered a social factor since they are related to the possibilities of the large mass of population to have the capacity of consumption to use in tourism.

Technological factors

The technological innovation is the key lever that provides growth and welfare in the current Knowledge Society. Increases in productivity are becoming exponential and it seems that society flows at a breakneck pace. Thus, specifically in the tourism sector, these changes affect how the operators design their products and services incorporating new forms of production (changes in processes), innovative designs, new ways of marketing and distribution, and especially new ways of communication to customers (using ICT tools). Some issues to have in mind:

⇨ **Research and development.** Economies that invest more in R & D usually achieve higher levels of wealth and competitiveness.

⇨ **Rate of change.** It refers to the rate of renewal of economic assets. For example, if an economy has a high rate of change, it will have more innovative equipment and services. But in case of low rate of change, it will have them more obsolete.

⇨ **Production efficiency.** Directly related to investment in R & D and the level of innovation of society, efficiency in the economic system means an improvement of the overall competitiveness of the industry in both prices and quality levels.

⇨ **Use of outsourcing. In** the case of economies with greater use of outsourcing, there is usually greater flexibility and adaptation to market changes, in addition to greater competitiveness.

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⇨ **Knowledge management systems**. The intensive use of the TICs allows to implement better management systems that can translate into improvements of competitiveness and improvement of the user experience.

Legal factors

It is clear that businesses need to know what is not legal in order to trade successfully in the market. The European Union comprises a broad set of countries with their own legislative organization. This means that there is a very wide range of rules and regulations that can affect various businesses, not only in the national, but also regional and even local. Nevertheless, the EU sets out general rules applicable throughout the Union.

Some issues to have in mind:

⇨ Taxation

⇨ Employment

⇨ Consumer rights and advertising laws

⇨ Health and safety

⇨ Regulatory bodies

Environmental factors

Until recent years environmental issues have not seriously concerned about the economic leaders. In recent times, issues such as a growing shortage of raw materials, the need to reduce CO_2 emissions to the atmosphere, or new economic theories that incorporate environmental externalities to economic performance are assuming an increasing public concern about this themes. Some issues to have in mind:

⇨ **Energy.** In this section we can include access to energy supply as well as its economic and environmental cost.

⇨ **Weather.** Climate is a key factor in choosing a holiday destination.

⇨ **Contamination.** Pollution of air or water is a serious problem caused by industrialization and economic activity. The new economic trends try to calculate the environmental costs to mitigate the harmful effects through specific policies and legislation.

⇨ **Infrastructure.** The available public infrastructures are also an environmental factor since they make up the public use of the spaces. In this sense, a purely natural space but that does not have easy access supposes an obstacle to generate tourist activity.

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Here is a suggested list of some items that serves to analyze a market:

Economic factors	Political factors
o Disposable income of consumers	o Government, policies
o Cost of living	o Trading policies
o Inflation rates	o Funding, grants, public initiatives
o Unemployment level	o Government changes and elections
o Interest rates	o Internal political conflicts and Terrorism
o Finance and available credit	o Bureaucracy and Government structure
o Foreign exchange rates	o Corruption levels
o International economic trends	o Lobbying and pressure groups
o Taxation system	o Governmental leadership
o Changes in specific fees	o Foreign pressures
o Local economic situation	o Wars and external conflict
o Consumer and business confidence	

Technological factors	Social factors
o Research and development	o Demographics and Immigration
o Global technological advances	o Ethnic factors
o Trends in technological development	o Education
o Replacement technology	o History
o Associated technologies	o Health
o Access to innovations	o Consumer buying patterns
o Changes in technology incentives	o Buying access
o Information technologies level	o Consumer opinions and attitudes
o Intellectual property laws	o Mass media opinions
o Licensing practices	o Lifestyle trends
o Consumer preferences	o Working attitude of people
o Energy uses	o Business management style
o Transportation	o Cross-cultural communication
o Waste removal	o Ethical issues
	o Religious factors

Environmental factors	Legal factors
o Environmental regulations	o Internal market legislation
o Stakeholders values	o Regulatory bodies
o Population attitudes	o Tourism-specific regulations
o Corporate social responsibility	o Transport-specific regulations
o Ecological movements	o Competition regulation
o Customer values	o Consumer protection
o Market value	o Employment laws
	o Environmental laws
	o Health and safety regulations
	o Trends to apply in future laws

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To analyze a specific environment is suggested using of a sheet like this:

Action Plan	Risk	Relevance	Time Scale	Description
What action we must do? Or at least, how could we address these factors?	What is the probability level? High, medium or low	What importance, impact or relevance has for us? Very high, high, medium, low, very low	Short, medium or long term ? When this indicator will affect us?	News, indicators or anything indicators that must be analyzed

2.4.3. EUROPEAN SCHEMES.

A set of EU Funding schemes for the new programming period 2014-2020.

In the previous programming period (2007-2013), the structural funds (ERDF, ESF), the 7° Framework Programme for Research and Technological Development, or the Competitiveness and Innovation Programmes (CIP) were the main EU funds supporting ICT and tourism projects, with some actions also being eligible under the Rural development Fund (EAFRD) through its economic diversification, broadband and LEADER measures.

In the new programming period (2014-2020), EU funds and instruments will continue to support both ICT development and tourism. The structure of funds has slightly changed from the previous period.

ERDF, ESF and EAFRD together with the Cohesion Fund and the Maritime and Fisheries Fund are now linked under a common European Structural and Investment Funds (ESIF) umbrella. Implementation responds to a common provisions regulation with an annexed Common strategic framework (CSF) which has defined 11 thematic objectives for concentration of the use of EU funding in coherence with the EU 2020 strategy. ERDF funding must be concentrated on four thematic objectives, all four of which are relevant to tourism and ICT: innovation and research, digital development, SME competitiveness and low carbon economy. Actions to be financed under the first two objectives are to be coherent with a Research and Innovation Strategy for Smart Specialisation (RIS3) to be defined at regional level. The RIS3 of territories in which DANTE partners are included should include a digital growth section if partners wish to fund ICT projects (for broadband or ICT services and products) through ERDF or EAFRD, preferably mentioning the link to tourism. Interreg Europe will help to exchange and implement good practices on ICT and tourism. ESF will encourage e-skills for workers and EAFRD will develop broadband and touristic infrastructures for renewal of villages in rural areas.

At EU level, businesses and entrepreneurs will be directly supported thanks to COSME (through grants, loan guarantee facility and the equity facility for Growth) to foster competitiveness of enterprises, including in the touristic sector. Mobility of young entrepreneurs will be encouraged through the Erasmus for young entrepreneurs programme.

Finally, at EU level, two funding schemes will directly focus on ICT:

•	The Connecting Europe Facility will provide seamless cross-border public services such as eProcurement, eHealth, or Open Data.

•	The new EU Research programme "Horizon 2020" will fund research activities, from fundamental research to close-to-market innovation. One dedicated work programme on ICT will focus on how to improve ICT technologies and the future internet thanks to cloud development, improvement of software development or wireless technologies.

Reflective questions

Changes in external factors affects businesses, sometimes in unexpected ways. How could be done forecasts that enables organizations to anticipate to those changes and react accordingly?.

Further information and references for learning, teaching and assessment activities

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- Davis, Ron (European Parliamentary Research Service, 2014). Older people in Europe: EU policies and programmes.

- (AGE Platform Europe, 2012) Active Senior Citizens for Europe: A Guide to the EU.

2.5 Sustainable Entrepreneurship

## 2.5.1. UNDERSTANDING THE CONCEPT BEHIND TRIPLE BOTTOM LINE.

TBL reporting is defined as corporate communication with stakeholders that describes the company's approach to managing one or more of the economic, environmental and/or social dimensions of its activities and through providing information on these dimensions. Consideration of these three dimensions of company management and performance is sometimes referred to as sustainability or sustainable development.

However, the term TBL is used throughout this booklet. In its purest sense, the concept of TBL reporting refers to the publication of economic, environmental and social information in an integrated manner that reflects activities and outcomes across these three dimensions of a company's performance.

Economic information goes beyond the traditional measures contained within statutory financial reporting that is directed primarily towards shareholders and management. In a TBL context, economic information is provided to illustrate the economic relationships and impacts, both direct and indirect, that the company has with its stakeholders and the communities in which it operates.

The concept of TBL does not mean that companies are required to maximize returns across three dimensions of performance - in terms of corporate performance, it is recognized that financial performance is the primary consideration in assessing its business success.

Figure 30: Industry Standard - Concept of Triple Bottom-Line
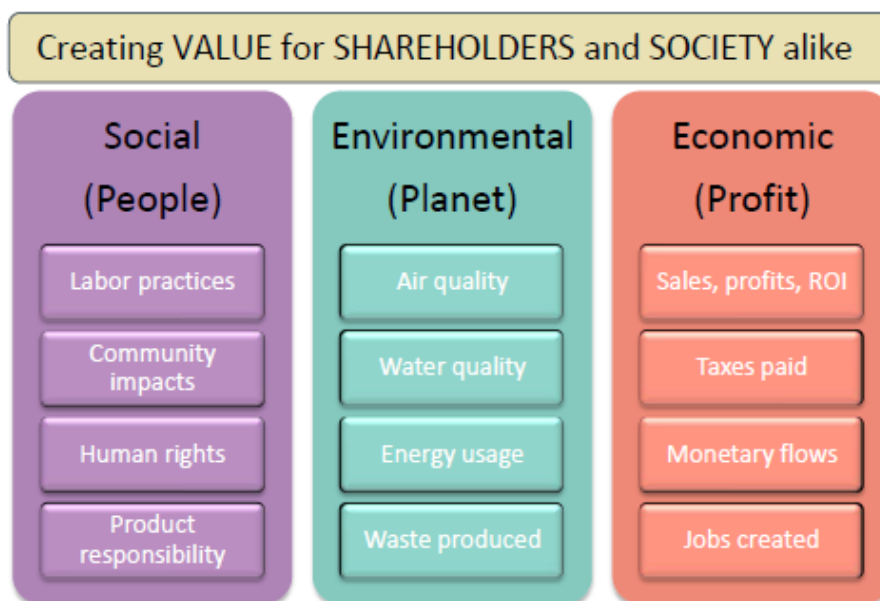
Source: Silver Tourism project

Stakeholders typically include the following groups:

- ✓ Shareholders and investors;
- ✓ Employees;
- ✓ Customers;
- ✓ Suppliers;
- ✓ Community;
- ✓ Commonwealth, State and Local governments;
- ✓ Other stakeholders, including: business partners, local authorities and regulatory bodies, trade unions, and non-governmental organizations.

It is impossible for a company to accommodate the often-competing interests of all stakeholder groups in its public reporting. Essentially the company will seek to prioritise among these stakeholder groups and target its reporting to those stakeholder groups, and on those issues most critical to the company's success.

As TBL reporting develops, increased attention will be given to its role as part of an integrated communications strategy seeking to meet the requirements of key stakeholder groups - the delivery of such 'stakeholder appropriate' reporting is seen to provide greater value to the reporting company and better communicate information to the respective stakeholders to whom the reporting is directed.

Briefly, the main benefits associated to the implementation of TBL reporting are the followings:

- o Improved relationships with key stakeholders such as employees, customers, investors and shareholders.
- o Enhancement of reputation and brand;
- o Securing a 'social license to operate';
- o Attraction and retention of high caliber employees;
- o Improved access to investors;
- o Reduced risk profile;
- o Identification of potential cost savings;
- o Increased scope for innovation;
- o Aligning stakeholder needs with management focus; and
- o Creation of a sound basis for stakeholder dialogue.

Figure 31: 3 Pillars of Reliable Prosperity

Source: Silver Tourism project

2.5.2. ALIGNMENT OF THE TBL APPROACH WITH BUSINESS STRATEGY.

A diversity of factors will determine the initial approach and path forward, including:

- Overall company strategy;
- The nature and form of any environmental and social reporting the company has already undertaken;
- Prioritisation of stakeholders' informational needs;
- Sector specific considerations;
- Company objectives in relation to public reporting; and
- Existing capability to report-resource availability, internal systems, access to data, and availability of reliable data on an ongoing basis.

Whilst the information needs and expectations of a diverse range of stakeholders could be taken into account, companies should limit their reporting to information that is required by key stakeholders. The delivery of such 'stakeholder appropriate' reporting is seen to provide greater value to both the reporting company and the stakeholders to whom the reporting is directed.

Similarly, the specific mode of reporting adopted should reflect the nature of the company's business activities. For example, a financial services company would be expected to focus its reporting on community / social aspects, whereas an oil refinery would be expected to focus primarily on environmental aspects. That is not to dismiss the importance of the environmental impacts associated with the financial services industry nor the social impact associated with an oil refinery, but is illustrative of where allocation of resources and effort are likely to be prioritised.

Critical issues for consideration in the development and implementation of TBL reporting include: clear definition of the role of TBL reporting in driving strategic business objectives; establishment of the resource and cost requirements; awareness of associated legal implications; and understanding the risks involved in publishing TBL information.

Key challenges associated with implementation include:

- Awareness of relevant issues associated with TBL reporting;
- Understanding stakeholder requirements;
- Aligning TBL reporting with objectives and risks; and
- Determining and measuring performance indicators.

In order to maximize the benefits associated with TBL reporting, development and implementation of TBL reporting should be integrated with overall business strategy and objectives.

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A decision to move to full TBL reporting should not be taken lightly. It must have senior management endorsement and commitment, as it may have major resource implications, and a half-hearted approach is likely to be worse than not adopting it at all.

Key Challenge	Approach to Overcoming Key Challenge
Awareness of the relevance of TBL	• Review of international, national and industry sector trends in TBL reporting • Review of competitor activity in TBL reporting • Assessment of the business implications for the company
Understanding key stakeholder requirements & expectations	• Identify stakeholders • Engage in dialogue with key stakeholders • Insight into stakeholder expectations
Clarity in relation to objectives & risks	• Engage senior executives in order to gain their perspective • Assess current capability to meet stakeholder expectations • Determination of objectives & awareness of risks
Measurement of key aspects of Triple Bottom Line performance	• Development of KPIs and metrics • Ensure alignment with stakeholder expectations and company objectives

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2.5.3. FORMS OF TBL REPORTING.

There are a number of different options available for any company considering TBL reporting, including:

- Inclusion of environmental and social information within annual reporting to shareholders;

- A separate environment report or community report;

- Separate environment and social reports;

- Combined social and environment report;

- Full TBL report; and

- Any other form of communication with stakeholders.

Any of these forms of reporting may be published as a reporting document or maybe made publicly available on the company website. Most reporting companies make hard copy publications available and also provide access to the report through the company web site.

The advantage of web-based reporting is that it can be kept up to date on a regular basis whereas a published report becomes out of date over time .The former also allows easier access to stakeholder feedback and the possibility of real time engagement on issues that have current impact.

A possible progression over a number of years for a company choosing to communicate TBL-related information is set out below.

1. Brief marketing publications including newsletters and brochures

2. Inclusion of limited environmental/ social information within statutory reporting

3. Commencement of consistent annual reporting on environmental/ social issues, primarily descriptive in nature with minimal quantitative data

4. Publication of separate environment and/or community reports (emergence of independent report verification)

5. Annual reporting based upon detailed environmental/ social performance data with clear linkage to objectives and outcomes. The report is publicized and provided through a range of distribution channels to stakeholders

6. Integration of economic, environmental and social performance measurement into a single report - Triple Bottom Line reporting

This table is a means of indicating that there is no "one size fits all" approach to communicating TBL-related information to stakeholders. As discussed above, for companies to derive maximum value from public reporting, alignment with stakeholder requirements, and maintaining the qualitative characteristics of reported information is critical. For some companies, those forms of reporting identified in the early stages of the progression may be most suitable for the stakeholder groups to whom such reporting is targeted and, accordingly, any progression towards full TBL reporting is likely to be inappropriate, at least initially.

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2.5.4. LINKS BETWEEN TBL AND FINANCIAL REPORTING.

The information contained in a TBL report often examine micro-aspects of performance that underlies some of the information included in financial reports. Implementing TBL reporting enables a company to identify specific aspects of performance that, if modified, can drive superior financial performance. Besides, environmental and social risks that have the capacity to materially affect financial performance can be identified and, therefore, included in financial reports.

TBL reports usually contain both qualitative and quantitative information, meeting the following criteria: reliability, usefulness, consistency of presentation, full disclosure, reproducible and auditability.

In order to develop metrics that provide a meaningful measure of performance, companies must identify the factors that drive business value and understand the sources of such value, mainly related to areas of company impact: economic, environmental and social. Performance indicators are detailed for each of the aspects detailed in this Table:

Indicator Type	Category	Aspect
Economic Performance Indicators	Direct Economic Impacts	*Customers; Suppliers; Employees; Providers of Capital; Public Sector;*
Environmental Performance Indicators	Environmental Impacts	*Materials; Energy; Water; Biodiversity; Emissions, effluents & waste; Suppliers; Products and services; Compliance; Transport;*
Social Performance Indicators	Labour practices and decent work	*Employment; Labour management / relations; Health and safety; Training and education; Diversity and opportunity;*
	Human rights	*Strategy and management; Non-discrimination; Labour / management relations; Freedom of association; Child labour; Forced labour; Disciplinary practices; Security practices;*
	Society	*Community; Corruption; Political contributions; Competition and pricing; Customer health and safety; Products and services;*

The major steps involved in undertaking the TBL reporting process are: planning for reporting, setting the direction for TBL reporting, implementation of TBL reporting strategy and publication of TBL report.

In order for TBL reporting to drive maximum value, it is essential that the information reported aligns with business strategy and objectives and accurately reflects the focus of company activity in these particular areas. This serves to reinforce the importance of companies developing indicators in a structured way that reflects their objectives and the requirements of key stakeholder groups.

Independent verification of TBL reports is sought by an increasing number of companies to provide assurance about the reliability and integrity of the reporting process and to enhance the credibility of the report.

Reflective questions

How to align the TBL results with the organization objectives?. How to prioritize and measure the impact of performance indicators in the business strategy?.

Further information and references for learning, teaching and assessment activities

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Other interesting reads to assist you in segmentation of the silver tourism are:

- Information on market opportunities within Europe's Silver economy: EPRS (2015) The Silver Economy. Retrieved on November 15, 2016 from

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- A Quantified Triple Bottom Line (TBL) for Tourism

  The tradition of tourism businesses and regional tourism industries is to measure their value to the host community by jobs, wages, and tax revenues even though every member of that community is affected on a daily basis through a broad variety of impacts. This article demonstrates a conceptual approach for measuring the relative importance of the major dimensions of community quality of life that can be influenced by the tourism industry in order to calculate an indication of overall impact on the well-being of community residents. Furthermore, we have formulated an example conjoint model that values this overall performance in monetary units.

This model is successfully implemented using samples of college students and tourism industry professionals in the United States and Cyprus. A monetary version of triple bottom line impacts is calculated for the impacts of changes to a specific hypothetical tourism business. Recommendations are made for the extension and application of this approach to implementing sustainable tourism.

http://journals.sagepub.com/doi/abs/10.1177/0047287512465963

Unit 3.

Marketing
# Silver Tourism
products and services

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3.1 Market Segmentation

3.1.1. HOW MARKET SEGMENTATION FITS IN WITH MARKETING – THE STP PROCESS.

Market segmentation is central component of the STP process, which refers to the process of (1) market segmentation, (2) targeting and (3) positioning. The STP process is considered a key concept in the study and application of marketing. This process shows how an organization chooses to compete within a potential target market.

The first step is to segment the potential target market into smaller markets, followed by a selection of one or more of these smaller target markets. Lastly, the company decides on how to position themselves in relation to the chosen markets. This process leads to the development and implementation of an appropriate marketing mix.

Figure 32: Overview of the position of the STP process

The STP process

Segmentation → Targeting → Positioning

The Marketing Mix
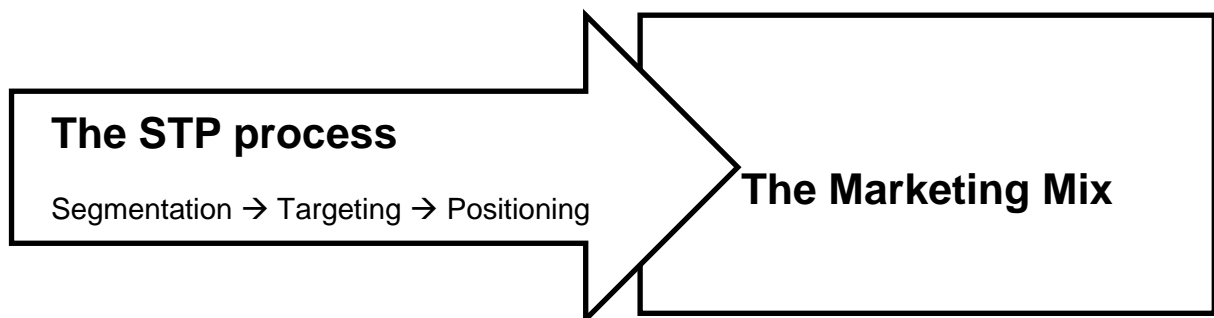
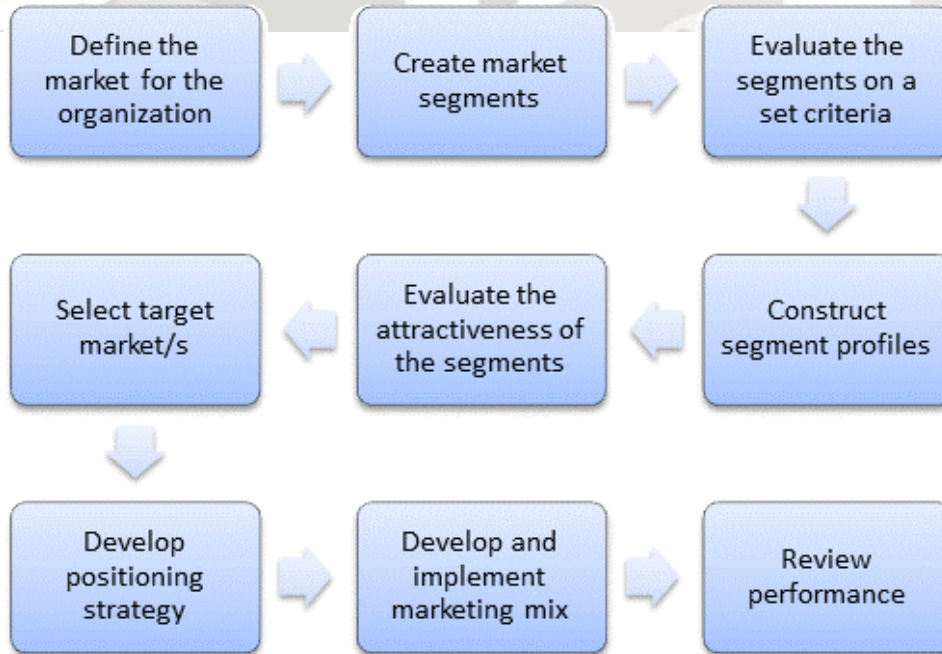**Source:** www.segmentationstudyguide.com (n.d.)

In short, market segmentation can be defined as: *The process of splitting a market into smaller groups with similar product needs or identifiable characteristics, for the purpose of selecting appropriate target markets.*

Target marketing (target market selection) can be defined as: *An organization's proactive selection of a suitable market segment (or segments) with the intention of heavily focusing the firm's marketing offers and activities towards this group of related customers.*

Positioning refers to: *The target market's perception of the product's key benefits and features, relative to the offerings of competitive products.*

The STP process can be broken down in smaller steps that should be understood by the student and is referred to as The Full STP Process Model. This model does not only cover step 3 and 4 of the marketing plan but also includes step 5 (The Marketing Mix) and step 6 (Monitoring and Reviewing). In this learning element however, we only cover step 3 and 4 as earlier mentioned.

Figure 33: The full market STP process

Source: www.marketingstudyguide.com (n.d.)

3.1.2. THE DEFINITION AND BENEFITS OF MARKET SEGMENTATION

"Market segmentation is the process of identifying individuals or organizations with similar characteristics that have significant implications for the determination of a marketing strategy" (Jobber & Fahy, 2012).

"Market segmentation is the process of splitting customers, or potential customers, in a market into different groups or segments, within which customers share a similar level of interest in the same or comparable, set of needs satisfied by a distinct marketing proposition" (McDonald & Dunbar, 2004).

"Market segmentation involves aggregating prospective buyers into groups that (1) have common needs and (2) will respond similarly to a market action" (Kerin, 2008).

All three definitions highlight that market segmentation divides the whole market into a number of smaller markets which have the same features. Another indication they agree on is that market segmentation is a step in the process of identifying and evaluating potential target markets (see marketing plan step 4: market identification), which can be achieved by breaking the market into smaller, related groups of consumers.

In order to successfully market a product or service of a certain business, knowledge is needed on the profile of that business' potential target market. The student gained this knowledge in Unit 1.

And why not just market to the complete potential market? There are several reasons and benefits are, such as:

- Better matching of customer needs.
- Enhanced profitability.
- Enhanced opportunities for growth.
- Improved customer retention.
- More effective targeting of communications.
- Opportunities for segment dominance.

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3.1.3. SEGMENTING CONSUMER MARKETS

According to Jobber and Fahy (2012) consumer markets can be segmented into three main groups:

- Behavioural segmentation – identify differences in behaviour that affect marketing decisions

- Psychographic segmentation – grouping of people according to their lifestyle and personality characteristics

- Profile segmentation - grouping of people in terms of profile variables such as age and socio economic group

Behavioural	Psychographic	Profile
Benefits sought	Lifestyle	Demographic
Purchase occasion	Personality	Socio-economic
Purchase behaviour		Geographic
Usage		
Perceptions and beliefs		

Source: Customer segmentation (Fahy & Jobber, 2012)

All three segments, behavioural, psychographic and profile, contain a number of segmentation criteria in order to specify the segmentation process further.

CRITERIA	DESCRIPTION
Behavioural segmentation	
Benefits sought	The grouping of people based on different benefits they seek from a product. The understanding of why people buy in a market, and can aid the identification of opportunities. Examples: destination is wheelchair accessible, destination is quiet and reachable within half a day.
Purchase occasion	During which moment is the purchase going to be made and consumed. Examples: seasonality of senior trip, offline/online purchase possibilities.
Purchase behaviour	Indicating what brands people buy, whether they stick to one brand or always buy different ones. Examples: customers loyalty status.
Usage	Segment consumer on the basis of how often they buy. Examples: consumers can be heavy, light or non-users.
Perceptions and beliefs	Grouping people based on their perceptions and beliefs. Examples: religious, environmentalists.

Psychographic segmentation	
Lifestyle	Grouping of people according to their pattern of living as expressed in their activities, interests and opinions. Examples: hardworking, resigned, explorer, mainstreamer.
Personality	Grouping of people based on their personality traits. Examples: wise, logical, dignified, optimistic.
Profile segmentation	
Demographic	Grouping of people according to demographic variables. Examples: age, gender, marital status, family composition.
Socio-economic	Segmenting according to which class consumers belong. Primarily grouping is based on their occupation, but it also helps to understand which media they use. Examples: unemployed (lowest group), company director (highest group).
Geographic	At basic level consumers can be segmented based on country, regions within a country or city size. However, more popular way of segmenting became geo-demographics (the process of grouping households into geographic clusters based on information such as type of accommodation, occupation, number and age of children, and ethnic background).

Source: Jobber & Fahy (2012)

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3.1.4. HOW TO SEGMENT SILVER TOURISM MARKETS - EXAMPLES.

Based on research it is possible to give examples on how the Silver Tourist consumer market could be segmented. As a Silver Tourism expert, these examples can be used by your business, but none of the examples are final. Always keep in mind that every product and service requires a different form and different criteria when segmenting the potential market.

According to a study by the largest hotel, tourism and leisure consulting company Horwath HTL, the emergence of Silver-Hair Tourist is the number 1 trend that is and will be shaping the tourism demand in the mid- and long-term. This significant tourist segment has specific desires and needs in terms of customization, service consumption, security and desired products. The only demographic variable they certainly share is age. However, as we have now already learned, the silver tourist can age from 50 years onwards which makes the target group extremely varied. As partners in Silver SUDOE project found in the Healthy People, Healthy Economy handbook, in case only age is considered, market is usually divided into four groupings with following characteristics:

➢ 50 - 59 years old - often still active at the height of their career, but with little time available;

➢ 60 - 74 years old - out of debt, in the golden age of disposable income; often retired they invest in their free time and voluntary actions;

➢ 75 - 84 years old - their ability and desire to spend are diminishing and they start to have their first signs of loss of autonomy;

➢ 85+ years old - a high proportion of them are dependant and have lost some autonomy; revenues and activities are reduced.

Dr. Aija van der Steina (2014), researcher and head of the Scientific Institute of Economics and Management at the University of Latvia gave several examples of senior tourism segmentation based on age, segment size, income level, household size, lifestyle and the demand for medical & wellness products. She named as examples of senior segments in marketing a list of the **following existing** segments:

➢ 50+,

➢ 60+,

➢ Oldies,

➢ Goldies or Gold market,

➢ Selpies (Second life people),

➢ Woopies (Well of older people),

➢ Yollies (Young old leisured people),

➢ Wollies (Well income old leisure people),

➢ Grampies (Growing retired active moneyed people in an excellent state),

➢ Mature consumers,

➢ Grey wave,

➢ Busy Fit oldies,

➢ Mid agers,

➢ Master consumers.

Most of these examples are not just market segmentation but also include forms of positioning and branding by giving a market segment a catchy name. More on that in the positioning and branding elements of this unit.

She also segmented the senior market into four distinguishable groups, based on their lifestyles:

➢ Hardworking and home oriented (31% of senior market): Self-satisfied, sceptical, do not like new things. Personal security is very important. Very often isolate themselves from others.

➢ Security and togetherness oriented (29% of senior market): Critical attitude. Do all activities very seriously and disciplined. Are not spontaneous.

➢ Resigned and reserved (15% of senior market): Like gardening and housework. Are pessimistic, often also lonely and resigned. Security is very important.

➢ Active and youthful seniors (25% of senior market): Active leisure time. Are interested in culture and like to discover new things. Take responsibility, enjoy life and seek for knowledge.

Based on these four typologies, a marketer could conclude to target the group of active and youthful seniors. This group is easily assessable and is up for new products, services and experiences. Although, as a marketer you have to keep in mind that this group of seniors is the most likely to be targeted by competition. Therefore sometimes it is better to target a less competitive segment, even though the effort of successfully marketing a product or service to these segments can be harder. For example when you want to market a holiday to the segment of security and togetherness oriented seniors (29 % of senior market), a structured holiday with a detailed day-to-day program might work. Also the possibility to customize a holiday package to the needs of this group in order to deal with the lack of spontaneity could be a perceived benefit. Another perceived benefit for this group is to offer a holiday to a location they already have been to.

Dr. Steina also pointed out three possible lifestyles of 2020. These segmentations are based on the future growth of the senior market segment.

➢ Silverpreneurs: Professionals, active, new projects, new technologies. Like new and innovative products. Do not believe in advertising.

➢ Super-grannies: Self-confident, social and culture oriented ladies (55+) taking care of family and themselves. Like fashion, travel and shopping. Important is value for money they spend.

➢ Grey-hopper: Real changes in lifestyle and new activities. Keep themselves in good mental and physical health. Like sport activities of young people. Very important is healthy and eco-food.

Another example of Senior segmentation was done by ESRI (2012) as part of an analysis of America's changing demographics. The research objective was to find out whether "*seniors can be seen as one demographic group.*" After finding many differences in not just simple geo-demographics such as age and region but rather a variety of distinguishable lifestyles, they classified the senior population of the United States of America in nine lifestyle segments:

➢ Prosperous Empty Nesters: Active, affluent married couples with no children at home, transitioning from child-rearing to retirement; found throughout the United States, with many located on each of the coasts.

➢ Silver and Gold: Wealthy, educated seniors retired from professional occupations, half of whose households consist of married couples who've never had children; more than 60 percent located in the South, mainly in Florida, and 25 percent in the West, primarily in California and Arizona.

➢ Rustbelt Retirees: Married couples with no children, or singles content to stay put in Rustbelt industrial cities; 67 percent located in the Northeast and Midwest.

➢ Retirement Communities: Older, educated singles who live alone in multiunit buildings or assisted-living facilities; found mostly in cities scattered around the United States.

➢ The Elders: Retirees in senior communities, primarily in Florida, Arizona, and California.

➢ Senior Sun Seekers: Fast-growing market of retired or soon-to-retire residents in the South and West, especially in Florida.

➢ Heartland Communities: Small-town neighbourhoods with a country lifestyle in the Midwest and South.

➢ Simple Living: Lower-income seniors who rent in US urban outskirts or suburbs.

➢ Social Security Set: Seniors subsisting on very low fixed incomes in low-rent apartments in high rise buildings in large cities.

As we have seen, there are various possibilities of segmenting the silver tourism market. The better we understand our consumers and their needs, the better we can serve them. The ultimate goal in tourism of the future however is to create individual experiences for individual guests.

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3.1.5. SEGMENTING ORGANIZATIONAL MARKETS.

In many cases you are not only selling your products and services directly to customers but rather to other organizations. Take for example a hotel. They sell their product directly to customers through their website, but in order to make sure that their occupancy rate is high enough throughout the whole year, they also sell their products to tour operators. In order to find out to which tour operators they can successfully sell their products, a segmentation of those organizations needs to be made based on the following criteria:

- Organizational size – market segmentation by size of buying organization. There are large, medium-sized and small organizations.

- Industry – group markets according to the type of industry they belong.

- Geographic location – group markets by their location. For instance, Eastern, Central or Western Europe. Each market in different location requires different approach.

- Choice criteria – grouping markets according to the various attributes (and benefits) they use when evaluating products and services.

- Purchasing organization – segmentation according to the way by which a company purchase (centralized purchasing and decentralized purchasing).

To determine whether a company has properly segmented its market, five criteria are usually considered

1. *Effective:* the segments identified should consist of customers whose needs are relatively homogeneous within a segment, but significantly different from those in other segments. If buyer needs in different segments are similar, then the segmentation strategy should be revised.

2. *Measureable:* it must be possible to identify customers in the proposed segment, and to understand their characteristics and behaviour patterns. For example, some personality traits, like 'extrovert' or 'conscientious', might be difficult to pin down, whereas variables like age or occupation would be more clear-cut.

3. *Accessible*: the company must be able to formulate effective marketing programs for the segments that it identifies. In other words, it must be clear what kinds of promotional campaign might work best for the segment, how the products might best be distributed to reach the segment, and so on.

4. *Actionable:* the company must have the resources to exploit the opportunities identified through the segmentation scheme. Certain segments – for example, in international markets – might be identified as being very attractive but the company may not have the resources or knowledge necessary to serve them.

5. *Profitable:* most importantly, segments must be large enough to be profitable to serve. This is what is meant by the clichéd expression 'Is there a market in the gap?' Very small segments may be unprofitable to serve, though advances in production and distribution technologies mean that, increasingly, micro-segments can be profitable.

3.1.6. TARGET MARKETING.

After dividing the full market into smaller segments and evaluating these segmentations, the organization starts with the second step of the STP-process, target marketing. Target marketing is the selection process of one or multiple segments as the focus for a company's offering of communications. Target market selection is the choice of what and how many market segments in which to compete. In theory, there are four generic target marketing strategies:

— **Undifferentiated marketing** is a market coverage strategy where a company decides to ignore market segment differences and to develop a single marketing mix for the whole market. The advantage of this method is that there is a bigger market to grab a share from. The disadvantage is that because you facilitate to the whole market, positioning and branding of products and services can be harder with a negative result that no-one on the market is reached.

— **Differentiated marketing** is a market coverage strategy where a company decides to target several market segments and to develop separate marketing mixes for each. The advantage is that by targeting specific segments, the product or service can be branded and positioned in a way that these segments are attracted by it. The disadvantage is that basically a company needs to make multiple marketing plans. Also by not covering the whole market, they can miss out on potential customers.

— **Focused marketing** is a market coverage strategy where a company decides to target one market segment with a single marketing mix. Focused marketing deals with the same advantages and disadvantages as differentiated marketing. They only miss out on more potential customers but can instead focus on only one marketing plan customized to this specific segment.

— **Customized marketing** is a market coverage strategy where a company decides to target individual customers and to develop separate marketing mixes for them. A very effective strategy because the product and service is tailored to the consumer and therefore it is easier to get loyal customers. The big disadvantage of this method is that it is time and cost inefficient.

Conclusion

Market segmentation is central component of the STP process, which refers to the process of (1) market segmentation, (2) targeting and (3) positioning. The STP process is considered a key concept in the study and application of marketing. This process shows how an organization chooses to compete within a potential target market.

Market segmentation means to look at the different needs and preferences that may exist in the market. This can be done in three ways: behavioural segmentation, psychographic segmentation or profile segmentation.

Target marketing is the selection process of one or multiple segments as the focus for a company's offering of communications. Target market selection is the choice of what and how many market segments in which to compete. For target market selection one can use four strategies: undifferentiated marketing, differentiated marketing, focused marketing and customized marketing.

Further information and references for learning, teaching and assessment activities

Other interesting reads to assist you in segmentation of the silver tourism are:

- Information on market opportunities within Europe's Silver economy: EPRS (2015) The Silver Economy. Retrieved on November 15, 2016 from http://ec.europa.eu/research/innovation-union/pdf/active-healthy-ageing/eprs_silvereco.pdf

- General information on marketing and product development for the senior market: O'Connor, Jaffe, Neil Lund, Rogers (2002). Marketing and Product Development for the senior Market. Retrieved on November 21, 2016 from https://www.soa.org/Library/Proceedings/Record-Of-The-Society-Of-Actuaries/2000-09/2002/January/rsa02v28n3135pd.aspx

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3.2 Positioning & Branding

3.2.1. COMPETITOR ANALYSIS.

In formulating a business strategy, managers must consider the strategies of the organisation's competitors. Even though in highly fragmented industries a competitor analysis seems unnecessary, it is a vital part of the strategic planning within concentrated industries (Hooley, 2012).

A competitor analysis has two primary activities: to obtain information about the most important competitors and to use this information in order to predict their behaviour.

The goal of a competitor analysis is to understand:

- ✓ With which competitors to compete.
- ✓ Competitors' strategies and planned actions.
- ✓ How competitors might react to a company's actions.
- ✓ How to influence competitor behaviour to the company's own advantage.

In this case, we use the competitor analysis mainly to position ourselves and develop our brand within the Silver Tourism segment. In order to successfully conduct a consumer analysis, this unit element introduces a competitor analysis template that can be filled in by the marketer/manager writing the marketing plan focusing on Silver Tourists.

The following template can be directly used, following the instructions below:

Figure 34: Competitor Analysis Template

	Your company	Competitor 1	Competitor 2	Competitor 3
Overview & Profile				
Competitive Advantage				
Target Market				
Market Share				
Marketing Strategies				
Products & Services				
Pricing & Costs				
Distribution Channels				
SWOT Analysis				

Source: http://blog.clientheartbeat.com/downloads/Competitive-Analysis-Template.pdf

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Instructions to complete the Competitor Analysis Template

1. Competitor Profile

   Complete your competitor profile and a profile for your three most important competitors – use sources to find the data and try and get as much info as possible.

2. Competitive Advantage

   Think about what makes your company different than your competitors. Next, do the same thing for your three competitors. If you're struggling, pick up the phone and give your competitors a call – just ask them! Go one even step further and actually talk to their customers.

3. Target Market

   Identify who your target market is (if you don't already know) and then do some research on your competitors to see who their target market is. A good place to start would be their website and looking at their advertising campaigns.

4. Market Share

   Complete a market share analysis.

5. Marketing Strategies

   Write down your current marketing strategies and any you have in the pipeline. Now get moving and see what your competitors are doing – give them a call, do some research on their site – do whatever you can to become more familiar with their strategies.

6. Product/Service Profile

   Complete the product/service mix– rate your company, then your competitors on a consistent scale of 1-10.

7. Pricing and Costs

   Answer all these questions about your company and your competitors. Pricing is an observable source so you should be able to get most of the answers by looking at your competitors offerings.

8. Distribution Channels

   Look at your company's and your competitor's distribution channels – how many channels and intermediaries are being used? Do they spend more time in front of the clients?

9. SWOT Analysis

   Complete a SWOT analysis for your company and your competitors.

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3.2.2. SWOT ANALYSIS.

SWOT analysis is a tool that is used to evaluate one's Strengths, Weaknesses, Opportunities and Threats. It is commonly used to determine the position of a company, product or project on the market, identify its core competences and analyze how to compete.

SWOT analysis considers both internal factors (ie. strengths and weaknesses of the organization, product or project) and external factors (ie. opportunities and threats presented by the external environment). There are various free tools available on-line.

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In order to fully use the potential of SWOT, several common mistakes that were identified by Chuchrová, Vilamová, and Kozel (2015) were translated into ten mistakes and how to avoid them. Since these mistakes were focused on the healthcare industry, the authors freely translated the mistakes for use within the tourism industry. All these common mistakes can be avoided by using control questions that can be found here:

http://www.unwe.bg/uploads/Alternatives/A08_01.2010.pdf (Valkov, 2012).

Most common mistakes in SWOT analysis are:

1. Subjectivity at identifying and evaluating the factors.
2. Incomplete list and distorted sequence of evaluation.
3. Unilateralism in the selection of the information and in the evaluation.
4. Unfocused analysis.
5. Lack of quantitative evaluation and benchmarking.
6. Unwillingness to determine the weaknesses to be sought.
7. Senior management performs the whole analysis.
8. The analysis is not part of the organization of the management.
9. Strategic analysis without (strategic) data.
10. Lack of synchrony between the analysis and any changes, reduces the strategic choice.

3.2.3. PERCEPTUAL MAP.

Based on the competitor and SWOT analysis, a perceptual map can be drawn up. The perceptual map is a useful tool for determining the position of a brand in the marketplace. It is a visual representation of consumer perceptions of a brand and its competitors, using attributes (dimensions) that are important to consumers. The key steps in producing a perceptual map are as follows:

1. Identify a set of competing brands (competitor analysis).

2. Identify – using qualitative research (e.g. group discussions) – the important attributes consumers use when choosing between brands (dimensions).

3. Conduct quantitative marketing research where consumers score each brand on all key attributes.

4. Plot brand on a two-dimensional map.

In a fictional **example** below, several hotel brands (chains) are represented in a perceptual map, using the dimensions of perceived quality (high or low) and perceived price (high or low). By creating a perceptual map based on the previous points and the competitor analysis, a marketer can find out easily which market positions have a lower level of competition.

Figure 35: Hypothetical perceptual map for hotel chains

Source: https://etravelweek.com
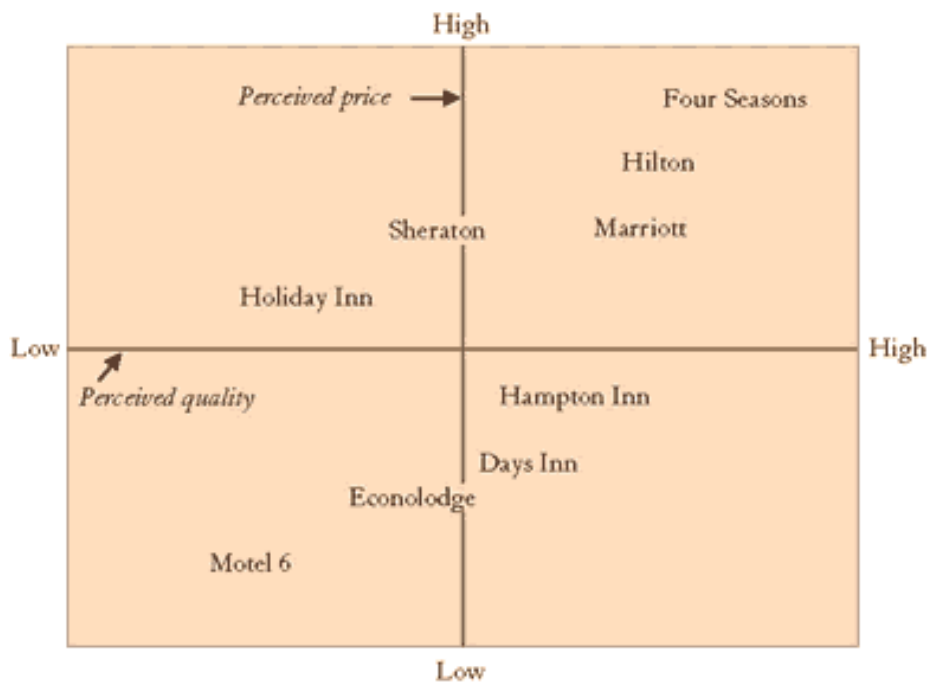
3.2.4. BRANDING.

After we have analyzed trends in our industry, gotten to know our target costumers and their behaviour, and understood both our competitors and ourselves, we can start developing our brand. Let's not confuse a brand with a product or a service we are selling - while a product is anything that satisfies costumer needs by providing benefit or value, a brand distinguishes our company from our competitors and helps us compete in the increasingly aggressive marketplace.

Nowadays branding is all. Strong brands can greatly increase values and profits of companies. The estimated value of Uber, the biggest ride sharing company in the world, was 66 billion dollars in June 2016 (although some experts argue it is worth "only" 28 billion dollars) whereby the company does not ever own any cars nor drivers. Brands also have positive effects on consumers' perceptions and preferences which leads to consumer loyalty, a much desired attribute in tourism. Consumers are normally willing to pay more for a strong brand which results in higher profits for the company. Additionally, a strong core brand is a great base for brand extensions that automatically receive a more positive perception.

Even though there is no question about the importance of branding in tourism, Clarke (2000) identified six salient points regarding the particular relevance of brands in tourism:

1. Tourism is typically a complex, high-involvement product, so strong branding can help simplify the purchase decision by reducing the choice set and by using the logo as a trigger to access information about the company and product already absorbed by the buyer, thus shortening the usually extensive search of information.

2. Branding can assist in countering the effects of intangibility, from the basic supply of a logo to the creation of a set of values in the potential consumer's mind.

3. Tourist experiences vary extremely. Branding conveys consistency across multiple outlets and through time, reassuring potential consumers that standards encountered will meet their expectations.

4. Time became extremely valuable and an ill-spent time through a poor holiday decision can never be replaced. Branding can be used as a risk-reducing mechanism; it can reduce the performance, social, psychological and economic risk.

5. Branding facilitates precise segmentation and contributes to the task of tourist satisfaction.

6. Brands help people to work towards the same outcomes. With a high-contact service, such as tourism, motivation and teamwork have a high priority.

We must also not dismiss the fact that building our brand goes hand in hand with our destination's and our country's brand. We can have a top quality product but if we are based in a country with a low reputation, security issues or other unattractive attributes, we will still have difficulties selling our product.

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3.2.5. Brand development.

Brand development is a difficult, expensive and lengthy process as brands are extremely complex. For the purpose of this unit, we have simplified their structure, presenting the brand as a pyramid with a **visible** part, such as name, logo and slogan, ie. the creative elements, that convey your brand, and an **invisible** part which tells the story and combines key brand identity elements (Ruzzier, 2015). Although the invisible part of the brand is not seen by the end consumer, the true brand exists in the mind of the user as a collection of enduring intangible values (Southgate, 1994); it's the entire experience your customers have with your company, product, service or destination, and is built through customer interaction with the product/service and through people to people interaction.

Figure 36: Brand Pyramid
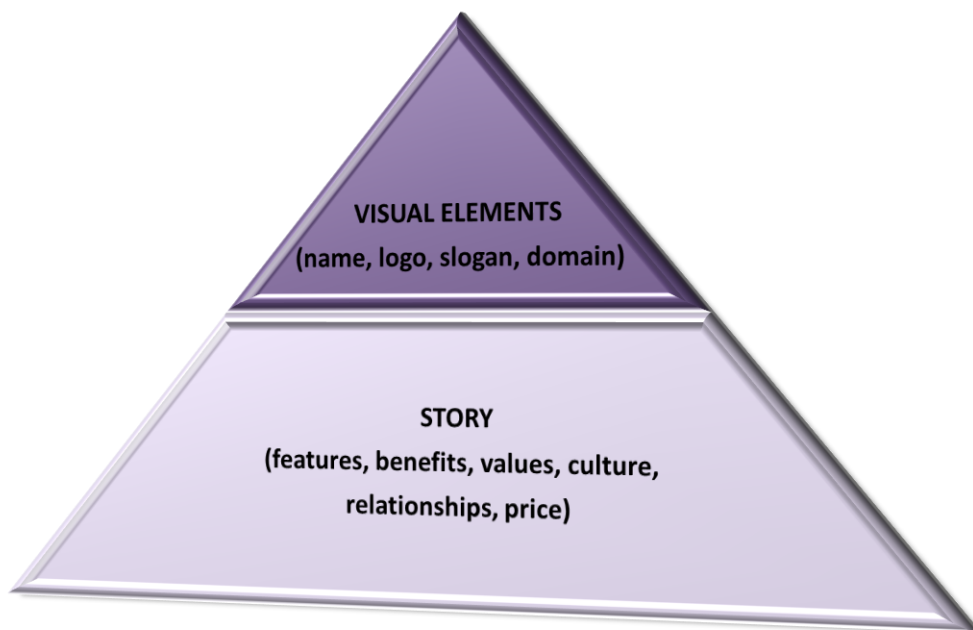
Source: Ruzzier, 2015

In the process of story development, try to focus on the **emotional benefits** since emotions play a key role in tourism. Look at the emotional benefits and boil them down to one thing that your customers should think of when they think of you. That's what your brand should represent.

Unit 2 describes how emotions work. Link what you have learned here with what Unit 2 has said to create an emotional brand aligned with your target market.

Storytelling

Storytelling is a methodology which tries to connect your brand with the emotional part of the brain of your target group, inspiring to change how people behave. A story is the result of thousands of interactions and experiences and it becomes the 'lens' through which we interpret the world around us. All stories have a core message which can be interpreted in different ways, depending on experiences, needs and wishes of the target group.

Storytelling is a great tool for leaders seeking new behaviours in their teams and for brands in order to position brand identity elements in the heart of the target public and moving them to action.

Brand identity

It is extremely important to capture the right combination of brand identity elements that will form a unique brand in the eyes of the consumers.

In the development of visual elements, you can use different approaches for **naming your brand** whereby there is less room for creativity for destinations; there can emphasize their position with the positioning statement (see below). There are three main brand naming strategies:

- A family brand name is used for all products of a brand. It helps the success of all products because it already carries a successful name. But if one of them is unsuccessful, the reputation of the brand itself can be ruined. Examples: Google, Heinz.

- The individual brand name does not identify with the company that has created it. For example, Procter & Gamble owns Pampers, Pringles and Duracell. This can be done when each brand needs an own identity.

- With combination brand names, both previous brand names are combined. The company is recognized while the individual brands can be identified. Examples: Kellogg's All Bran, Microsoft Windows XP.

Slogan

Besides the name of your brand you should also think about the **slogan** of your business or a destination. In a slogan you should capture the essence of your brand's promised consumer benefit in one short phrase. A good slogan invokes positive images, has an immediate cognitive effect and is memorable and durable. Who does not know the "What happens in Vegas, stays in Vegas" slogan? Other examples include Mexico - Live it to Believe it, Incredible India and There's NOTHING like Australia.

Logo

Along with the name and the slogan, **logo (symbol)** is the third key part of building your identity. It has a significant impact on brand perception as it helps to stress the essence of the brand. Kapferer (1998) equates logo with a signature, saying that the logo reflects the wealth and self-esteem of a brand just like a signature reflects the personality of an individual.

Positive examples:

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Erzgebirge is a rich mining area on the border of Germany and the Czech Republic that selected a fantastic logo, anything but provincial.

Peru's logo incorporates a cultural motif to produce a distinctive brand mark.

Odessa's simple anchor logo references its defining location on the coast of the Black Sea, and is paired with a beautiful typeface.

Source: https://99designs.com

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3.2.6. BRAND POSITIONING.

Brand building is a long-term activity. It is difficult to become really successful, but once a brand does it can endure for a very long time. The anatomy of brand positioning (see figure on the right) can be used to analyze the current position of a brand in the market and form the basis of a new brand positioning strategy.

⇨ Brand domain: the brand's target market, i.e. where it competes in the marketplace.

⇨ Brand heritage: the background to the brand and its culture. How it has achieved success (and failure) over its life.

⇨ Brand value: the core values and characteristics of the brand.

⇨ Brand assets: what makes the brand distinctive from other competing brands (features, images and relationships etc.).

⇨ Brand personality: the character of the brand described in terms of other things (people, animals or objects.) Celebrity endorsement of brands gives them personality.

⇨ Brand reflection: how the brand relates to self-identity; how the customer perceives him/herself as a result of buying/using the brand.
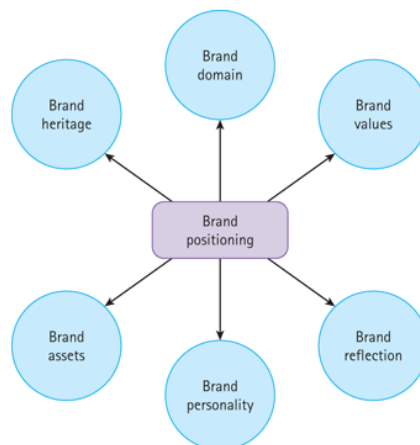
The final important step is the definition of your **positioning statement,** a memorable, image-enhancing, written summation of your desired repute. According to Fahy & Jobber (2012) your positioning statement should be your internal marketing guideline for the following questions:

• Who you **primary market** is.

• What you want to **communicate** to your primary market.

• How you want to **position** your brand.

• The **value** you want your customer to see your brand over other brands.

The positioning statement must be above all convincing for your customers.

A common template for writing a positioning statement & Silver Tourism Example

For [insert Target Market], the [insert Brand] is the [insert Point of Differentiation [22]] among all [insert Frame of Reference [23]] because [insert Reason to Believe [24]].

Example:

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> *For senior travelers, [LinkedAge](#) is the **only** specialized booking and networking platform that offers them the possibility to travel in their own rhythm in a safe, trustworthy environment. The unique all-inclusive package a senior residence can offer **compared** to a hotel encompasses social and cultural activities, excursions and medical and social support to the extent needed.*

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[22] The point of differentiation describes how your brand or product benefits customers in ways that set you apart from your competitors.

[23] The frame of reference is the segment or category in which your company competes.

[24] The reason to believe is just what it says. This is a statement providing compelling evidence and reasons why customers in your target market can have confidence in your differentiation claims.

Conclusion

Positioning is the last step of the STP-process. In order to define the position in the market, customers, competitors and company itself have to be considered. For this purpose, tools such as competitor analysis, SWOT analysis, and perceptual map are used. The next step is brand development, a difficult, expensive and lengthy process. Storytelling technique might come in handy when developing the positioning of you brand. Last but not least, do not forget to write your positioning statement - a memorable, image-enhancing, written summation of your desired repute.

Further information and references for learning, teaching and assessment activities

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3.3 Marketing Tools

3.3.1. SILVER TOURISM MARKETING.

The segment of silver tourists is still considered relatively new, hence there is not much literature addressing the issue of marketing tourism products and services in this field. The first question that arises when discussing marketing for the seniors is the very definition of a silver tourist. As we have learned so far, authors cannot even agree on their age (some define a silver tourist as an individual over 50 years while others only over 65). That is why Grande (1993) suggested that **cognitive age** - whether subjective or self-perceived - should be used as an alternative to chronological age and that silver tourists should be segmented based on the self-perceived age, which is what sets the **lifestyle** by determining attitudes, interests and opinions.

But as Alén, Dominguez and Losada (2012) found, instead of cognitive age, **chronological age and retirement are still most commonly used for the marketing purposes.** Of course chronological age is a too simple criterion in regards to the heterogeneous group of seniors and the retirement criterion is too restrictive.

When marketing and selling products and services to the silver tourism segment, let's keep in mind the fact that silver tourists are probably above 55, retired or non-retired, with different income levels, with different health issues, and most importantly, with extremely different interests.

When shaping messages for the silver tourism segment, think about the language you use. Until recently, seniors did not like being called "seniors", however, a change took place as polls from 2015 show. The connotation the word carries is no longer negative, as the picture of seniors and the act of aging in the society has changed; with the growing number of people aged 60 and over, "senior" today reflects somebody with a lot of experience, competences and self-confidence. However, do not address your target as "the elderly".

Some other tips: The communication style you use should be same as for younger customers. Messages should be clearly structured and logic, possibly with some nostalgic references. Printed materials should be large and legible. When selecting photos, choose elderly, but vital people.

3.3.2. TRADITIONAL MARKETING IN SILVER TOURISM.

With **traditional marketing**, the authors of this element refer to offline marketing methods used before the rise of the internet but currently still in use. These methods fall under promotion, one of the 4Ps of the marketing mix. The concept of promotion can be defined as follows: Promotion is the coordination of all seller-initiated efforts to set up channels of information and persuasion to sell goods and services or promote an idea. Promotion is best viewed as the communication function of marketing. In short we can say it is the strategy to create awareness.

The **promotional mix** covers a number of methods used for selling products and services, such as advertising, public relations, personal selling, sales promotion, direct and guerilla marketing etc. Each of these methods are used in different circumstances.

When selling a product or service to Silver Tourists, the decision on which traditional (offline) promotional methods to use should be based on the **segment** of silver tourists we are targeting and the **product or service** we are selling. We must answer following questions:

1) **Whom** are we addressing? *Is it only our potential clients or is it maybe also their family (especially in silver tourism sons and daughters might have a big influence on their parents' decision)? What is the lifestyle of our target group?*

2) What is the **purpose** of our message? Are we communicating a new service to potential clients or reminding our existing clients about a certain product?

3) **What** do we want to say and how?

4) **How often** do we want to communicate? How much does this cost us?

5) Which **channels** and elements of promotional mix will we use?

We must also remind ourselves that customers can be reached by our messages in three phases, whereby contents and media will differ:

1) **pre-holiday phase**, ie. the decision making phase when customer researches the market, gathers information, examines possibilities, compares them, makes the final decision and books the chosen holiday;

2) **during holiday** when customer is looking for additional offer;

3) **after holiday** when customers will share their experience and level of satisfaction, talk to friends and/or share on social media, and eventually return to phase 1.

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In the decision making phase, tourists use formal information sources, such as travel agents, brochures, travelogues, guidebooks and maps, and informal information sources, such as friends and relatives. Studies have shown that there is no rule on where silver tourists will look for information; upper-class males apparently rely more on family and personal sources while lower-class females rely more on newspapers and magazines as well as their neighbours (Patterson, 2006). **All in all, print media was found to be the most significant information source used by the older market as a whole, suggesting that this source of information needs to be funded more than other sources.**

The cost of acquiring a new customer is about 4 to 10 times higher than the cost of an existing one, hence it is very important to retain existing customers, especially on a very competitive market such as tourism market. That is why we must regularly keep our customers **informed** about new products, services, features and benefits over time. **There are more ways to achieve this.**

Advertising

Advertising is a method of presenting a message to persuade a **big audience** to purchase or take some action upon products or services. An advertisement consists of the brand name of the product or service and its benefits to users. Media used for advertisement are television, radio, newspapers, magazines, billboards, posters, brochures, periodicals, cinema etc.

Advertisements are placed in the media mainly with the objective to **create awareness** about existence of a product or a service. Once the customers are aware of it, they need to be **constantly reminded** about it in order not to forget that something is available on the market. The objective of repeated advertisements is to **influence the buying decision** and attract both new and existing customers.

Since studies have shown that newspapers and magazines have the biggest impact on the decision making process of elderly tourists, one should identify key national and international print media for that target group. Additionally, depending on the type of the product and the segment inside the 50+ we are targeting, it makes sense to identify thematic media as well. To secure space in printed media in form

of a genuine article instead of an advertisement, it might come useful to organize a press study tour - alone or in cooperation with destination.

Sales promotion

Once our customers are informed about our offer, **sales promotion** tools will be used to stimulate sales. Sales promotion is a short-term mechanism, loyalty cards being the only exception. Main goals of sales promotion are to acquire new guests, raise awareness about a product or a service, encourage guests to sample the novelty, increase out of season demand, attract guests from our competitors, prolong lifecycle of a product or a service, and to sell something in larger quantities. Customers will be attracted towards **discounts** (early bird 10 % discount, weekday discount, last minute), **packages** (weekend package), **gifts** (buy 1, get 1 free; second person free; pay 4 days, stay 5**), special holiday offers** (Christmas offer, Valentines package).

Since a large proportion of silver tourists is retired, many hotels will offer special packages and discounts during weekdays, thereby filling their capacities in normally quieter days. These packages can be longer than normal (up to 7 days) and will include pampering services, relaxation, massages, easy hiking opportunities, healthy diet etc.

Another important aspect of sales promotion are **fairs, events and workshops.** Since you are selling tourism related services and products, it makes sense to identify most important B2B and B2C tourism events, both national and international (eg. WTM London, ITB Berlin), but do not forget to consider other events where the potential target group might gather (eg. dedicated events for the seniors, such as Festival of the Third Age http://en.f3zo.si/festival-ljubljana/ or thematic fairs). In addition to senior events, consider reaching seniors through arts and cultural events like concerts, plays, movie theatres, or at libraries. Seniors have more spare time than any other age group, so ask yourself, there they spend it.

Personal selling

Another important element of tourism promotional mix is **personal selling.** Tourism companies have specialized sales departments that sell partial tourism services or packages to other business, such as tour operators and travel agencies (B2B). In case of shaping and selling a specialized offer for seniors, it is important to identify key business partners and specialized agencies. There are not as many specialized tour operators as there are those who are able to adapt their programmes to the needs of silver tourists, such as interests, ways of travel and means of travel. Examples of recognized tour operators include Roadscholar, Grand European Tours and Senior Discovery Tours.

However, a significant share of tourism products, eg. additional bottle of wine at dinner, excursion, spa treatment … is purchased on-site through **individual staff**

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(B2C). In order to successfully sell our products to silver tourists, it is very important to have a highly motivated and well trained staff in both personal sales methods and silver tourists needs.

Public relations

Public relations (PR) activities are a complementary part of organization's marketing. It is the practice of managing the spread of information between us and the main tourism stakeholders, such as potential and existing customers, owners, shareholders, suppliers, distribution channels, competitors, employees, unions, associations and chambers, government, media, local community... , and to try to influence them rather than buy placement for brand content. According to several authors, the most used PR tools in tourism are **media relations** (including press releases, press conferences, media study tours ...) and **sponsorships** (mostly of local events, festivals, but also attractions).

As a silver tourism service provider it would make sense to consider sponsoring or co-organizing an event that is primarily targeting our desired customers. We can also create such an event to raise awareness about us and our products, inviting local community and business to join us. In the spirit of sustainable tourism development and the importance of CSR, we can also spread positive image of our organization by choosing a local attraction and support it either financially or e.g. by making it more accessible to the elderly (thereby directly addressing our users' needs).

Direct marketing

Once we have engaged a customer, it is important to establish a long-term relationship with them. In order to achieve this, we use **direct marketing** tools, many of which have nowadays become digital. If in the past organizations used to sell personal mailing, newsletters of today are mostly sent via e-mail.

For efficient use of direct marketing, it is important to compile a database of relevant contacts. Besides the contact address, number and/or e-mail, information about customers age, habits and interests will help us target our potential clients in a more efficient manner. Since customers are constantly bombarded with messages, it is really important to identify whom we want to target and what we are offering. Sending a special seniors weekend package offer to an inbox of an 18-year old does not do us any good.

Assignment:

1) Determine which traditional marketing methods your company uses and discuss within a group which of these media channels have proved most efficient in reaching your target groups.

2) Of these traditional marketing methods, discuss which would be most efficient to reach Silver Tourists.

Case Study

Hilton Family of Hotels 50Plus Programme

In 2007, the Hilton Family of Hotels in Canada started offering preferred rates to any traveler age 50 and over through the Hilton Family of Hotels 50Plus program. The novelty was introduced because of a growing demand for a high-quality hotel experience among consumers aged 50-plus in Canada, a segment that represented the fastest growing age group in the country and one that has taken 38 percent of all trips between 2004 and 2006. As a result, the Hilton Family of Hotels offered a 10 percent discount off the Best Available Rate, providing travelers 50 and over more flexibility and accommodations choices while travelling for leisure. To stimulate more awareness about the Hilton Family of Hotels offerings among the 50-and-over travelling segment in Canada, the Hilton Family of Hotels teamed up with www.50Plus.com in a marketing and promotions arrangement that enabled travelers to gain travel tips, read editorial features and learn about travel promotions like the Hilton Family of Hotels 50Plus promotion.

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3.3.3. DIGITAL MARKETING IN SILVER TOURISM.

In the last decade, internet evolved from a phenomenon to an integrated part of the daily lives of billions of people globally. In 2014, around 40 % (3 billion people) of the world's population had an internet connection which was a 7.9 % increase of users compared to 2013 (Internet Live Stats, 2014). 1.79 billion internet users also used social media at that time – 59.6 % of total internet users (Statista, 2015). With an estimated increase to 2.44 billion social media users in 2018, internet and social media have become the major form of global communication. With 582 million users, Europe is the second biggest market of internet users with Asia as the leading market with 1,4 billion. (Internet World Stats, 2014). These numbers show that the internet penetration is the highest in westernized markets followed by developing markets (e.g. Asia). It can be assumed that there is a connection between wealth and the usage of internet since North America and Europe make up for 62 % of the total net wealth worldwide (Davies, Lluberas, & Shorrocks, 2012).

This trend does not only influence young people but starts to reach the 50+ segment. According to the Pew Research Centre, internet use among those 65+ grew 150 % between 2009 and 2011, the largest growth in a demographic group. Furthermore, their 2012 study showed that of those that go online, 71 % do so daily and 34 % use social media. Data also shows that while teens are moving away from Facebook, the older generation has found that it serves them quite well. Same goes for Twitter and Skype.

With more seniors using internet in 2017, it makes sense for companies to start targeting Silver Tourists through digital marketing. However, one should note that for this group of consumers ICT literacy may still be below the average of the population.

The digital media channel mix

As a Silver Tourism student, it is important to know theoretically what is available as means of online communication. Chaffey, Ellis-Chadwick, Mayer, and Johnston (2009) determined six key types of digital media channels: 1) search marketing, 2) online PR, 3) online partnership, 4) interactive ads, 5) opt-in e-mail, 6) viral marketing.

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Figure37: Digital media channel mix
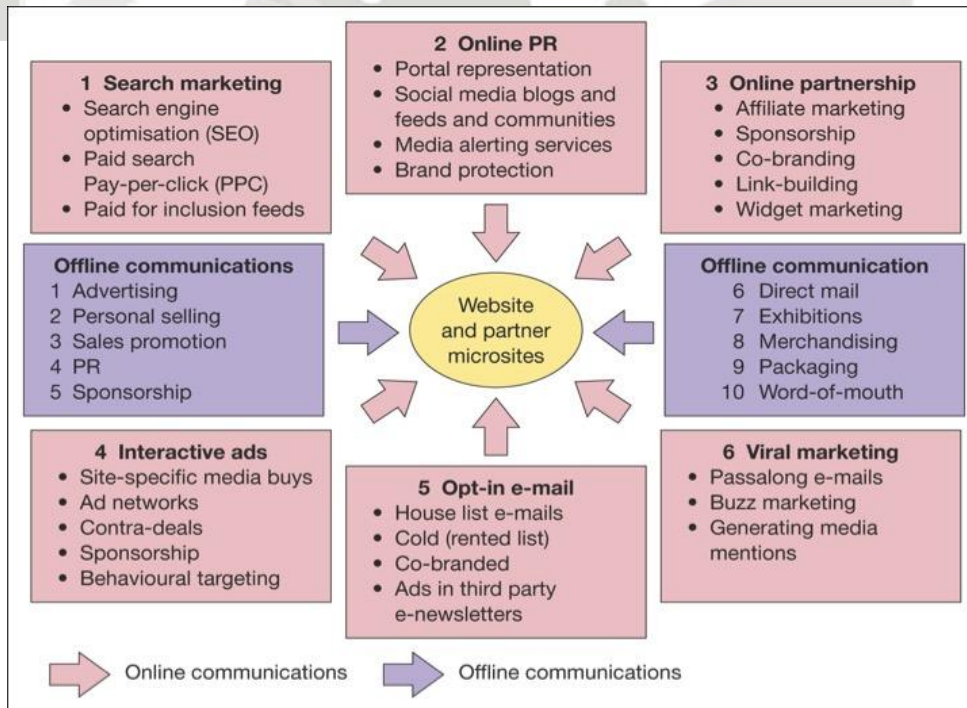
Source: (Chaffey et al., 2009)

1. **Search engine marketing** is a strategy that allows us to place messages on a search engine to encourage click-through to a website when the user types a specific keyword phrase. Two key search marketing techniques are **pay-per-click,** where we pay for our ads to be displayed on the search engine results pages as a sponsored link when a specific key phrase is entered by the user, **and search engine** optimization, a structured approach used to increase our position in search engine listings for selected keywords or phrases.

   In order to better understand keywords that people use in search engines, one must conduct a keyword research. Tools such as Google Adwords Keyword Planner might come handy.

2. **Online PR** is very similar to traditional PR; however, while traditional PR typically targets traditional media, such as TV, radio, newspapers and magazines, online PR primarily targets online properties, such as bloggers, websites, brand sites, social media users (Facebook, Pinterest, Twitter, Instagram …) etc.

   In order to be successful with online PR, you should investigate options to put your name on other websites. Since you cannot be everywhere, it is important to prioritize which sites and partnerships you want to invest your time and money in. Smart Insights has developed the Digital Marketing Radar which gives you an idea on the different types of sites and apps you should think about.

Figur 38: Digital Marketing Radar
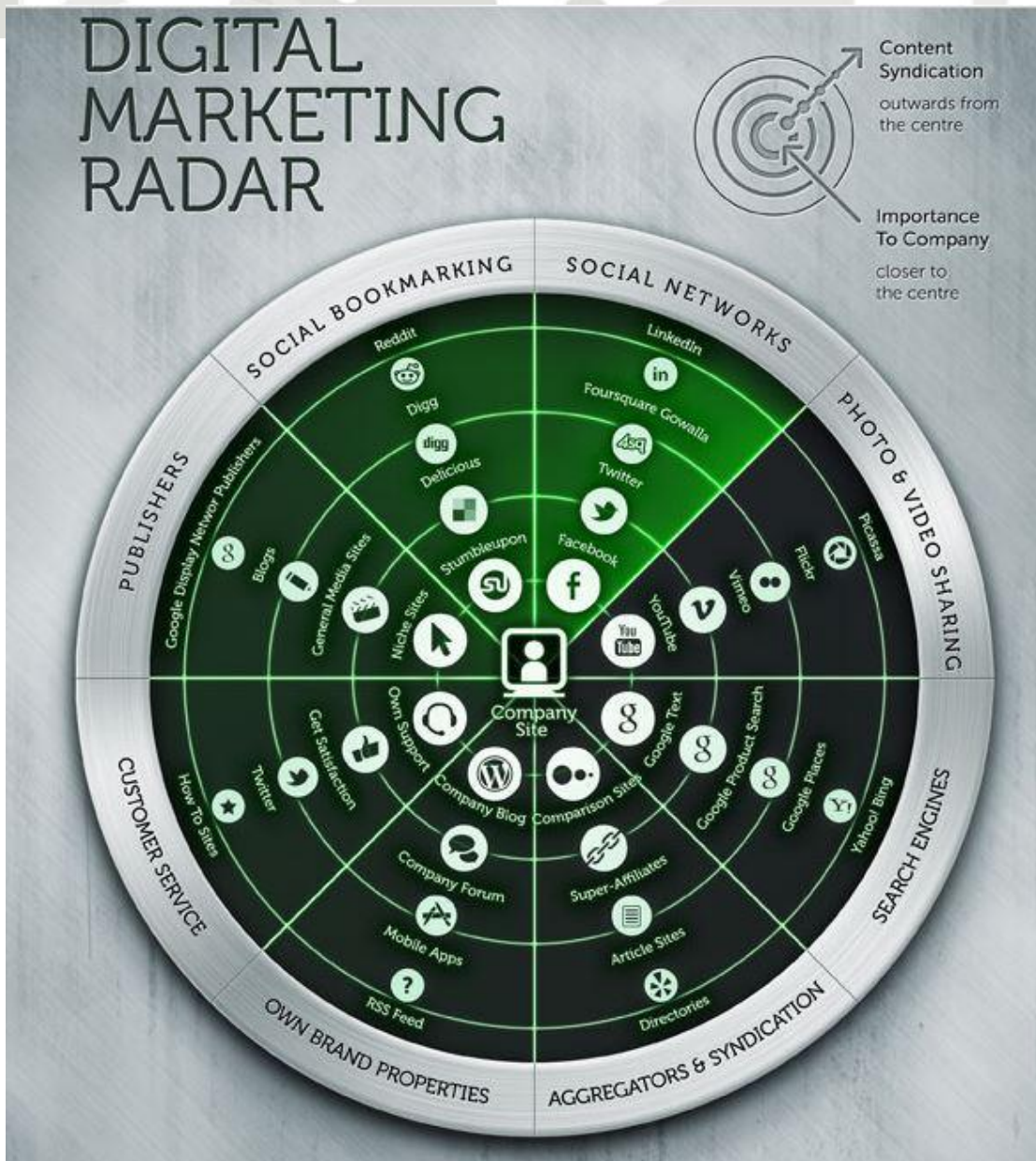
Source: www.smartinsights.com

As a silver tourism service provider, think about which online media your target group is using and/or reading in order to develop your digital PR campaign.

3. Through **online partnerships** you can create and manage long-term arrangements to promote your online services on third party websites or through email communications. Different forms of partnerships include affiliate marketing, sponsorships, co-branding, link building and widget marketing. An **example** of a successful Slovenian affiliate programme, very appropriate for arranging transfers of your silver tourists, can be found here. Look for similar examples and opportunities in your own country.

4. **Interactive advertising** uses interactive media, both on- and offline, and actively engages the final customer. It is highly appealing to a prepared audience but costly, difficult and time-consuming to prepare, especially for the markets that yet have to be properly identified and analysed, hence definitely not number one choice for silver tourist market.

5. Another way to reach your customers on the internet is through e-mail. Unlike spam promotional e-mails that get sent out to large lists of recipients without regard to whether or not they want the information, **opt-in e-mails** are only sent to people who specifically request them. In order to compile the list of opt-in e-mails, your potential (or existing) customers must sign-up online through a simple and fast process, either on your webpage/social media pages or third party pages, as well as on various other occasions, such as events, tourism information centres, tourist offices etc. The list you keep will start small but should grow over time.

6. As the word "viral" applies, **viral marketing** spreads among people like a virus; you might not know that the term has been around for a long time, mostly being used for the spread of information by word-of-mouth before the rise of internet. Nowadays viral marketing is mostly connected to spread of information via social networks and other internet-based platforms. Whatever viral content you create, make sure it has enough appeal for people to be willing to share it with others. In case of silver tourism, you should of course consider the limitations of such tool in terms of how many potential clients it can actually reach.

Assignment:

1) Determine which digital media channels your company uses and discuss within a group which of these media channels have proved most efficient in reaching your target groups.

2) Of these digital media channels, discuss which would be most efficient to reach 'Silver Tourists.'

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3.3.4. LOW COST MARKETING SOLUTIONS AND TOOLS.

Good marketing is not necessarily expensive, but it does require effort, strategy, innovation and an investment in time. Here are just a few low cost marketing ideas (Tourism & Events Queensland, 2015, p. 159-162). All the methods in this section are directly taken from the Big Marketing Guide of Queensland and only slightly modified to fit within this element.

⇨ **Get involved and contribute to your local community**

Consider supporting local causes, family events and sporting clubs with prizes/giveaways to experience your product. This will help to build local customer loyalty. Send a media release to travel writers and news journalists who might be interested in giving support to the community events you sponsor. Frame letters of appreciation and display them in a high-profile public area. Include a section on your website to promote your community support and link to the websites of the groups and organisations you sponsor. Offer locals a loyalty membership card with opportunities to gain discounts and rewards.

⇨ **Message on hold**

Use the time your telephone callers are on hold to tell them about your product and services with targeted messages. You can create and manage the messages yourself or work with a company that will manage everything for you. They will write your messages, do the voice recordings and chase you up on a regular basis to refresh your content. Of course, you can change the messages at any time and it is a great way to spread the word about new or seasonal campaigns, as well as get messages across about your services and experiences.

⇨ **Destination first, product second**

It is important to remember destination is king. While tourism product is a key element in the destination story, it is the destination itself that speaks first and foremost to the consumer. If you promote your awesome product within the context of your amazing destination, you are far more likely to capture the imagination of potential tourists than the other way around. Just as many travellers choose a destination followed by the airline on which to travel, so too do they choose a tourism product or operator.

⇨ **Be responsive**

Make sure you respond to email requests instantaneously and follow up to resolve the request within 24 hours. You will see how impressed consumers will be when you get straight back to them. Remember to respond promptly to social media comments and questions on social platforms.

⇨ **Join networks, industry and community organizations**

If you have time, energy and commitment, get involved with your local community and industry organizations. It is a great way to meet people, contribute to the

industry and network. Make the most of your relationships by turning up to meetings and functions; keep your community or local industry networks informed if you have a new product or experience, and remember to send a media release.

⇨ **Nominate for industry or professional awards**

There are lots of awards held each year. Speak to your Local, Regional or National Tourism Organization about which are the most prestigious and if you meet the criteria, make sure you enter. By entering and winning you can increase your exposure to new markets and industry groups. Issue a media release if you win and display your awards where customers can see them.

⇨ **Participate in trade events, missions and roadshows**

Look for events that are planned in your region. Profit off other tourism promotions and leverage off their advertising. If possible, share exhibition space and displays with an operator you package with. Look for events that are planned for your region. The beauty about local events is they can save you time and money.

⇨ **Team up with other local operators**

Work and package with operators in your region who target the same type of customer as you. Share the costs to develop online and printed guides or flyers that promote your offerings. Make sure these guides are readily available through each participating business. Do not forget to tell the local media, your social media audience, trade partners, and your contact database.

⇨ **Network, network, network**

One of the most powerful and rewarding low-cost marketing ideas is that of networking. Work with your peers and even your rivals and you will enjoy much more business success than if you work alone. The tourism industry is gloriously notorious for its networking. Take advantage of networking events and meeting new people. Be generous with your knowledge and networks, and the benefits will be tenfold.

⇨ **Referrals and recommendations**

Refer your customers to other tourism network buddies. Both parties will appreciate it and be more than happy to return the favour.

⇨ **Be professional and maintain a positive attitude**

Your positive attitude and open approach are your most important business assets. Recruit the right people with the right personality who are customer focused. Ensure they have the right skills for the job and will fit into your organizational culture. Good staff are a huge selling advantage to your business. Continue to train and reward your staff and keep them motivated by making the workplace a positive environment.

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⇨ **Use branding, signage and displays**

Branding is how your business differentiates itself and builds a competitive advantage. Your brand should permeate all aspects of your business from your advertising to your reception, service and culture, everything should represent your brand values and promise. Do not miss an opportunity to put your name out there. Add your logo to your website, brochures, pens, clothing and merchandise. Pull-up banners should include images that best represent your brand and include your logo. Decals on your company vehicles are a great way to promote your business while running errands, attending events, travelling to and from work, or even when your vehicle is sitting idle in a car park.

⇨ **Think of others**

Keep a birthday diary of your key business and customer contacts. Call, send them a card or email to wish them a great day and let them know you are thinking of them. They will remember you because you remembered them. Ask new customers if they were referred and if so, by whom. Then follow with a brief but sincere email or card of thanks to the person/s who recommended you.

⇨ **Vouchers**

Encourage people to try your product and services by distributing vouchers or coupons through newspapers, brochures, coupon books, direct mail and email. Include an expiry date to create a sense of urgency and use a code to track the success of each campaign. Remember to add value rather than discount your product, e.g. include a late checkout or bottle of wine.

⇨ **Check your home page**

As simple as it sounds, make sure your product and services are clearly identified on your website home page. Consumers should be able to see in an instant what kind of tourism product you are and what services you offer. It can be effective to advertise your special offers on your home page as well.

⇨ **Google it**

Check out Google and Google Local Business Centre for free business applications such as Google Maps, information and resources. Google has a number of easy-to-use tools that are great for business. Create an account with Google My Business and use it to manage your Google Local Business Centre listings.

⇨ **Social media**

Social media is free to use and easy to set up. While it does take some time to manage and nurture an engaged audience, the benefits for the outlay are enormous. A blog article, photo or quick video can be created and edited quickly and shared on platforms such as Facebook, Twitter, YouTube, Instagram or Pinterest for free. It just takes some creativity and a little time. PPC (AdWords) and Facebook advertising are low-cost and highly targeted. It is free to set up an account, and you can limit your campaign budget and daily spend to suit your

budget. You can get started for $5 per day – compare this with the cost of a print or TV advertisement.

⇨ **Link your product to domestic touring routes**

Packaging for the drive markets can help keep visitors in your destination longer and spending more money. It's worth checking with your RTO if and how they are promoting these touring routes, and if you like what you hear, look for ways to become involved.

⇨ **Digital Storytelling**

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Digital storytelling describes a simple, creative process through which people tell a personal story as a two-minute film using predominantly still images. These films can then be streamed on the web or broadcast on television.

Conclusion

When marketing and selling products and services to the silver tourism segment, it is important to keep in mind that the target group is extremely varied, hence both offline and online tools can and should be used for communication and promotion purposes.

The traditional promotional mix covers a number of methods used for selling products and services, such as advertising, public relations, personal selling, sales promotion, direct and guerilla marketing etc., while the main digital media channels are search marketing, online PR, online partnership, interactive ads, opt-in e-mail, and viral marketing.

The latest trend is one-to-one marketing - it is all about listening to customers, remembering them and providing them with the service each requires. It is about adapting your marketing strategy to the future and exploiting modern technology to achieve a more personal approach. After a period of mass marketing, globalization, segmentation and lifestyle grouping in tourism, today we have to follow the tendency towards individualization.

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3.4 Cost Benefit Analysis & Pricing

3.4.1. PRICING TOURISM PRODUCTS AND SERVICES.

Once you have analysed needs and interests of your potential target group, chosen a segment, positioned yourself on the perceptual map and created a silver tourism product or service (see also Unit 2), and before putting your product on the market and start selling it, you need to price it. Pricing of course is a big element and one of key success factors. The price needs to be accurate, consistent and competitive in order to gain interest among both your costumers (tourists) and your business partners.

The upper price limit is set by the buyers; you cannot charge more than they are willing to pay. The lower price limit is set by operational costs of your organization; the price you charge needs to at least cover the costs that arose due to service delivery.

The three key pricing factors in tourism are your operating costs (both fixed and variable), the cost of your distribution network (commissions, fees) and your profit margins. Other factors to consider when pricing your products are prices your competition charges for similar products, customer demand, price sensitivity of your target markets, perceived image, value and quality of your product, business and/or region, and seasonality of your product amongst others.

There are numerous strategies, methods and means of pricing products and services, such as premium pricing, penetration strategies, economy pricing, price skimming, psychology pricing, bundle pricing etc. In this unit we will have a closer look at yield management strategy due to its relevance for all tourism services with a fixed number of assets (eg. rooms, airline seats, bus seats).

Yield management

The idea of yield management is that different people are willing to pay different prices for your product at different times. Let us take for example a hotel; customers who book far in advance generally expect a lower price than those who book last minute; and customers who attend a business event in a hotel also expect a special price for accommodation (at least for the duration of the event). **With yield management you can maximize the average revenue per available room per night.** But in order to do that, you need to **analyze and understand demand** - you need to be able to forecast it, optimize it, control it and monitor it.

There are a number of forces impacting demand for rooms at any given time, and your goal is to find the balance between room rate, costs, and occupancy that maximizes revenue.

You can **predict** demand by looking at historical records that show you which days or seasons are more and which less popular, analyze the no-shows and analyze the booking patterns which show you how far in advance customers normally book your rooms.

Then you should **optimize demand**. In order to do that, you need to calculate the minimum acceptable revenue per room. Based on this information you can decide how to set your price when for example 70 % of your rooms have sold, what price is acceptable from walk-in guests and how to handle group bookings. There are several online tools available that help you with calculations.

In the next step you should learn how to **control demand.** In order to maximize your revenues, you can apply various strategy controls at your booking system or at the front desk, such as reservation must include Sunday, advance reserva tions required, rate only applies if 2 guests are in the room etc., as well as tactical controls for discounted rates, such as customer must arrive on a fixed date, customer must stay through a typically quiet nights, customer's stay is limited etc.

The last step requires you to **monitor demand** and evaluate results of the first three steps. Did you manage to sell the remaining rooms? If so, how many and at what price? Can you use what you have learnt in the future? And, most importantly, did you not forget to attend to your clients by spending too much time regulating prices?

Break-even analysis

Once your product or service is on the market, it is essential to know you break-even point, ie. the point where your costs and revenues are exactly equal, where no profit has been made but also no losses have incurred. This calculation is critical for any business since the break-even point is the lower limit of profit when determining margins.

Figure 39: Graphic explanation of break-even point
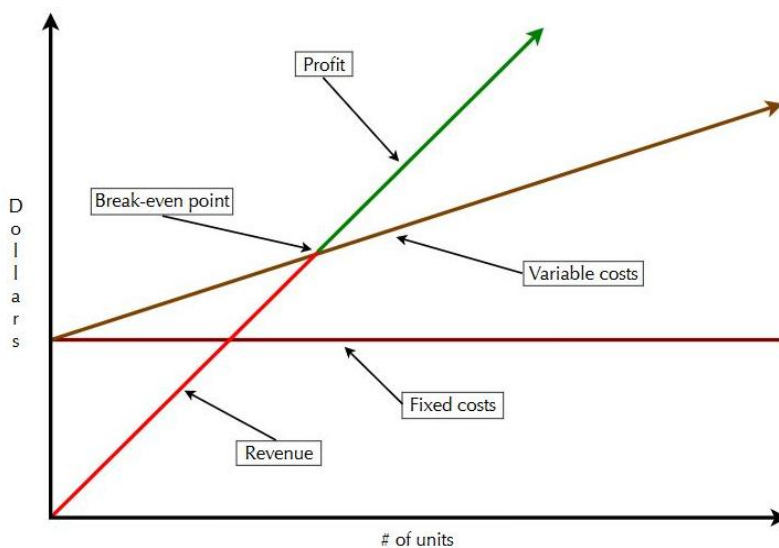
Source:http://www.jhemingway.net/322_323_Mats/Budget_Finance/Financial_Analysis /Break_even_analysis.pdf

To conduct a break-even analysis, you need to know your:

a) fixed costs, ie. costs that are the same regardless of how many units you sell (eg. wages, property taxes, outsourced services contracted for fixed amount, yearly maintenance contract fees, sales & marketing, advertising costs, provisions etc.);

b) variable cost, ie. costs that are absorbed with each unit sold and that need to be recovered in order not to lose money with each sale (eg. food, beverages, stationeries, linen, chemicals, laundry operations etc.);

c) proposed or desired price of a unit.

You can use the following **simplified** equation that will let you know how many units you need to sell to break-even:

Break-even Point = Fixed Costs / (Unit Selling Price - Variable Costs)

Above the break-even point, every additional unit sold increases profit by the amount of the unit contribution margin, which is defined as the amount each unit contributes to covering fixed costs and increasing profits. As an equation, this is defined as:

Unit Contribution Margin = Unit Selling Price - Variable Costs

Recording this information in a spreadsheet will allow you to easily make adjustments as costs change over time, as well as play with different price options and easily calculate the resulting break-even point.

> *Note: There are numerous more sophisticated equations available for the break-even point calculation in tourism that we have not covered in this unit due to their complexity.*

Competitive pricing

Prices in tourism are very dynamic and change with an increased or decreased demand, seasonality, added value or extra services etc. However, there are several ways to stimulate demand among your target groups and draw them away from your competition, such as seasonal or quantity discounts, segmented pricing, packaging ...

Note that **discounting** on price alone will not differentiate you from your competitors. It can be a short term action to boost sales but it is definitely not a recommended long-term strategy. There will always be a competitor who can undercut your price and you can easily find yourself in a downward spiral of competitive price cutting that will completely devalue your business.

What you should do is ask yourself what **value added** services you provide inclusive of the experience and focus on that. Instead of discounts, price your offer on the value and use your marketing channels to communicate that value. Pricing based on value-added will be much harder for competitors to compete on. Examples are complimentary fruit upon arrival, free wi-fi or free parking space, tickets for a local event, discount in a local restaurant etc.

3.4.2. COST-BENEFIT ANALYSIS.

A cost-benefit analysis (CBA) is a systematic process for calculating and comparing benefits and costs of a **project or a decision.** CBA helps predict whether the benefits of a project or decision outweigh its costs and by how much, relative to other alternatives. Cost-benefit analysis can be very comprehensive, but also a bit more simple and ready to use. In this unit we will focus on the latter.

CBA as a method can be used in tourism when developing a new plan or deciding to add facilities to increase tourism potential. **Let us suppose we want to establish a rural area as a holiday destination for silver tourists** which requires some adjustments of current offer. In order to conduct the CBA, **we first need to list costs related to the investment and benefits it will bring to the local community**. Of course some items will be fairly accurate while others will be estimates or even unmeasurable.

We have used the list of information that is necessary for the CBA by Goldman, Nakazawa and Taylor (1994) and adopted it to our needs and situation:

A - COSTS - Information we need:

1) **Inventory of current public support services**, such as sewer, streets, water, restrooms, medical facilities, police, parks, waste arrangements. For silver tourists we will especially have to focus on accessibility of public facilities and public transport networks, availability of medical staff and safety. If the capacity does not meet our demands, expansion of the facilities that are in short supply must be taken into account as a cost of tourism development.

2) **Inventory of current private support services,** such as accommodation facilities, restaurants, guides, private transport services. In our case it is important that private sector follows the idea of a silver tourists retreat and adopts their services to meet the needs of the selected target group.

3) **Projection of the expected number of guests.**

4) **Estimate of tourism expenditure.** In order to calculate this number, we need to know what we will be offering to our guests and how much they are willing to spend on their holiday and individual products. We have covered needs and interests of silver tourists in previous elements and units. We have also learned by now that silver tourists are a very varied group with various income levels. It is up to us to decide what kind of retreat we are developing and whom we are targeting - is it a luxury resort or will we sell it at budget prices?

B - BENEFITS - Information we need:

1) **Local incomes and employment.** How many new jobs will be created? How much will the local revenues increase?

2) Will **tax revenues** increase? In that case that might provide tax reliefs for local residents.

3) Will our project **diversify the existing economy**?

4) Will we be reducing the problem of **seasonality**? By addressing silver tourists this is definitely the case since as we have learned, they normally have more spare time and can travel outside the main season.

5) What are the potential **cultural and social contributions** of tourism development in our destination? Will our guests be encouraged to leave the tourism facilities and discover the local area and local community? Will any local traditions be revived for these purposes? etc.

As mentioned, costs and benefits cannot always be accurately measured. In CBA, unmeasurable items should be marked with a (+) for a benefit and a (-) for a cost.

All the costs and benefits are then entered in a single table. After subtracting total costs from total benefits, the net measurable benefits should be positive before a community proceeds with a tourism development programme or project. See example below:

Figure 40 - Estimated costs and benefits of an imaginary silver tourism development project in a rural area

	Benefits (per year, in €)	Costs (per year, in €)
1. Local income		
wages	75.000	
business profits, interests, rents	41.000	
Sub total	**116.000**	
2. Local tax revenues		
bed tax	1.400	
property tax	0	
Sub total	**1.400**	
3. Support services		
parking lot expansion		7.000
toilets		2.000
doctor (benefits & salary)		30.000
accessibility adjustments		9.800
Sub total		**48.800**
4. Development of plan		**5.000**
5. Preservation of local culture and heritage	500 (+)	500
6. Decreased seasonality	(+)	
7. Environmental impact	(-)	(-)
TOTAL	117.900	54.300

Net benefits[25]	**63.600**
Benefit / cost ratio[26]	**2,17**
Net public sector impact[27]	**47.400**

CBA shows that the final benefits for the community on yearly basis amount to approx. 63.500 € whereby the first year costs are the highest due to some investments. For every € of costs, 2,17 € will be returned to the community. Additionally some important effects that cannot be considered in economic terms, such as seasonal fluctuations and preservation of intangible heritage, marked with (+) and (-) show that positive impacts prevail.

To wrap up, tourism development can have positive economic consequences but too often not all benefits and costs are considered. CBA provides a framework to identify the likely economic impacts, both measurable and unmeasurable, associated with tourism development.

> *Note: More sophisticated CBAs have not been covered in this unit due to their complexity.*

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[25] Net benefit = benefits per year - costs per year

[26] Benefit/cost ration = benefits per year/costs per year

[27] Net public sector impact = additional public costs - additional tax revenue

Conclusion

The three key pricing factors in tourism are operating costs (both fixed and variable), cost of distribution network (commissions, fees) and profit margins while other factors to consider when pricing your products are prices of your competitors, customer demand, price sensitivity of target markets, perceived image, value and quality of your product, business and/or region, and seasonality of your product amongst others.

There are numerous strategies, methods and means of pricing products and services; yield management requires you to analyze and understand demand in order to maximize the average revenue per available room per night, while the break-even analysis helps you calculate the lower limit of profit when determining margins.

A cost-benefit analysis (CBA) is a systematic process for calculating and comparing benefits and costs of a project or a decision. It helps predict whether the benefits of a project or decision outweigh its costs and by how much, relative to other alternatives.

Further information and references for learning, teaching and assessment activities

- Break-even analysis and Contribution method.

  http://www.jhemingway.net/322_323_Mats/Budget_Finance/Financial_Analysis/Break_even_analysis.pdf

- Creating Value in Tourism.

  http://www.tourismexcellence.com.au/images/stories/pdf/module4/M4-Nina-Hendy-article-on-creating-value.pdf

- Pricing.

  http://www.tourismexcellence.com.au/marketing-excellence/pricing.html

- Pricing Strategy for Tourism Businesses.

  http://www.tourismindustryblog.co.nz/2010/03/pricing-strategy-for-tourism-businesses/

- Pricing Your Tourism Product.

  http://www.destinationnsw.com.au/wp-content/uploads/2014/03/Tourism-Business-Toolkit-VOL2-Chapter3.pdf

  http://smartehotels.com/blog/

- Goldman, G., Nakazawa, A., Taylor, D. (1994): Cost-Benefit Analysis of Local Tourism Development. WRDC, Oregon, USA.

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silver-tourism

3.5 Marketing Effectiveness

3.5.1. DEVELOPING A MARKETING ACTION PLAN.

After undergoing all steps from segmentation, targeting and positioning to branding and 4Ps, it is time to set marketing goals and put a marketing plan in place to achieve them.

Today there are so many options, marketing platforms, traditional and digital marketing tools (see also Unit 3, Element 3) that being an effective marketer has become a major challenge. How do you decide on which tools to use to target your clients? How much money do you allocate for each of the actions? What are the results of a particular action and how do you measure them? What can you learn from your past marketing campaigns to improve future ones? Marketing action plan will guide you to reach your goals and help you decide which tools to use.

The fundamental purpose of a marketing plan is to improve the success of your business or organization. If done well, a marketing plan can provide insight into your business, define your objectives and strategy, and help ensure that you are providing effective services or products to your customers. The right marketing plan identifies everything from who your target customers are to how you will reach them and how you will retain them. Here are some action steps that you should consider making part of your marketing plan, according to Hal Shelton, author of *The Secrets of Writing a Successful Business Plan:*
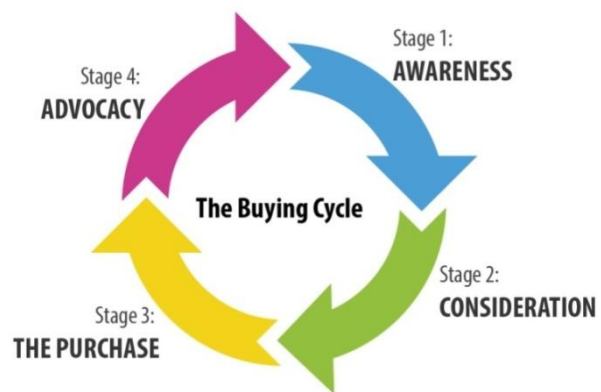
1. First **define your buying** cycle based on which you can always adjust your messages to customers in each of the stages. Eg. a direct marketing campaign to gain awareness (stage 1) will be different from the direct marketing campaign for active customers (stage 3).

2. Second important aspect is the **market research.** It should not be something to do only when you start your business; you need to continually stay on top of your target customers' demographics, needs, desires and lifestyles. Draw from your own experience talking with your customers, as well as any customer data you have - sales records, website analytics, social media interactions - to see what they are researching, browsing, doing and buying. Also use third-party sources of research to keep up with trends in your target market, and contact media properties where you are considering advertising to see who their readers/viewers/listeners are.

3. Once you know what your customers want and where they are spending their time, you can **develop a marketing plan** that reaches out to them where they live - whether that is outdoor advertising, social media, radio ads, online pay-per-click ads, public relations and more. Focus most of your budget on the avenues your research suggests will be most effective and affordable. Your marketing plan should cover the coming year and should include specific goals.

4. Break down your marketing plan more specifically into a **calendar** that shows what type of marketing you will do each month, each week and even each day. This can include ad placements, PR campaigns, social media posts and more. By putting your plan on a calendar, you are committed to carrying it out and things will not fall through the cracks.

5. To make sure your marketing efforts deliver return on investment (ROI), you need to **track and measure the results** of each type of marketing you do. For example, you could put a code in an online or print ad and keep track of who mentions the code. Online, you can use analytics to see which ads or mentions attract customers to your site and to track which customers end up making a purchase. Regularly (once a quarter, at minimum, or ideally once a month) assess which marketing methods are driving sales and which are not.

6. **Other** marketing action steps might include email marketing, using affiliates and distributors, building a website, direct mail, buying ads in assorted media outlets (newspapers, radio, etc.), social media and web marketing.

Marketing Action Plan template - simple

A successful marketing plan should be **simple, achievable and relevant**. Below you will find a simple example of a template you can use; the first column defines the marketing goal, the second lists potential marketing activities and the third assesses what you need in order to complete these activities:

Marketing Goal	Activities	How to complete activities
Increase subscribers to in-house email list by 50 % in 6 months.	add the sign-up form to Facebook page	understand how to use promoted posts on Facebook; create a timeline for posts; set a budget
	simplify sign-up form to encourage more sign-ups	simplify sign-up form; add it to various subpages
	add the sign-up form link with a call to action to e-mail signatures	add the sign-up form link

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	ensure that website and e-mail marketing activities are mobile ready	update website with a responsive theme to support any device; review e-mail marketing service provider to make sure that email is easily viewed on mobile devices

Marketing Action Plan template - elaborated

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An elaborated marketing plan includes the following information:

1. executive summary or overview of the plan,
2. description of your target customers and their needs,
3. clearly defined marketing objectives,
4. marketing strategy - including product, price, distribution and promotion,
5. action plan,
6. budget projections,
7. (SWOT analysis),
8. (evaluation).

The marketing plan template below includes sections for online marketing, media relations, trade shows and events, other branding efforts, and sales campaigns. Objectives are clearly identified along with target market and total costs. Months of the year are broken down into weeks for easy planning. You can modify this template to include whatever elements are vital to your marketing plan.

Figure 41: Marketing Plan Template

Source: https://www.smartsheet.com/free-marketing-plan-templates-excel

Besides the general marketing plan you can outline also a tactical marketing plan in which you list all tasks, responsible persons, expenses, dates and status. Tactical marketing plan will help you assess your progress.

In the era of digital media, you might also want to outline a dedicated digital marketing plan with sections for online advertising and analytics, content marketing and SEO strategy, social media, and tools for tracking metrics.

Figure 42: Digital Marketing Plan Template

Source: https://www.smartsheet.com/free-marketing-plan-templates-excel

3.5.2. MONITORING EFFECTIVENESS.

Measuring marketing performance has long been a central concern in marketing and remains a vital issue. Depending on the channels and tools used, right data and indicators must be selected to monitor and evaluate marketing effectiveness. Below we have stated a few indicators you can use. There are many more and it is up to your needs and capabilities which ones you choose.

Traditional marketing tools

As we have learned in Element 3 of this unit, advertising is the most common method of presenting our product to a big audience. However, work is not complete if the effectiveness of ads is not measured. This is the only way to know how the advertisement is performing, is it reaching the targets and goals.

It is not possible to measure advertisement effectiveness accurately as there are many factors, such as making a brand image, increasing the sales, keeping people informed about the product, introducing new product etc. which affect the effectiveness of an ad. However, there are some traditional tools to measure effectiveness of ads through which advertisers can get more information about how their ads and products are performing in the market. According to Philip Kotler, the two most popular areas which need to be measured for knowing the effectiveness of advertisement are the communication effect and the sales effect. While the **communication effect** test **measures** communicating ability of the ad, the sales effect test measures ad's ability to positively influence sales.

To measure the communication effect, one might use the **rating model** that directly asks customers to rate the advertisement, **recall and portfolio tests** where costumers see and listen to one ad or a portfolio of ads and then try to recall them, or laboratory tests where apparatus to measure the heart rates, blood pressure, perspiration etc. are used on costumers while and after they watch an ad.

The sales effect is more difficult to test since sales are influenced by many factors besides advertising, including product's features, price, availability, and competition. Still, two methods can be used. **The historical test** involves correlating past sales to past advertising expenditures using advanced statistical techniques. The results can reveal how far advertisement was effective in generating or increasing sales. The **experimental test** uses experiment to assess impact of advertisement on sales. Instead of spending the same percentage of sales for advertisement in all territories or products, a company spends different percentage of sales for advertisement. Based on the results it can easily judge whether high-spending territories have resulted in increasing sales and vice-versa.

As earlier said, it is not possible to accurately measure effects of ads. Therefore it is recommended that the company uses appropriate and different methods that are most suitable for the media used.

E-marketing tools

With the rise of internet, a lot of content has moved on-line. If you want to control and improve your on-line performance, you need to track and measure how many people are consuming your contents, what they are doing with it and whether or not they like it.

Cain (2012) believes it is best to start by tracking and analyzing the following data from your company's website:

o **Unique visitors** refers to the number of individuals who visit your website during a given period of time, where each visitor is only counted once. This number will vary depending on the size of your company, your industry and, of course, the amount of content you are producing.

o **Page views** is the cumulative number of individual pages that your visitors click on during a given period of time. If your page views are higher than your unique visitors, that may be an indication that your audience is finding your content engaging because individuals are clicking around to multiple pages.

o **Search engine** traffic is the amount of traffic being referred to your site through search engines, such as Google. This number will give you a clear indication of how effective of a job you are doing at optimizing your content for search.

o **Bounce rate** is the percentage of visitors who come to your site and then immediately "bounce" or leave before clicking on any other pages. A bounce rate of less than 40 percent is considered good. If it is any higher, it may be an indication that visitors to your site do not like what they find there.

o **Conversion rate** is the percentage of visitors to your site who take a specific action that your content encourages them to, such as signing up for your newsletter. Conversion rates vary considerably based on industry, but tend to hover around 2 and 3 percent on average. That said, aim for a conversion rate of approximately 5 percent, or even higher if you are creating specific landing pages for specific audiences.

o **Inbound links** is the number of external links to your site, an indication that other people have found your content important enough to link to it. Importantly, the more high-quality inbound links you have, the higher your content will rank on search engines.

One of the best ways to track all of this information is by setting up a free account with Google Analytics. A powerful tool, Google Analytics will allow you to monitor your website and analyze a huge amount of data at both the aggregate and

individual page level. That way you can find out how specific pieces of content are performing, as well as the overall performance of your content marketing efforts. Signing up is easy and takes just a few minutes. Within a matter of days, Google Analytics will have collected enough data to allow you to start analyzing trends and looking for new insights.

No matter how you do it, if you have the discipline to look at your key metrics for measuring marketing effectiveness on a weekly basis, you will be much more in tune with how your content is performing. Once you have mastered this, try putting some of the data into **chart form** to make it easier to identify trends.

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Figure 43: Key metrics presented in a chart - example

Source: Content Marketing Institute.

In addition to the basic metrics noted above, there are two other important things to take note of: the **number of comments** and the **number of shares** your content gets — both are strong indicators of engagement. Any time that people are taking the time to post a comment about your content or to share it with others, it is a great sign.

Other marketing metrics and key performance indicators

Besides the metrics and performance indicators mentioned in 2.1 and 2.2 there are many others you can use. When choosing the right marketing metrics, you should keep in mind which channel you are using and who will be using the data to make business decisions. The types of metrics you want to track will vary for different marketing roles. Executives will want to see an overview for every marketing channel, while managers will want to dive into the metrics for a deeper understanding of day to day performance.

Below we have stated a few additional performance indicators as identified by Klipfolio.

- o **Marketing Return on Investment (ROI)** measures the results marketing campaign is generating compared to the cost of running it. Costs typically include time and money.

Figure 44: Marketing ROI - example

Source: Klipfolio

o **Purchase funnel analyzes** your costumer acquisition process to help you understand how potential customers discover your products or brand and, more importantly, how they become loyal customers. The key to the purchase funnel is to analyze conversion rates from one stage to the next.

Figure 45: Purchase funnel - example

Source: Klipfolio

o **Goal completion** rate measures the number of people who complete a specified marketing goal, eg. signing up for a trial or subscribing to the mailing list.

o **Social sentiment** analysis involves categorizing brand mentions as negative, positive, or neutral.

o **Net promoter score** is a measure of a customer base's willingness to promote a product or service to colleagues and friends. It is based on the results of customer survey.

o **End action rate** measures the effectiveness of marketing campaigns by monitoring the last action taken by the audience.

Figure 46: End action rate - example

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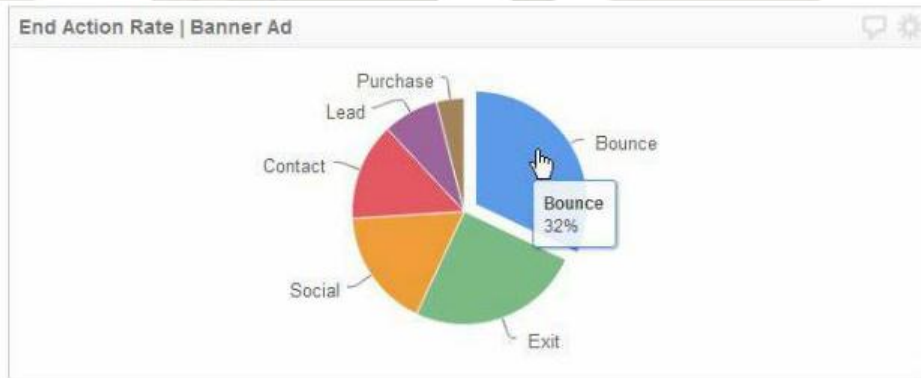
Source: Klipfolio

o **Cost per lead** measures the cost effectiveness of marketing campaigns when it comes to generating new sales leads. The purpose is to provide the marketing team with tangible euro figures so they can understand how much money they should spend on acquiring new leads.

Conclusion

The fundamental purpose of a marketing plan is to improve the success of your business or organization. If done well, a marketing plan can provide insight into your business, define your objectives and strategy, and help ensure that you are providing effective services or products to your customers. The right marketing plan identifies everything from who your target customers are to how you will reach them and how you will retain them.

Once the plan is implemented, it is most important to measure the effectiveness of marketing actions. Depending on the channels and tools used, right data and indicators must be selected to monitor and evaluate marketing effectiveness. There are many available, amongst them communication effect, sales effect, historical and experimental test for offline marketing, unique visitors, page views, conversion rate etc. for online marketing, and other indicators, such as marketing return on investment, purchase funnel, cost per lead etc.

Further information and references for learning, teaching and assessment activities

- Creating a Marketing Action Plan

  https://www.sba.gov/blogs/creating-marketing-action-plan

  https://www.smartsheet.com/free-marketing-plan-templates-excel

- Allgaier, C., and Powell, T. (1998): Enhancing Sales and Marketing Effectiveness Through Competitive Intelligence. Competitive Intelligence Review.

- Cain, K. (2012): 6 metrics to track when you measure marketing effectiveness. Content Marketing Institute.

- Clark, B., Gooner, R., and Morgan, N. (2002): Marketing Productivity, Marketing Audits, and Systems for Marketing Performance Assessment: Integrating Multiple Perspectives. Journal of Business Research.

- Stead, M., Gordon, R., Angus, K. and McDermott, L. (2007). A systematic review of social marketing effectiveness. Health Education, 107(2) pp. 126–191.

- The Marketer's Guide to KPIs (2013). Klipfolio.

Unit 4.

Developing Local / Regional Silver Tourism Destination

4.1 Stakeholders Involvement

Learning objectives

⇨ Knows how to mapping local and regional relevant stakeholders

⇨ Know the stakeholder groups and their role in developing silver tourism destination

⇨ Know how to involve local and regional stakeholders in the process of developing silver tourism destination

⇨ Know how to create a good collaboration between various stakeholders in order to maintain destination competitiveness

⇨ Know how to use stakeholder theory in order to achieve the planned objectives, face constant uncertainty and minimise potential risks from the external environment.

4.1.1. STAKEHOLDER THEORY AND STAKEHOLDERS IN THE SUSTAINABLE TOURISM DEVELOPMENT.

The support of tourism stakeholders is essential for the development, successful operation, and long-term sustainability of tourism. Tourism stakeholders include many different types of groups depending on geographically-based in the different parts of the area. However, not all stakeholders have the same level of interest in sustainable tourism development and may be less active or not active at all.

Moreover, some stakeholders are more important than others in determining the success of activities. For this reason, this paper identifies the key tourism stakeholders in implementing sustainable tourism development and to provide a synthesis of the similarity and differences in the characteristics of the tourism stakeholders.

Tourism is considered a valuable economic development opportunity for many countries, yet the expansion of tourism worldwide has also led to emerging concern about its negative impacts on host environments (Berrittella, Bigano, Roson, & Tol, 2006; Choi & Sirakaya, 2006).

As a result, there is increasing agreement on the need to promote sustainable tourism development with the aim of minimizing environmental and socio-cultural

impacts, while commensurately maximizing economic benefits for tourist destinations (Cole, 2006; Wight, 2003).

According to Freeman (1984, p.46), a stakeholder is 'any group or individual who can affect or is affected by the achievement of the organization's objectives'. The UNWTO identified stakeholders in tourism destinations as tourism professionals, public authorities, as well as the press and other media.

In addition, other interest groups and individuals and in particular local residents and indigenous groups, also need proper recognition as stakeholders in their own right (Macbeth, Burns, Chandler, Revitt, & Veitch, 2002). For the purposes of this study, and following Aas et al. (2005, p.4), tourism stakeholders include any individuals or groups involved, interested in, or affected (positively or negatively) by tourism.

According to these authors, effective stakeholder engagement must therefore 'reduces potential conflicts between the tourists and host community by involving the latter in shaping the way in which tourism develops'.

In addition, stakeholder theory has been widely used in tourism as stakeholders' interdependency and their ability impact on the development process of the tourism destination (Jamal & Getz, 1995). In fact, the theory has been developed both to explain, and to guide, the structure and operation of the established corporation (Donaldson & Preston, 1995).

Robson and Robson (1996) further stated that one of the key principles of stakeholder theory is that an organization is granted license to operate by virtue of its social contract with stakeholders. It has also been observed that stakeholders' knowledge and experience in tourism management, participation in tourism planning and development processes and long-term community involvement have played an important role in tourism destination management (Hardy & Beeton, 2001; Leiper, 1995). However, while each group of stakeholder plays an important role in the development of tourism, some stakeholders are more important than others in determining the success of activities (Vincent, 1990).

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- Gaining support from powerful stakeholders can help you to win more resources – this makes it more likely that your projects will be successful

- By communicating with stakeholders early and frequently, you can ensure that they fully understand what you are doing and understand the benefits of your project – this means they can support you actively when necessary
- You can anticipate what people's reaction to your project may be, and build into your plan the actions that will win people's support.

The first step in Stakeholder mapping is to identify who your stakeholders are. The next step is to work out their power, influence and interest, so you know who you should focus on. The final step is to develop a good understanding of the most important stakeholders so that you know how they are likely to respond, and so that you can work out how to win their support – you can record this analysis on a stakeholder map.

After you have used this tool and created a stakeholder map, you can use the stakeholder planning   tool to plan how you will communicate with each stakeholder.

The steps are explained in detail below:

Step 1 – Identify Your Stakeholders

The first step in your Stakeholder mapping is to brainstorm   who your stakeholders are. As part of this, think of all the people who are affected by your work, who have influence or power over it, or have an interest in its successful or unsuccessful conclusion.

The table below shows some of the people who might be stakeholders in your job or in your projects:

Your boss	Shareholders	Government
Senior executives	Alliance partners	Trades associations
Your coworkers	Suppliers	The press
Your team	Lenders	Interest groups
Customers	Analysts	The public
Prospective customers	Future recruits	The community
Your family		

Remember that although stakeholders may be both organizations and people, ultimately you must communicate with people. Make sure that you identify the correct individual stakeholders within a stakeholder organization.

Step 2 – Prioritize Your Stakeholders

You may now have a long list of people and organizations that are affected by your work. Some of these may have the power either to block or advance. Some may be interested in what you are doing, others may not care.

Map out your stakeholders on our Interactive Screen App, and classify them by their power over your work and by their interest in your work.
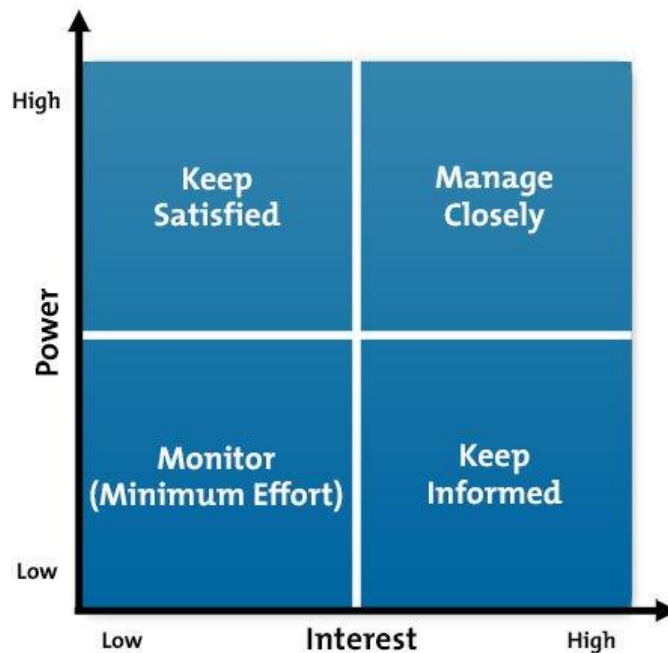
For example, your boss is likely to have high power and influence over your projects and high interest. Your family may have high interest, but are unlikely to have power over it.

Someone's position on the grid shows you the actions you have to take with them:

- High power, interested people: these are the people you must fully engage and make the greatest efforts to satisfy.
- High power, less interested people: put enough work in with these people to keep them satisfied, but not so much that they become bored with your message.
- Low power, interested people: keep these people adequately informed, and talk to them to ensure that no major issues are arising. These people can often be very helpful with the detail of your project.
- Low power, less interested people: again, monitor these people, but do not bore them with excessive communication.

4.1.2. STAKEHOLDERS MAP TOOL.

Description

Your company, your projects are not alone around the world and the different stakeholders can take important influences in its development. To know who are the stakeholders, and the complex relations among them and the relations among them and you can change your angle and focus (the centre) of your company, department, customer or other stakeholders.

When you start a stakeholders map, put an idea, concept, project in the centre of the canvas, then put the people that you'll need to develop and implement the idea, concept, project around it. This will help understand the value you'll need to create, who to involve and when, and then develop a strategy for implementation.

Graphic Tool
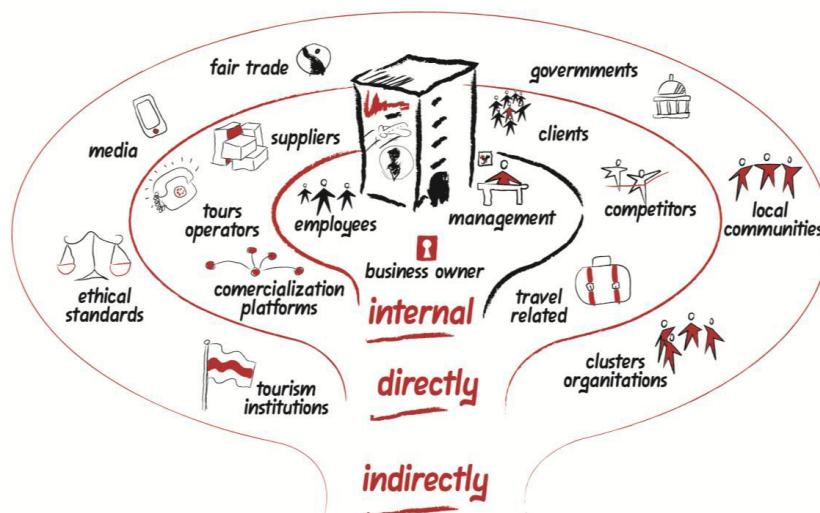
Steps

1. Place a topic in the centre (e.g. your company, team or idea), use markers & post-its;

2. Write down all the stakeholders you know and which do you think that they can help you to develop your idea or project. Please, don't talk, just do;

3. Share out the stakeholders around the canvas with the most influential stakeholders in the centre and the least in the outer ring;

4. Order them into groups, and name the groups.

In order to improve this stakeholders map, you can elaborate it with your final users or with other external stakeholders, they will give you other point of view. This tool is the best when it is used by a multidisciplinary team.

Step 3 – Understand Your Key Stakeholders

You now need to know more about your key stakeholders. You need to know how they are likely to feel about and react to your project. You also need to know how best to engage them in your project and how best to communicate with them.

Key questions that can help you understand your stakeholders are:

- What financial or emotional interest do they have in the outcome of your work? Is it positive or negative?

- What motivates them most of all?

- What information do they want from you?

- How do they want to receive information from you? What is the best way of communicating your message to them?

- What is their current opinion of your work? Is it based on good information?

- Who influences their opinions generally, and who influences their opinion of you? Do some of these influencers therefore become important stakeholders in their own right?

- If they are not likely to be positive, what will win them around to support your project?

- If you don't think you will be able to win them around, how will you manage their opposition?

- Who else might be influenced by their opinions? Do these people become stakeholders in their own right?

A very good way of answering these questions is to talk to your stakeholders directly – people are often quite open about their views, and asking people's opinions is often the first step in building a successful relationship with them.

You can summarize the understanding you have gained on the stakeholder map, so that you can easily see which stakeholders are expected to be blockers or critics, and which stakeholders are likely to be advocates and supporters or your project. A good way of doing this is by color coding: showing advocates and supporters in green, blockers and critics in red, and others who are neutral in orange.

Figure 47: Example Power/Interest Grid With Stakeholders Marked

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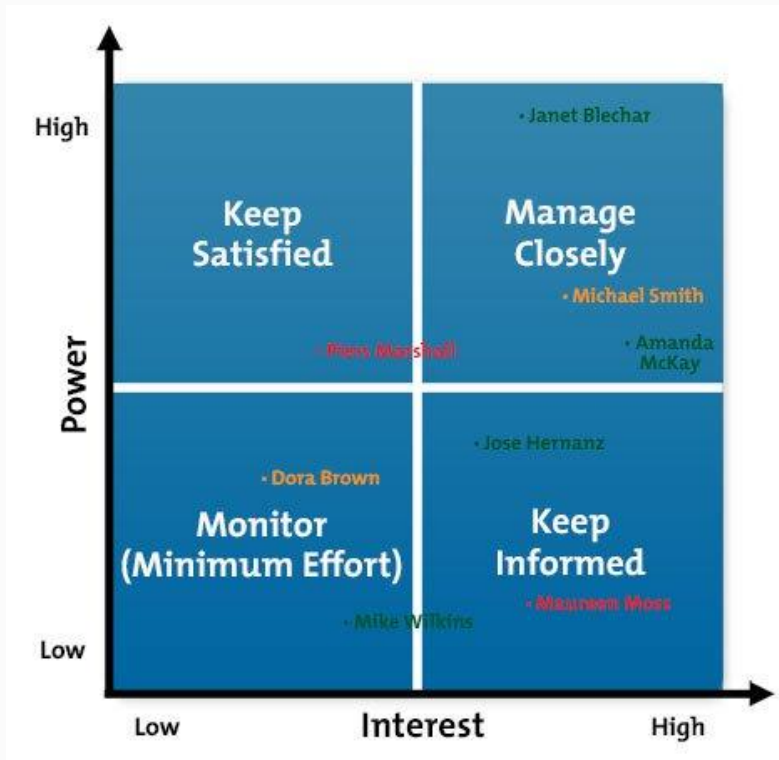
Figure 2 shows an example of this – in this example, you can see that a lot of effort needs to be put into persuading Piers and Michael of the benefits of the project – Janet and Amanda also need to managed well as powerful supporters.

4.1.3. MOTIVATION MATRIX TOOL.

Description

The objective of this tool is to identify the relations among different stakeholders through the description of their needs and motivations.

The motivation matrix is a very useful tool in the first steps of the service design process due to this tool allow you to consider the motivations of all stakeholders and it will help you to make a reflexion about the existing relations which can help us to start with the service design process.

Graphic Tool
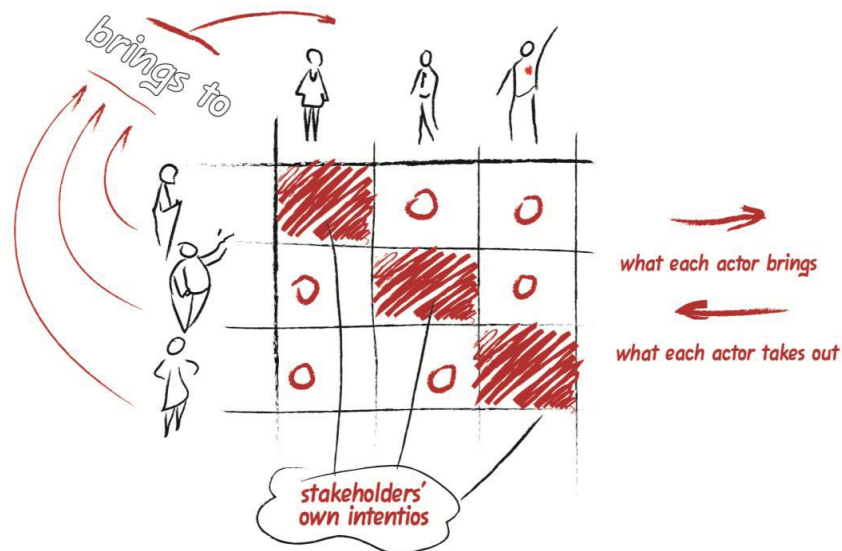
Steps

1. Create a matrix where in the rows and columns must be introduced the different actors of your process.

2. Fill in the cells with the motivations which can be affected (positively or negatively) through these relations.

TABLE 1

Key tourism stakeholders in implementing sustainable tourism development in the two rural towns of Thailand

Key Stakeholders	Nong Mae Na Community	Nen-Piem Community
Experts	- Tourism-oriented non-governmental	- Educational institutions
	organizations	- Government bodies
	- Educational institutions	
	- Government bodies	
	- Industry bodies	
Suppliers	- Local community organizations	- Local community
	- Local community	- Local community organizations

From the perspective of the respondents, there is a general agreement that diverse groups of stakeholders should in fact be consulted when implementing sustainable tourism development principles. However, while educational institutions and government bodies are the key experts for both towns, the Nong Mae Na residents also identified industry bodies and tourism-oriented non-governmental organizations within this group.

This may be because tourism in this town continues to grow more rapidly than the other town, especially for eco-tourism. The area provides a number of resources and opportunities to assist tourism industry operators with their day-to-day business activities. As such, the industry bodies have a stake in sustainability in the area.

Additionally, the respondents from these two rural towns identified unique stakeholder groups for government bodies. For the Nong Mae Na respondents, local government bodies such as the sub-district administrative organization remained the key actor in implementing sustainable tourism development, with the effect not only of providing information, but also embedding this in dense networks of social interaction within the area.

The findings are consistent with previous study (Dabphet, Scott, & Ruhanen, 2012) which revealed the important of local government authorities in the implementation of sustainable tourism development on Kret Island, Thailand. On the other hand, National Park Authorities play a key role in the Nen-Piem community due to some areas of the community is parts of national park.

This study is based on 30 interviews with tourism stakeholders. The sample was taken from two rural towns in Thailand (Nong Mae Na n=15, Nen-Piem n=15). The characteristics of stakeholders in this study were ranked include: importance, knowledge, skills and power (Table 2).

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TABLE 2

Ranking of the overall characteristics of stakeholders in two rural towns

Attributes	Experts	Suppliers
importance	30	27
knowledge	23	-
skills	17	-
power	15	23

Respondents in this study pointed out that importance is a main characteristic of both expert and supplier stakeholder. This can due to the fact that each group of stakeholders has many roles in tourism sustainability. In deed a number of respondents cited that experts are not only important in funding, but also in participating in boarder, strategic-level promotion and marketing projects.

For example, the Thailand Community Based Tourism Institution (CBT-I) improved communication and coordinate of activities such as development of a shared website, seminars and staff exchanges in order to increase the idea of sustainability to communities. However, some respondents argued that while the governments are important in supporting sustainable tourism development, these organizations do not necessarily have to play an equivalently active role in the implementation process. It also depends upon how effectively local communities and community organizations can participate in and has involvement with the tourism industry.

In combination with expert, it remains essential that both the well-being and needs of local communities are genuinely addressed and incorporated within the implementation and management processes of sustainable tourism development (Kamamba, 2003).

The findings also revealed a link between importance and power attribute in implementing sustainable tourism development. Etzionis (1964) defined power in terms of access coercive, utilitarian or normative means to impose a party's will in a relationship. Although tourism is privately operated, government at all levels has the power to control in the industry, especially in planning and decision-making process. As the study found while the Nong Mae Na sub-district administrative organization provide advice and policy representation, other stakeholders (communities and industry bodies) are not fully committed to sustainable tourism development but they follow the leader.

The findings support previous researches, which reveal that sustainable tourism development cannot be achieved without governance because of its nature to foster common goal by collective action (Zeijl-Rozema, Cörvers, Kemp, & Martens, 2008). In discussing suppliers, numerous researchers (Fallon & Kriwoken, 2003; Manyara & Jones, 2007; Tosun, 2006) have identified local communities as key players in conserving tourism resources, considering many take an active role developing tourism within their local areas and provide valuable local knowledge and information.

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Local communities then have power when it comes to decisions-making, both between and within community groups as tourism destination is often both their home and place of work.

Another feature key attributed to stakeholder revealed by this study is that of knowledge. Most respondents viewed that experts acted to theoretically underpin peer education programs. In other words therefore, experts can often be seen as educators or trainers providing information within the community, with an emphasis on creating knowledge and awareness in the tourism industry about sustainable tourism development in turn.

For instance, some links exist with tourism-oriented non-governmental organizations and educational institutions in the form of work experience programs and extension programs. In doing so, they assist relevant parties to see issues and situations from other points of view, and confirm the ways sustainable tourism development policy supports the community.

As many authors have noted, experts who are highly involved with a product are more likely to be interested in, and accumulate knowledge about that product from wide a range of sources (Richins & Root-Shaffer, 1988; Weimann, 1991; 1994)

The final attribute of tourism stakeholder in implementing sustainable tourism development was skills. The study found that while respondents emphasized the importance of skills attribute for experts, they did not mention this dimension for suppliers. This is may be because local communities lack the necessary skills, experience and training to run tourism businesses.

Experts then can play a role in the transfer of knowledge and skills to local communities. As tourism development proceeds, locals can gain knowledge and experience in the tourism business. However, some researchers argued that when a destination is too successful, it will do wonders to attract new people and businesses to the area.

These new community members will bring with them a host of personal skills, knowledge and experiences that could be utilized by the community (Huang & Stewart, 1996).

Conclusion

Sustainable tourism development is considered an appropriate development concept for many tourism destinations. In order for sustainable tourism development to be implemented successfully, there is a need to identify the key stakeholders in the implementation process.

This study applied the stakeholder theory examining the type of tourism stakeholders and their characteristics in implementing the concept. Within this study, exports and suppliers were two main stakeholders.

Experts such as governments, industry bodies, educational institutions and tourism-oriented NGOs are the core bodies providing and maintaining tourism infrastructure, determining education and training systems, setting rules for business operations, assisting in financing and conducting both market research and promotion.

Suppliers include local communities and local community organizations that influence and share control over development initiatives and the decisions. Without the support of local communities, the sustainability of tourism is questionable.

In discussing stakeholders' characteristics, it was found that while importance and power are attributes for both groups of stakeholder, knowledge and skills are also key attributes for experts in implementing sustainable tourism development. It seems clear that although both experts and suppliers are important for implementing sustainable tourism development, experts are the ones ultimately responsible for and knowledgeable about tourism development.

Key points

As the work you do and the projects you run become more important, you will affect more and more people. Some of these people have the power to undermine your projects and your position. Others may be strong supporters of your work.

Stakeholder Management is the process by which you identify your key stakeholders and win their support. Stakeholder mapping is the first stage of this, where you identify and start to understand your most important stakeholders.

The first stage of this is to brainstorm who your stakeholders are. The next step is to prioritize them by power and interest, and to plot this on a Power/Interest grid. The final stage is to get an understanding of what motivates your stakeholders and how you need to win them around.

4.2 Local/Regional context SWOT analysis

Learning objectives

⇨ Know what is a SWOT analysis, why and when it is use

⇨ Know how to apply a SWOT analysis, in order to determine the strengths, weaknesses, opportunities and threats of a destination

⇨ Know how to promote a destination, using the results of SWOT analysis, according to the behavior of senior tourists

4.2.1. THE SWOT ANALYSIS OF THE TOURISM DESTINATION – CONCEPTUAL–METHODOLOGICAL ASPECTS.

The SWOT analysis may be used for a tourism destination in order to turn into good account its tourism potential, as well as for the tourism enterprise and product.

Due to this fact, after different SWOT analysis were finished concerning the tourism regions / areas in Romania, there were detected along the time some aspects which may have negative implications upon the next stage in the marketing of any destination.

Starting from these observations, a conceptual-methodological approach of one destination represents a hard work which must have as its starting point the concept itself of "destination".

In the assessment of the destinations, for a better understanding of such analyses, there will be mainly considered the tourism product, respectively the ,,cultural tourism" (or the "cultural resource / artificial component „within the destination), without stipulating a certain market; and certain actions / generic activities, as strong points / weak points / opportunities / threats, valid for any type of tourism or tourism product.

The accomplishment of a SWOT analysis will have no strategic results before being completed with the elements of attractiveness of a destination which confer identity to it and before settling a marketing objective.

Tool of the strategic management / marketing with practical valances and strategic results, the SWOT analysis represents in tourism as well a way to understand the enterprise and environment. It may be used also for a tourism destination in order to turn into good account its tourism potential, by potential being understood "the totality of the natural and anthropical resources and infrastructure which may be general (water, sewerage system, roads) and specific (systems of accommodation etc).

Because the so- called analysis is "just a link of a witting strategic process" and technical approaches are numerous, there must be made all the steps:

- assignation of the profile of the firm (type of activity, geographical area, state of the competition environment, management orientation);

- identification and appreciation of the environment factors;

- elaboration of an anticipation;

- appreciation of the forces / weaknesses in finances, marketing, production, organization etc. of the enterprise;

- enouncement of the strategic solutions;

- selection of the strategies;

- preparation of the implementation plans.

Due to this fact, on the one hand, and complexity and specific features of the tourism activity, on the other hand, with regard to a destination (region, area, country) the SWOT analysis must be done also for the tourism enterprise and product by considering some elements (see table 1).

TABLE 1

Determining elements in the SWOT analysis for the tourism product, destination and enterprise

Tourism product	Tourism destination (city, region, country)	Tourism enterprise / organisation
1)preponderant form of tourism specific to the tourism product	1) type / form of practiced tourism/ practiced, position / geographical conditions	1) the profile (type / form tourism), region and of geographical conditions
2) identification and appreciation of the factors of differentiation / oneness of the product on the target market	2) identification of the allurement factors by which the destination may be positioned	2) identification of the specific factors which distinguish the enterprise from the competitors
3) identification of the main factors (rational and/or emotional) which determine the product position towards the competitors	3) identification and appreciation of the factors which stimulate / impede the destination Development (political, economical, socio cultural, technological, etc.)	3) identification and appreciation of the exterior factors (political, economical, socio-cultural, technological, etc.)

So, in the analysis of the tourism product and destination, an important role play the tourism resources and conditions with which the region is "endowed" to which there are added firstly the creativity of the one who forms the tourism services package while the important role in the SWOT analysis of the tourism enterprise / organisation is represented by marketer's skills to know to choose the target market / with its needs and necessities according to these resources emphasized in the first place due to the emotional factors.

Accordingly, after different SWOT analysis were finished concerning the tourism regions / areas in Romania, there were detected along the time some aspects which may have negative implications upon the next stage in the marketing of any destination, naming:

a) In most of the cases, the emphasis was not put on those representative elements which may determine positive changes but all the possible and impossible aspects were enumerated and so being accomplished an exhaustive analysis;

b) Due to the confusion (or lack in gravity) regarding the tourism concepts and terminology (way of tourism / tourism product / tourism destination), the elements were repeated resulting a shallow analysis – for many times just a simple list (enumeration) with elements / insignificant aspects for a "quality model" (example: emphasis of the natural potential and, in the same time, national parks, flora and fauna as if these were not included into the Natural potential!);

c) Repeated confusions between the Strong points and Opportunities or between the Weak points and Threats;

d) In all the SWOT analysis, there are present two elements (both in the "weak points" and "threats") namely the "money" and "infrastructure".

Starting from these observations, a conceptual-methodological approach of one destination represents a hard work which must have as its starting point the concept itself of "destination" which is a complex concept and represents "one or several products and in the same time a place with natural, anthropical and socio-cultural resources (human beings with their traditions, customs, culture etc.), infrastructure and tourism accommodation structures".

In conclusion, the accomplishment of a SWOT analysis that enhances the elements considered significant for a destination has practical valances but will have no strategic results before being completed with the elements of attractiveness of a destination which confer identity to it, before settling a marketing objective (for example, to get into a market / market segment), before settling the product and pack up strategy and then, with the help from the partnership and promotional strategy, there either will be changed the negative perception that the past visitors have about the destination or the potential visitors will become aware of the value of the tourism destination.

4.3 Sustainable destination design for Silver Tourism

Learning objectives

⇨ Know the indicators suggested by WTO in the Guidebook on Indicators of Sustainable Development for Tourism Destinations

⇨ Know how to develop destination-specific indicators according to different types of destinations (coastal, urban, ecotourism, etc.)

⇨ Know how to maintain the popularity of an sustainable destination

⇨ Know the five stages of growth of a tourism destination

⇨ Know what to do if a tourist destination reached the final stage - stagnation - to avoid decline and to reinvent itself

4.3.1. UNDERSTANDING "SUSTAINABLE TOURISM DEVELOPMENT".

Sustainable tourism development research has attracted increased recognition within academic literature over the last decade. However, it is important to have an awareness of what is understood by sustainable tourism development.

The term 'sustainable tourism' became much more commonly used from about the early 1990s, along with an array of related terms including 'natural tourism' (Durst & Ingram, 1988), 'responsible tourism' (Wheeler, 1991; WTO, 1989), 'green tourism' (Bramwell, 1991), 'eco-tourism' (Boo, 1990), and 'alternative tourism' (Butler, 1999a; Clarke, 1997). Nonetheless, what all have in common is a core concern with small-scale tourism and the adoption, as well as promotion, of a clean and green image (Butler, 1999a).

Many researchers involved in the study of tourism have suggested sustainability is conceptually important, however difficult to implement due to its indeterminate definition. Some researchers (Archer & Cooper, 1998; Ham & Weiler, 2002) have attempted to concentrate on the relationship between economics and the environment. Alternately, Butler (1999b) defined the concept of sustainable tourism development within three areas of sustainable development (environmental, socio-cultural, economic) and associated it with the idea of carrying capacity, while Ahn, Lee and Shafer (2002) argued that carrying capacity is not an objective of sustainability and fails to take into account relationships between use and impact.

On the other hand, Lane (1994, p.102) suggested sustainable tourism should aim 'to minimize environmental and cultural damage, optimize visitor satisfaction, and maximize long-term economic growth for the region'.

The most commonly used, however, as well as ultimately most encompassing definition of the concept is that of the World Travel and Tourism Council (1995, p.30), referring to sustainable tourism as:

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"Tourism which meets the needs of the present tourists and host regions while protecting and enhancing opportunity for the future. It is envisaged as leading to management of all resources in such a way that economic, social, and aesthetic needs can be fulfilled while maintaining cultural integrity, essential ecological processes, biological diversity, and life support systems."

This definition was subsequently adopted by the World Tourism Organization (1998), viewing sustainable tourism as the conservation of composite tourist destination resources for continuous future use, while still benefiting present societies.

To this end, it remains evident that tourism literature broadly acknowledges environmental, economic and socio-cultural dimensions as a 'triple bottom line' (Allenby & Richards, 1999, p.3), and key concerns of governments and tourism organizations alike (Godde, Price, & Zimmermann, 2000; Lu & Nepal, 2009).

Striking the appropriate balance to protect and enhance resources while still meeting the needs of all stakeholders (present and future) is a complex task. The VICE model accommodates these requirements and gives a framework which destinations planners and managers can use to ensure their actions are sustainable.

The VICE model illustrated in Figure 5 presents destination management as the interactions between the visitors, the industry that serves them, the community that hosts them and the environment where this interaction takes place. The last of these, the environment, can be understood in its broadest sense to include built and natural resources on which many tourism products are based.

Figure 48: The VICE model

According to this model, it is the role of destination managers to work through partnerships and a joint destination management plan in order to:

- Welcome, involve and satisfy Visitors;
- Achieve a profitable and prosperous Industry;
- Engage and benefit host Communities;
- Protect and enhance the local Environment and culture.

The model can be used as a quick check of the sustainability of a proposed plan or action. Four questions should be asked:

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- How will this decision affect the visitors?
- What are the implications for industry?
- How does this affect the community?
- What will be the impact on the destination's environment and/or culture?

If positive answers cannot be given for all four questions, then the right balance has not been found and the proposition is unlikely to be sustainable.

The principles of sustainable tourism development should be borne in mind and destinations managers should adopt the VICE model, considering all stakeholders, throughout the various processes of destination management.

4.3.2. RESPONSIBLE TOURISM PRACTICES: KEYS TO DESTINATION SUSTAINABILITY.

The principles of responsible tourism encourage tourism operators to grow their businesses whilst providing social and economic benefits to local communities and respecting the environment.

The following guidelines could assist in maximising the positive impacts of tourism:

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Economic guidelines

- Assess economic impacts before developing tourism;

- Maximise local economic benefits by increasing linkages and reducing leakages;

- Ensure communities are involved in and benefit from tourism;

- Assist with local marketing and product development;

- Promote equitable business and pay fair prices.

Social guidelines

- Involve local communities in planning and decision making;

- Assess social impacts of tourism activities;

- Respect social and cultural diversity;

- Be sensitive to the host culture.

Environmental guidelines

- Reduce environmental impacts when developing tourism;

- Use natural resources sustainably;

- Maintain biodiversity.

The following process could be followed to develop a responsible tourism plan

- Select a portfolio of appropriate responsible tourism practices;

- Choose realistic objectives and targets;

- Use clear benchmarks to measure and report on your progress;

- Work with trade associations, local people and government to achieve your objectives;

- Use responsible tourism as part of your marketing strategy;

- Show your progress to staff and clients.

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4.3.3. TOOLS FOR MANAGING RESOURCES.

Concessions and leases

Concessions allow commercial enterprises to build and operate tourism facilities and services within a designated conservation area or national park. Those who are entitled to run the concessions (concessionaires) are required to pay fees for the benefit of obtaining commercial or other benefits from public land.

These fees may be charged as a percentage of the gross revenue; per mile/kilometre of land, per head or per trip charge; a fixed fee; or a combination of these depending on the activity and the market rates.

The right to operate could also be paid for by an annual fee based on the percentage of turnover agreed during the tender process. Concessions may run for a limited period, after which operators must re-bid for the concession.

As well as payment for the concessions, concessionaires must fulfil specified obligations regarding the stewardship of the resource they are using. If this is not observed the concessions may be terminated.

Public-private-partnerships

Conservation areas and areas which may require specific management of cultural or environmental resources, do not always fit within legislative boundaries. Take, for example, the European Alps. The Alps are perceived as a tourist destination in their own right, yet they straddle the boundaries of six countries.

Partnerships will be particularly instrumental in the management of such resources. Those who lead the partnerships (governments, tourist boards or trade associations) can take a number of steps to ensure their success as outlined in Agenda 21 for the Travel and Tourism Industry.

Local Agenda 21 tourism groups

Local Agenda 21 (LA21) is an international planning process. A local community defines, through consultation, a sustainable development strategy and an action programme to be implemented. This is usually initiated by the provincial government, which provides leadership for the process.

LA21 initiatives can also be developed for the context of tourism. The DMO is well placed to work with local government to represent the views of its members for the ongoing development, marketing and management of tourism in destinations.

At the same time, they are appropriately positioned to ensure their commercial members understand the sustainable, environmental and community concerns of tourism development.

Certification

Tourism certification programmes cover a wide range of initiatives and provide a logo to those organisations that exceed a baseline standard which should be assessed and reviewed at regular intervals. There is a proliferation of such certification programmes. For example:

- The Blue Flag programme www.blueflag.org, a programme which assesses environmental standards of beaches.

- Green Globe 21 www.greenglobe.org a programme aimed at businesses to improve their environmental performance.

- AAA Tourism Green STAR assessment is a green endorsement for properties which indicates that certain criteria of environmental 'good practice' standards have been met. See: www.aaatourism. com/pdf/Green%20Stars%20Guidelines.pdf.

- Green Tourism Business Scheme www.green-business.co.uk, the largest and most successful environmental accreditation body of tourism related businesses in Europe.

Certification may encourage businesses to raise their standards of environmental performance.

It also allows certified businesses or destinations to demonstrate their environmental credentials to consumers.

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4.3.4. INDICATORS OF SUSTAINABLE DEVELOPMENT FOR TOURISM.

Indicators are measures of the existence or severity of current issues, signals of upcoming situations or problems, measures of risk and potential need for action, and means to identify and measure the results of our actions. Indicators are information sets which are formally selected to be used on a regular basis to measure changes that are of importance for tourism development and management.

They can measure: a) changes in tourism's own structures and internal factors, b) changes in external factors which affect tourism and c) the impacts caused by tourism. Both quantitative and qualitative information can be used for sustainability indicators. An indicator is normally chosen from a range of possible data sets or information sources because it is meaningful with regard to the key issues to which tourism managers must respond. Use of that indicator can lead to actions to anticipate and prevent undesirable (or unsustainable) situations at destinations.

In the context of sustainable development for tourism, indicators are time series information which is strategic to the sustainability of a destination, its assets, and ultimately, the fortunes of the tourism sector.

In any destination, the best indicators are those which respond to the key risks and concerns regarding sustainability of tourism, and also provide information which can help clarify issues and measure responses. Indicators will normally respond to issues concerning the natural resources and environment of a destination, concerns relating to economic sustainability, issues relating to cultural assets and social values, and more broadly to organization and management issues, both within the tourism sector and the broader destination.

Over the past decade, a great deal of work has occurred on the clarification of the key issues in sustainability for tourism and the means by which indicators can support better decisions and actions.

The development and use of indicators is increasingly viewed as a fundamental part of overall destination planning and management, and an integral element in efforts to promote sustainable development for the tourism sector at all scales. The stimulus for the tourism sector comes from the perception that many destinations have been at risk due to insufficient attention to the impacts of tourism and to the long-term sustainability of destinations.

Incidences of contaminated beaches and damaged cultural and ecological assets, hostile reactions to tourists and to tourism development, and resultant problems for the tourism sector have occurred in many regions.

Studies done by the WTO and many others have supported the conclusion that the planning and management of tourism in many destinations have occurred with insufficient information, particularly with regard to the impacts of tourism on destinations, the impacts of changes in the social and natural environment on

tourism and the longer term maintenance of the key assets which make a destination attractive.

Within this context, indicators are an early warning system for destination managers of potential risks and a signal for possible action. They serve as a key tool, providing specific measures of changes in factors most important to the sustainability of tourism in a destination.

Tourism sector decision-makers need to know the links between tourism and the natural and cultural environments, including the effects of environmental factors on tourism (possibly expressed as risks to tourism) and the impacts of tourism on the environment (which may also be expressed as risks to the product).

Responsibility requires knowledge. Using existing and newly gathered data, changes in environmental, social and economic conditions can be detected. This information, in turn, enables the status of issues relevant to a destination's sustainability to be gauged on an ongoing basis.

Decision making in tourism planning and management can, therefore, be improved. The objective is to reduce future risks to the tourism industry and to destinations.

Some of the benefits from good indicators include:

1. better decision-making - lowering risks or costs;

2. identification of emerging issues - allowing prevention;

3. identification of impacts - allowing corrective action when needed;

4. performance measurement of the implementation of plans and management activities – evaluating progress in the sustainable development of tourism;

5. reduced risk of planning mistakes - identifying limits and opportunities;

6. greater accountability - credible information for the public and other stakeholders of tourism fosters accountability for its wise use in decision-making;

7. constant monitoring can lead to continuous improvement - building solutions into management.

Types of Indicators

There are different types of indicators, each with different utility to decision-makers. While the most directly useful may be those that help to predict problems, several other genres exist:

- early warning indicators (e.g., decline in numbers of tourists who intend to return);
- indicators of stresses on the system (e.g., water shortages, or crime indices);

- measures of the current state of industry (e.g., occupancy rate, tourist satisfaction);
- measures of the impact of tourism development on the biophysical and socio-economic environments (e.g. indices of the level of deforestation, changes of consumption patterns and income levels in local communities);
- measures of management effort (e.g., cleanup cost for coastal contamination);
- measures of management effect, results or performance (e.g., changed pollution levels, greater number of returning tourists).

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While all categories of indicators can be valuable in supporting sustainable tourism, the early warning indicators are frequently most useful to tourism managers and may provide the ability to anticipate serious negative effects on the destination, or on the overall tourist experience. Ideally, indicators can enable actions to be taken well before serious threats to sustainability occur.

It should also be noted that the same indicator can frequently serve different purposes and its use can change over time. (E.g. an indicator of stresses on the system will serve later on to measure the effects and results of management efforts taken in response to the problems identified, becoming in effect, a performance measure for the response).

Conclusions

Indicators are a strategic tool for the sustainable development of tourism destinations and will help destination managers, communities and all stakeholders to work together for the future of their destination.

Students are reminded in this concluding section of several key messages:

- Indicators are tools, providing accurate information for decision-making, leading to implementation of solutions, development of partnerships, better planning and management.

  They are not an end in themselves, but rather signals of important trends and changes, a catalyst for discussion on future plans, risks to the destination, and impacts on what is important to all. They can also serve as performance measures for progress towards sustainability.

- Indicators are not a one-time procedure. They are most useful when measured repeatedly and consistently through long term monitoring programs. Only when information is available over time, on a regular basis, can the most effective use of indicators occur, providing context for the understanding of changes and their importance to policy priorities.

- Indicators must be integrated into decision-making processes. Sustainable tourism development requires good information, and integrated approaches to management, supported by the right indicators. The objective of indicators development is not solely the measurement of factors, production of tables, or publication of reports, but better decision-making for the sustainable development of the destination. Indicators, therefore, should be an integral part of planning, management and monitoring processes.

- Indicators must be shared. Information generated by government authorities with different mandates and at different levels, by different private and civil sector organizations or through research, can be all important for sustainable tourism indicators and for the decisions which indicators support. Indicators at local levels can be building blocks for indicators applications at regional and national levels. Making indicators accessible is the only route to informed decision making and involvement of all stakeholders in the decision process.

- Indicators empower destinations, providing the information needed to negotiate future investments, development standards, joint ventures, and the sharing of benefits. They also support approaches to consensus on what is important to sustain and how to achieve it - such as the limits to acceptable change.

4.3.5. THE TOURIST AREA LIFE CYCLE (TALC).

Much of the tourism experience occurs in physical settings as a result of the interaction between demand and supply factors which change over time. Individuals travel to destinations to visit attractions, to participate in leisure activities, and to form vacation experiences resulting from their interactions with the places they visit.

While the enjoyment derived from the tourist experience may vary depending upon the amount and quality of time spent at a destination, the quality of the service encounter, and personal and situational factors, the general objective of the travel is to improve the quality-of-life of the tourist. Similarly destinations, where the vacation experience is sought, undergo different cycles of development over time, affecting the nature of their appeal.

The entry of tourists into a destination changes its character forever. Places as destinations experience different phases or cycles of development, and examining each cycle of development and the speed of development reveals clues about managerial actions for destination planners and marketing organizations.

The consequences of each cycle affect the quality-of-life in the destination in terms of both tangible and intangible benefits that result from tourism activities. Structural changes to the destination area over time invoke behavioral responses from both tourists and residents.

The concept of tourism area life cycle (TALC) implies that places as destinations, like products, follow a relatively consistent process of development and a recognizable cycle of evolution (Butler 1980, 2004 ; Crompton et al. 1987 ; Meyer-Arendt 1985). The concept in its abstract form embodies the assumption that sooner or later a threshold is reached after which a tourist destination is perceived to decline in desirability.

The concept of a tourism area life cycle suggests that as a destination area evolves, changes occur in the physical environment and the socio-cultural environment that result in changes in the attitudes of the host community. TALC was developed based on the concept of the product life cycle (PLC).

A general review of the extant literature reveals that the tourism destination life cycle concept has been studied with varying approaches. However, there is a great deal of similarity in the outcomes, and a general theme emerges.

Among various approaches, Butler's (1980, 2004) model has attracted the most attention and discussion (Tooman 1997), and most of the reported studies have supported the belief that Butler's model provides a useful framework for description and interpretation (Richardson 1986 ; Johnson and Snepenger 1993 ; Oppermann 1998 ; Formica and Uysal 1996 ; Hovinen 2002 ; Boyd 2006 ; Zhong et al., 2008 ; Whitfeild 2009 ; Singal and Uysal 2009) . Thus, the following section provides a brief discussion on Butler's TALC model with its relevant stages.

silver-tourism

Exploration

The exploration stage begins when a small number of visitors who are adventurous and attracted by the destination's unique or considerably different natural and cultural features arrive. In this phase of development, there is low access to the destination and rudimentary facilities for the visitors. Therefore, visitors use whatever local facilities as may be available and are likely to have high contact with local residents.

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At this stage, physical and social characteristics of the place are unchanged by tourism, and the arrival and departure of tourists would be of relatively little significance to the economic and social well-being of the permanent residents. The assumed benefits of tourism may accrue to a small number of providers, and the total economic benefits from travel and tourism-generated sales and taxes may be insignificant, which may in turn limit the amount of public spending that could be allocated for further enhancement of the tourist destination. Nevertheless, the tourist place provides a valuable experience to its visitors, fulfilling their needs and expectations.

Involvement

As the number of tourists increases, more of the local residents get involved to provide facilities for the tourists, thus resulting in additional income for the providers. While there is still limited interaction between tourists and local residents, the developing tourism industry leads to the provision of basic services, which also benefits the local residents. At this stage, some advertising to attract tourists can be anticipated, thereby inducing a definable pattern of seasonal variation.

The basic initial market area for visitors can now be defined. Some level of organization in tourist travel arrangements can be expected, and the first pressures are put upon governments and public agencies to provide or improve transport and other facilities for visitors and locals alike.

Development

This stage is characterized as one where large numbers of visitors arrive. The number of tourists will probably equal to or exceed the permanent local population. Local involvement and control of development begins to decline rapidly while external companies provide up-to-date facilities.

This may be the most important phase of development in improving the quality-of-life for residents and the economic well-being of employees and providers of tourism goods and services.

Natural and cultural attractions will be developed, maintained, and marketed while some of the original natural attractions will be supplemented by man-made imported facilities. Such enhancement projects are also available for the local residents to enjoy and enhance their life. On the other hand, changes in the physical appearance of the area will be noticeable, and not all of the changes will be welcomed by the local population. Local residents may start developing a negative attitude because the presence of a large number of visitors may impinge on the quality of their life (Doxey 1976) . Moreover, the destination may also suffer from a change in quality of services provided through problems of over-used facilities, crowding, and increased pressure on existing services.

Consolidation

During the consolidation stage, tourism has become a major part of the local economy. However, the rate of increase of visitors has declined although the total numbers continue to increase, such that the total visitor numbers exceed the number of permanent residents. Deterioration of the quality-of-life and the negative impacts of tourism activities may be felt by the residents.

Local residents may have stronger negative attitudes than at other stages, ranging from almost annoyance and resentment to antagonism (Doxey 1976 ; Dogan 1989) . The perceived impacts of tourism may not be favorable. In some instances, marketing and advertising efforts will be widened in order to attract more distant visitors. The large number of visitors and the facilities provided for them can be expected to arouse some opposition and discontent among permanent residents particularly those not involved in the tourist industry

Stagnation

At this stage, the peak number of visitors will have been reached, and most are repeat visitors.

Capacity levels for many attractions and facilities will have been reached or exceeded, resulting in environmental, social, and economic problems (Butler 1980, 2004). The area will have a well established image, but it will no longer be in fashion. Natural and genuine cultural attractions will probably have been superseded by imported "artificial" facilities. These negative changes will affect the quality of services and experiences provided to the visitors and diminish the value of tourism on the part of providers and other stakeholders involved in the production and management of tourism activities.

Decline

In this final stage, the destination will not be able to compete with newer attractions and will face a declining market. The place will no longer appeal to vacationers.

Property turnover will be high, and tourist facilities and accommodation begin to be converted to non-tourist-related structures (Butler 1980).

Several tourists' facilities disappear as the area becomes less attractive to tourists, and the viability of the remaining tourist facilities becomes questionable. Ultimately, the area may become a veritable tourist "slum" or lose its tourist function completely. The quality-of-life in the destination community suffers considerably in the decline stage.

Rejuvenation

The rejuvenation stage corresponds to the renovation phase or the reintroduction of the product with new features phase in the product life cycle. This stage is usually not reached without the active involvement of destination planners and marketing organizations coupled with a complete change in the attractions and facilities on which tourism is based. Often, additions of man-made attractions are necessary. However, if neighboring and competing areas follow suit, the effectiveness of the measures will be reduced (Butler 1980) . An alternative approach is to develop natural resources untapped previously. Rejuvenation requires a concerted effort on the part of those involved in the tourism production system.

Over the years, a number of studies have used the TALC model to examine destinations and their development over time. Most of these studies are descriptive and case-based, tracing the trajectory of a destination and the number of visitors attracted as it underwent structural changes during different phases of the life cycle.

Conclusion

Once a community becomes a tourist destination, the lives of residents in the community are affected by tourism, and the support of the entire population in the tourism community is essential for the development, planning, successful operation, and sustainability of tourism (Jurowski 1994).

A destination has myriad opportunities and challenges due to changing infrastructure, development of host attitudes, number of tourists, and severity of impacts, both positive and negative. In order to trace the evolution of a location, the product life cycle model is used to assist management in decision making and in addressing stakeholder interests.

The most important reason for the development of the tourism life cycle is to realize that a destination is not static; it changes over time, and the planning process and marketing strategies must also adapt to enable the adjustment process.

4.4 Networking and financial capacity building

Learning objectives

⇨ Know about the term "capacity building"

⇨ Know how to connect with relevant stakeholders

⇨ Know how to develop a silver tourism destination reference to earnings of seniors tourists

⇨ Know how to build a strategic partnerships.

4.4.1. WHAT IS CAPACITY BUILDING?

The concept of capacity building emerged during the 80's in an effort to capture and describe an aggregate of many of the ideas and lessons from past development activities. Capacity building went on to become the central purpose of technical cooperation during the 90's (the terms capacity development or capacity strengthening are also commonly used).

Other concepts and ideas that have dominated development thinking such as institutional strengthening, organisational development, community development and sustainable development have been brought under the broader umbrella of capacity building to describe an integrated vision for long term sustainable social change (Lusthaus, Adrien & Perstinger, 1999). Whilst there are a number of variations between specific definitions of capacity building, there are patterns in the way it is defined by development agencies.

Definitions of Capacity Building

"Capacity development is a concept which is broader than organisational development in that it includes an emphasis on the overall system, environment or context within which individuals, organizations and societies operate and interact (and not simply a single organization)." UNDP 1998

"...capacity is the combination of people, institutions and practices that permits countries to reach their development goals...Capacity building is...investment in human capital, institutions and practices." World Bank 1998

"The process of developing competencies and capabilities in individuals, groups, organisations, sectors or countries which will lead to sustained and self-generating performance improvement." AusAID 2004

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Capacity building is not a single objective and cannot be undertaken in a discrete training session. Capacity building is a process. It takes place over time and requires a number of strategies and activities to be sustainable.

Organisational performance can be impacted on as much by factors in the external environment (eg. laws, regulations, attitudes, values) as by factors internal to the organisation, (skills, systems, leadership, relationships etc.).

The interrelatedness of the different spheres of capacity building compels us to be aware of, and responsive to, the relationships among them when engaging in capacity building activities. If the environment in which activities are taking place is not supportive of the changes it may limit the success and sustainability of any given initiative.

Capacity building initiatives thus need to be considered from a systems perspective taking into consideration the dynamics and inter-relationships amongst issues and players in the different spheres (Bolger, 2000).

Entry points for capacity building

Effective capacity building requires influencing multiple entry points to bring about sustained changes in the total environment through a cumulative effect.
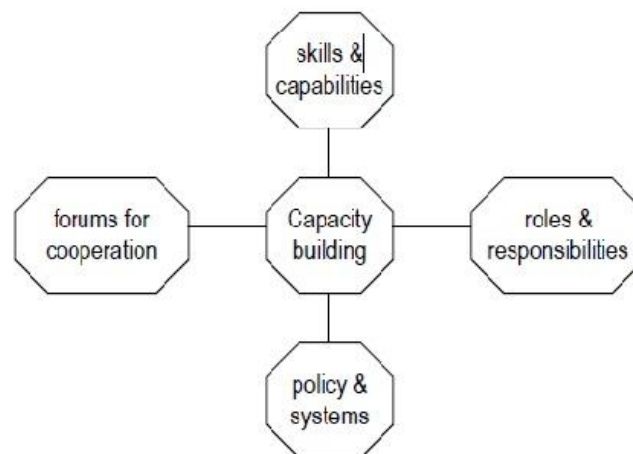
Reflective questions

1. Describe the difference between skills transfer and capacity building?

2. What are some of the environmental factors that might impact on capacity building in the country you will be working in? Consider both the internal and external environments of the organization you will be working for.

The principles of capacity building

Capacity building facilitates people and institutions to realise their own development objectives and recognises that recipients of aid must be empowered to manage their own development agenda.

This change in paradigm from donor driven to recipient led agendas acknowledges that top-down approaches focusing on only the quantity rather than the quality of assistance have failed.

The goals of capacity building should not result in an attempt to impose a foreign model or way of doing things, but strive to identify and use local expertise and develop a grassroots domestic model.

There are a number of general principles underpinning capacity building that hold the process of change and learning over time as core values and need be considered when developing initiatives and strategies.

Foundations for developing initiatives for effective capacity building are that they:

- are owned and directed by the local community
- use participatory approaches at all stages
- utilise and build on local knowledge and existing capacity to develop a vision for the future
- are sensitive to the existing environment (internal and external) and the constraints and opportunities it presents
- are gender and culturally sensitive and equitable
- integrate activities at various levels to address complex problems.
- seek to utilize a variety of methods that suit the local context to facilitate change in the total environment
- seek to be sustainable through building strong relationships with and between stakeholders generating a high level of buy-in.

Reflective questions

3. How might you ensure you integrate capacity building principles into your work overseas?

4. What are some of the barriers you might encounter? What strategies might you use to overcome them?

Measuring capacity building

Capacity building can be difficult to measure and evaluate. Its multi-layered meaning and inter-locking elements make it challenging to assess unless the component parts are broken down to manageable, elements, such as 'training', or 'systems development' (see table 1). The long time scales associated with capacity building compound the complexity of assessing its progress.

TABLE 1

Requirements for capacity building	Examples of activities or entry points for capacity building
Human resources or skills development	Skills transfer, mentoring, coaching, observation, apprenticeships, praxis, supervision
Organisational policy/process development	Development, streamlining or re-engineering of procedures, systems & processes, manuals, checklists & pro-formas, strategic planning, job re-design, benchmarking
Networks for communication	Community outreach, communities of practice, professional associations, working groups, focus groups

It is important however that capacity building activities follow a continuous cycle of analysis, action and assessment.

During the analysis phase, existing abilities and competencies are assessed and opportunities for performance improvements are identified and prioritised, taking into consideration, the constraints in both the internal and external environments.

During the action phase, a future vision is articulated, and an implementation plan is developed and implemented. Throughout the life of the activity, periodic assessments are made against the baseline established during the initial analysis.

Targets set in the action plan, and the change plan, can then be updated or modified as circumstances demand.

Reflective question

5. Consider a time when you can describe what you were doing as capacity building. Was it successful? If so, what elements contributed to the success? If not, what inhibited the success? How would you approach the same situation differently next time.

4.4.2. NETWORKING.

A networked group of people and/or organizations can act in concert to accomplish what cannot be accomplished individually by "building relationships for sharing knowledge, goods and experiences and... learning from each other" (Philbin & Linnell, 2013; Keijzer, Ørnemark, Engel, 2006). Several recent reports underscore that networks are especially effective for capacity building because they encourage innovation and improve communication among members of the network.

According to a 2013 report from Grantmakers for Effective Organizations (GEO), Cracking the Network Code, innovations spread rapidly through networks because of the close relationships that exist between members. As a result, GEO and others affirm that when it comes to impact, networks can "achieve surprisingly powerful results" (Wei-Skillern, Silver & Heitz, 2014).

Networks may be called many things including "learning networks," "cohorts," "coalitions," "collaboratives," and "partnerships." However, what defines a network is the common purpose of its members to achieve change together. In this, the role of the network is twofold. First, it acts as the distribution channel for awareness of grassroots challenges and/or solutions that are then distributed to a wider audience in an effort to create shared understanding among a broad group of stakeholders (Keijzer, Ørnemark, Engel, 2006).

Second, the network's connective tissue is the foundation for relationships that themselves accelerate and enhance learning. Both roles – as both pathway and trusted connector – are significant in the context of networked capacity building.

Although capacity building first emerged as a field of practice in the late 1950s, it remains a "nascent field of study" (Kapucu, Healy & Arslan, 2011). As a result, while the concept of capacity building "permeates the nonprofit sector," there is no consensus on a universal definition of the term (Id.).

Instead, scholars, think tanks, and consultants each promote their own unique definition of capacity building, and those hearing the term may interpret it as something else. While some scholars and consultants go on to define individual elements of capacity building, others simply suggest that "[t]he definition of capacity building, similar to its interventions, is tailor-made to fit the nonprofit organization requiring assistance" (Id.).

Across all definitions the ultimate goal is to improve overall organizational effectiveness and sustainability.

Just as tourism links people and places around the world, so tourism officials also need to link up with other tourism business and government agencies and business to be successful. Tourism networking comes in a variety of "shapes and styles".

We can divide tourism networking in many ways, but three simple ways are: tourism networking within the industry and profession, tourism networking with allied industries, tourism networking with industries that would appear to have nothing to do with tourism but can have a major impact on the industry and its bottom-line.

Tourism networking is especially important in explaining to an often-skeptical public the reasons that tourism is an important industry. Despite travel and tourism's major positive economic impact, too many people do not understand the interrelationship between tourism and a locale's quality of life.

It is essential never to forget that if the community does not support the tourism industry, if the community gains a reputation for being unsafe or unfriendly, that in the end it will not only destroy its tourism industry but also severely damage its economic development and viability.

Below are a number or reminders that all of us know but many of us either forget or fail to implement.

Make yourself known!

Tourism is a people-industry. The better you are known the more frequently your name is mentioned, the better it is for your business. Attend as many functions as possible. These functions do not have to be tourism related, but they should be functions where the attendees may impact your visibility or name recognition. During the function pass out and collect business cards. Make a note on the back of each collected card that tells you something memorable about the person's card you have just collected. After the function follow-up by writing and calling the individuals you met.

Never be shy!

Make yourself accessible. When meeting new people ask them to tell you something about their life. Almost everyone likes to talk about him or herself and most people have a unique story to tell. By getting people to open up to you, you get a better idea as to what they need and how you can interact with them. Once you have this information, you not only can judge their needs but you can begin to measure your community's needs (and you professional needs) by the other person's interests and talents.

Don't be short sighted

Someone who may not be in a position to help you now, but that does not mean that s/he may not be a very valuable person at a later date. Good manners make good networking. Do not close doors by inconsiderate behavior or assume that you only need to speak to people who appear to have immediate "value."

Ask others what you can do for them

Networking is based on the sociological premise of "social capital." This is a fancy term meaning that you have to give to others in order to receive back from them. The best way to gain something is to give something. Social capital has a limited life expectancy. In order for it to stay fresh, the person has to remember your name and who you are. To accomplish this do not limit your relationships with a one-time event. Instead stay in front of the public's eye and let it be known that you are involved in the community. By becoming a community resource you establish yourself as a go-to person, and those are people who network best.

Business cards are not a work of art but something that serves a useful purpose

Too many people forget that a business card has to be readable and its data need to be simple to find and accurate. Be sure to distinguish between the small letter L and the capital I, be clear what is a "1" (the number 1) and what is the letter "I". Use colors that are easy to read. Avoid putting information on a black card and do not clutter the card with logos, photos etc.

Use active versus passive networking tools

Webpages are great to provide information for someone who is seeking you. Nevertheless, they only act as networking tools if the person wants to network with you. Using newsletters, teas, get-togethers, and open houses are a way to start your relationship. Once the relationship is established then you can steer people to your webpage.

Conclusion

Networking requires organizational skills. It does only a minimal amount of good if you do not have (1) a strategy to find the people with whom you are networking at a later time and (2) you lack a follow-up strategy.

That means that after you meet the person follow-up on the meeting with a thank you note, and then with whatever methods are comfortable for you to keep your name fresh. It is easy to fall off someone's "radar scene."

Remember people with whom you may want to network are also meeting lots of other people.

4.5 Coaching/mentoring of the Silver Tourism service providers

Learning objectives

⇨ Identify training needs

⇨ Identify the best method of training for her/him

⇨ Able to identify and solve problems

⇨ Able to make decisions, implement changes and overcome obstacles

⇨ Able to plan for the future and take advantage of potential new opportunities

4.5.1. MENTORING AND COACHING.

Coaching

Coaching draws out the skills, resources, and creativity that already exist within people working in silver tourism to overcome your most difficult professional challenges. A coach is a trusted confidential resource that helps break down personal barriers to unleash leadership potential.

How? Whether the silver tourism people are aware of them or not, even the most talented and successful people have certain behaviours holding you back from becoming a more inspiring and effective leader. A coach helps them to think and communicate in new ways that lead to better results.

Taking into account their values and priorities, a coach invests time upfront, giving a thorough and personal assessment to identify specific needs and, with your input, designs a customized coaching experience around those areas. A coach helps them to outgrow problems and transform into the inspiring and effective leader as they can and want to be.

Why? Working with a coach who is focused on growth of the silver tourism people can:

- Improve self-confidence and self-awareness

- Improve interpersonal relationships

- Build better communication skills and emotional intelligence

- Create a better work-life fit

- Attract talent to an organization

- Improve employee satisfaction with leadership

silver-tourism

Mentoring

Mentoring is a critical component in transferring knowledge between individuals and within organizations as well as developing relationships within a supportive organizational culture. At the core of mentoring is the ability to create awareness and understanding of others.

As mentoring – mutual learning and sharing of experience - has been acknowledged as one of the most powerful tools in career development, it seems to be the proper tool to address specific needs of a country's HLTT sector.

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Mentoring programs are a critical component of any comprehensive leadership development program. Mentoring benefits organizations by supporting:

- New supervisors and emerging leaders

- Intern development programs

- The development of technical expertise

- Multi-generational collaboration and interaction

- The retention of institutional knowledge

- Relationship building across the organization

- A culture of service and stewardship

Management Concepts provides the full spectrum of support in the creation and management of mentoring programs for teams and organizations.

It is important to understand that individuals are unique and organisations differ. Therefore both individual and organisational goals vary widely. Common objectives are required in order to:

• achieve results either individually or in teams

• assist managers with team building

• help individuals gain clarity in their thinking and commitment

• challenge and help individuals to change limited beliefs

• help managers to become a source of support rather than a threat, for example, to assist them in bringing out the talent and potential of their team

• identify and solve problems

• make decisions, implement changes and overcome obstacles

• plan for the future and take advantage of potential new opportunities.

Differences between mentoring and coaching

Mentoring is an indefinite, relationship based activity with several specific but wide ranging goals. It does not have to be a formal process. The mentor is a facilitator who works with either an individual or a group of people over an extended time period. The agenda is open and continues to evolve over the longer term. Mentoring seeks to build wisdom – the ability to apply skills, knowledge and experience to new situations and processes.

The coaching focus is on meeting very specific objectives within a set period of time. Coaching is mainly concerned with performance and the development of certain skills. It usually takes place on a one-to-one basis and has a very specific purpose. There is usually a planned programme with a much shorter timeframe than in mentoring, so the learning goals are usually determined in advance.

Mentoring and coaching can be 'stand alone' activities, but they can also be used to complement each other.

Parallels between mentoring and coaching

Both mentoring and coaching take place independently of line managers – they are open, honest relationships between the mentor or coach and their protégé. A mentor or coach is an 'accountability partner' who works in their protégé's best interests. He or she will bring a new approach to either a specific skill or an entire career.

Neither mentoring nor coaching is about teaching, instruction or telling somebody what to do. The role of mentors and coaches is to ask their protégé the right questions to promote greater self-awareness and more informed decision making. The role of mentors and coaches is not to solve problems, but to question how the best solutions might be found. The mentoring or coaching process evolves over time. The aims are not inflexible, but may change as the protégé reaches the set goals and learns new behaviour. The process continues until everybody is satisfied that the objectives have been achieved.

Mentoring and coaching skills

The skills of mentor and coach overlap to some extent. Both mentors and coaches are 'critical friends' although they might use different methods. A coach is more likely to use direct feedback, while a mentor relies more heavily on the questioning process.

A coach is a specialist who works with the protégé on specific goals and objectives – the professional equivalent of a fitness trainer. A mentor is likely to have followed a similar career to the one their protégé is starting, and will pass on their expertise.

Mentoring can:

- increase individual and team commitment to an organisation and its goals

- help improve communication within the organisation

- help to change organisational culture for the better

- allow individuals to gain a greater insight into the organisation's workings

- give individuals the chance to meet different people within the organisation, and to network

- improve levels of professional success.

Mentoring cannot:

- succeed unless clear objectives are agreed in advance

- succeed unless there is an agreed plan of action

- act as a replacement for conventional training.

Coaching can:

- provide individuals and teams with opportunities for gaining new skills, and personal development

- offer learning opportunities geared to individual needs

- encourage a positive attitude to learning

- provide flexibility in the learning process

- allow protégés to select what and how they learn.

Coaching cannot:

- effect change unless clear, measurable goals are set in advance

- benefit the protégé unless there is support from senior managers

- succeed unless both coach and protégé are fully committed to the coaching programme.

4.5.2. APPLICATION.

The aims of coaching and mentoring are the same as those of good management. Both will try to maximise their staff potential. Good mentoring/coaching and good management have the following common characteristics:

• willingness to listen

• openness to new ideas

• a lateral, challenging way of thinking

• encouraging protégés to become involved in new work experiences

• making time available

• enthusiasm.

One school of thought suggests that every manager should be a mentor or coach to his or her staff. The aim of this 'generative coaching' is to encourage a mutual learning process. It can be argued that managers already influence the learning and performance of their staff. In addition, some managers may be reluctant to adopt an active coaching style because of a potential conflict with their own agendas.

It is important that a clear distinction remains between a mentor/coach and a manager. If the line becomes blurred, mentoring and coaching can damage a good management style. For example, a manager might spend a large amount of time mentoring or coaching one team member at the expense of the rest of the team.

Bringing a mentoring and coaching mentality to the team

The best mentoring or coaching programmes will not work if they are not accepted by the wider team. There is a danger that mentoring and coaching will be seen as a 'management ploy' and not a method of encouraging individual potential. The following points need to be applied for mentoring and coaching to be accepted.

There needs to be:

1. Sufficient information about the benefits of mentoring and coaching.

2. An explanation of what mentoring and coaching can and cannot achieve.

3. Clarity about who can be involved in mentoring and coaching programmes.

4. Clarity about how and when the mentoring and coaching programmes could be used.

5. Flexibility so that progress can be reviewed.

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Mentoring in action (case study)

Anna, who works in marketing, indicates that she would like to learn more about her company's human resources function. She isn't sure if she wants to change career, but would like the opportunity to make an informed choice. Anna talks to Stephen, her team leader, about the possibility of a secondment in HR.

Stephen approaches Richard from the HR department, to whom he introduces to Anna as a potential mentor. He bears in mind the need for compatibility between mentor and protégé. Richard and Anna agree some overall objectives and a timeframe for Anna's HR secondment. They arrange a flexible timetable of practical experience for Anna within HR. Anna and Stephen also discuss what should be done about her marketing workload during her secondment.

Anna goes on secondment in HR, with Richard as her mentor. Richard then receives feedback from Anna and helps her to weigh up her career choices and decide what to do next.

Richard's mentoring role has involved:

- being willing to take on the role of mentor to Anna

- agreeing the objectives for Anna's secondment

- arranging relevant learning experiences for Anna, for example, briefing and de-briefing, attending presentations, observing client briefings, meeting HR staff

- introducing Anna to the HR department and providing an overview of the HR function through the arranged secondment

- receiving feedback from Anna and making further recommendations.

Coaching in action (case study)

Nigel, a call centre worker, needs to improve his interpersonal skills with customers. Robert, his team leader, arranges for Nigel to be coached by Alison, an experienced, popular colleague.

Alison talks to Nigel to explain why his behaviour is seen as problematic. Nigel has the opportunity to put his side of the story. Alison and Nigel then agree the standards of acceptability that Nigel must achieve. They decide on a time limited coaching programme for Nigel. He will observe examples of best practice during 'on the job' coaching. Nigel will be able to discuss issues as they occur, so he can work towards practical solutions.

During the coaching programme, Nigel has regular reviews with Alison and Robert to ascertain his progress. When the programme finishes, there is a de-briefing session to determine how far Nigel has met the agreed objectives and to evaluate the programme's overall success.

Alison's coaching role has involved:

- being willing to take on the role of coach to Nigel

- determining objectives and a coaching programme for Nigel

- being responsible for the practical delivery of the coaching plan, for example, demonstrating best practice

- participating in ongoing reviews with Nigel and Robert

- evaluating the success of the coaching programme.

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4.5.3. COACHING EXPERIENCED LEARNERS – THE GROW MODEL.

The GROW (goals, reality, options, wrap up) model provides structure for coaching discussions with more experienced learners. For less experienced learners, the process can be time consuming and often too complex. The model places the onus for development on the learner, as the coach adopts a less directive approach. The GROW model has four clear stages:
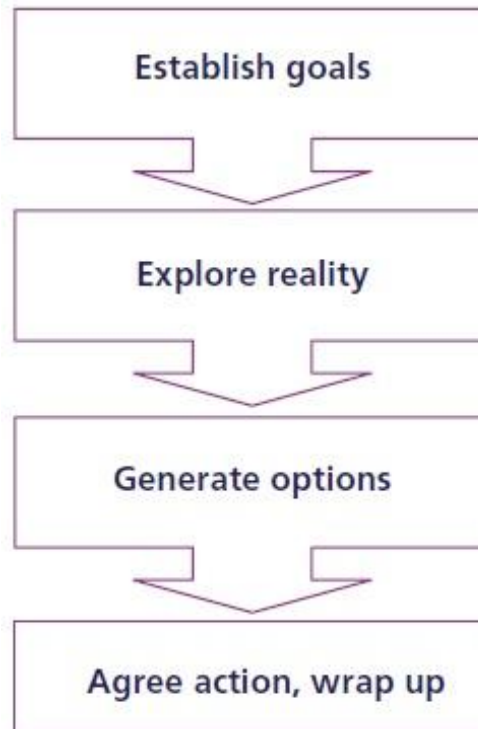
GROW devised by Sir John Whitmore and described in his book, Coaching for Performance: growing people, performance and purpose.

During the first part of their meeting, the coach and protégé focus on determining exactly what they want to achieve. This stage is about establishing expectations and goals.

At least 50% of the meeting should be spent on the reality stage. Good questioning and listening skills will enable the coach to define the issues that need to be addressed.

Once the underlying issues are identified, the coach should continue to ask questions so that the protégé can identify the available options.

In the 'wrap up' stage, the actions should be determined. This final stage is sometimes described as 'confirm the will to act'. It is about agreeing what specific actions the protégé is going to take away from the meeting.

Feedback and performance measurement

A feedback mechanism should be established at the start of any mentoring or coaching programme. This enables the mentor or coach to evaluate honestly whether the programme is successful or not. It is helpful to seek informal feedback at all stages of the programme so that any changes or problems can be addressed.

At the outset, the mentor or coach and protégé should agree the assessment and standards criteria to measure the programme's success. The objective(s), standard target(s), assessment and evaluation need to be clearly stated so that the protégé's achievement can be reviewed easily.

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Example of coaching programme standard targets and assessment

Peter Smith	Coaching programme
Objective	To work as an integrated team player
Standard targets	• Communicate with other team members • Propose ideas • Share the workload • Offer help to colleagues without having to be asked
Assessment	Informal monthly reviews for the next three months
Evaluation	After three months

Traditionally, feedback has involved the protégé completing a questionnaire. However, feedback can also be obtained through formal or informal discussions between the protégé and his or her mentor or coach. The results of the programme should be recorded in a written report, along with a set of recommendations and protégé feedback.

At the end (or before the end) of the programme, all progress should be checked against the agreed criteria. Usually there is a de-briefing session between the mentor or coach and the protégé which should:

- discuss how far the objectives and standard target(s) have been met

- evaluate the overall success of the programme

- make any further recommendations as necessary.

Example of coaching programme standard targets and evaluation

Peter Smith	Coaching programme
Objective	To work as an integrated team player
Standard targets	• Communicate with other team members • Propose ideas • Share the workload • Offer help to colleagues without having to be asked
Evaluation	70% of standard targets met. Very good progress on sharing workload and taking responsibility. Some good ideas put forward. Still not communicating ideas within the team as effectively as possible.
Further recommendation	To take charge of a team project that will demand ongoing briefing sessions with the team if the project is to succeed.

Training the trainer (to be a mentor or coach)

An organisation's personnel and training department will need to select and train sufficient numbers of people to be mentors and coaches. There should be an agreed procedure to screen applicants. Not everybody will be suitable. All candidates must be in a position to be released from their own job function to mentor or coach others.

All successful candidates should be able to demonstrate:

- Strong verbal communication skills (ability to listen, good presentation skills, ability to summarise information, experience of giving feedback).

- Good written communication skills (ability to write business documents and summarise briefs).

- A working knowledge of mentoring and coaching topics (for example, assertiveness, conflict resolution, leadership, managing difficult people, negotiation, presentation skills).

- Previous experience in running training, mentoring or coaching sessions (for example, presenting new ideas, encouraging colleagues to speak, managing disagreements).

A potential mentor or coach will require the following personal qualities:

• ability to recognise changes in mood and body language

• observant

• ability to maintain confidentiality

• warm and confidence-inspiring personality

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• objective and impartial in dealing with people

• willing to commit time and energy to learn mentoring or coaching skills.

Training objectives

It will be necessary to organise training for potential mentors and coaches so they can develop the skills and knowledge required to conduct mentoring and coaching programmes. Training should cover the following:

- relationships in the workplace

- communication and behaviour motivation

- personal development

- one-on-one mentoring/coaching framework

- one-on-one mentoring/coaching activities

- planning mentoring/coaching objectives

- mentoring/coaching approaches.

Barriers to effective mentoring and coaching

Most barriers to effective mentoring and coaching stem from:

1. Issues of organisational culture where the prevailing culture is not sympathetic to mentoring and coaching, or does not fully understand it.

2. Personality issues between those involved in mentoring and coaching programmes.

Barriers include:

- poor matching of mentors or coaches to their protégés

- lack of managerial support at higher levels

- resentment from those not chosen to participate in mentoring and coaching programmes, perhaps due to a perception of favouritism

- the creation of unrealistic expectations as to what mentoring and coaching can achieve

- the blurring of role boundaries, for example, between the role of manager and mentor.

To conclude, coaching and mentoring are not silver bullet or bolt-on solutions that will magically boost company morale or halt a haemorrhaging staff turnover.

They should not be employed as reactive measures because they may mask the underlying problem rather than solve it. They need to be an integral part of the human resources strategy and, through that, the wider organisational strategy too, always aligned with corporate objectives.

By tying in individual and organizational goals, coaching and mentoring can become strategic in nature. Correspondingly, they are capable of making strategy accessible by cascading it down to the level of individual concern.

But they should never become a way of abdicating responsibility for good management or be used to impair line management relationships. They are simply two of the ways in which progressive companies tackle staff training and development.

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