



Institute for Systemic Management
and Public Governance
Research Center for Tourism and Transport

University of St.Gallen

Follow the Flow: Destination Marketing in the Digital Age

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University of St. Gallen**

**Bali Tourism Conference
Denpasar, May 6, 2019**

Agenda

- **Building a case**
- Visitor flow based management

What does digitization mean?

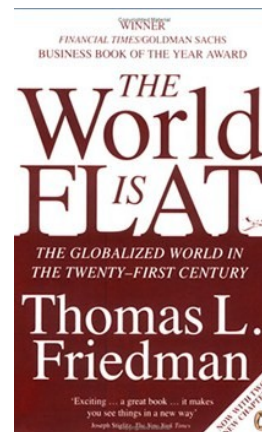
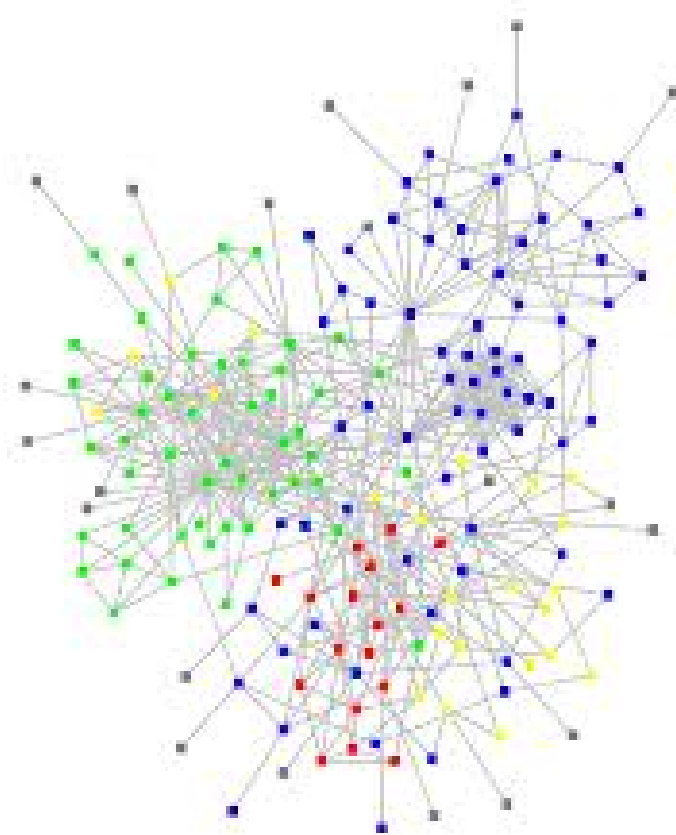
4 drivers...

- **High speed data infrastructure** (Glass fibre, 4-5G, anytime, anywhere)
 - **Networking** through Internet available everywhere
 - Temporal and spatial **ubiquity**
- **Miniaturization** and mobile applications
 - networking **stationary and mobile**
- Massive **price decline** for **sensors**
 - Foundation for **automatic and automated measurements**
- Massive **increase in computing power** and artificial intelligence
 - «Dealing» (data procurement, processing and transformation)
with automated and non-automated measurement outputs



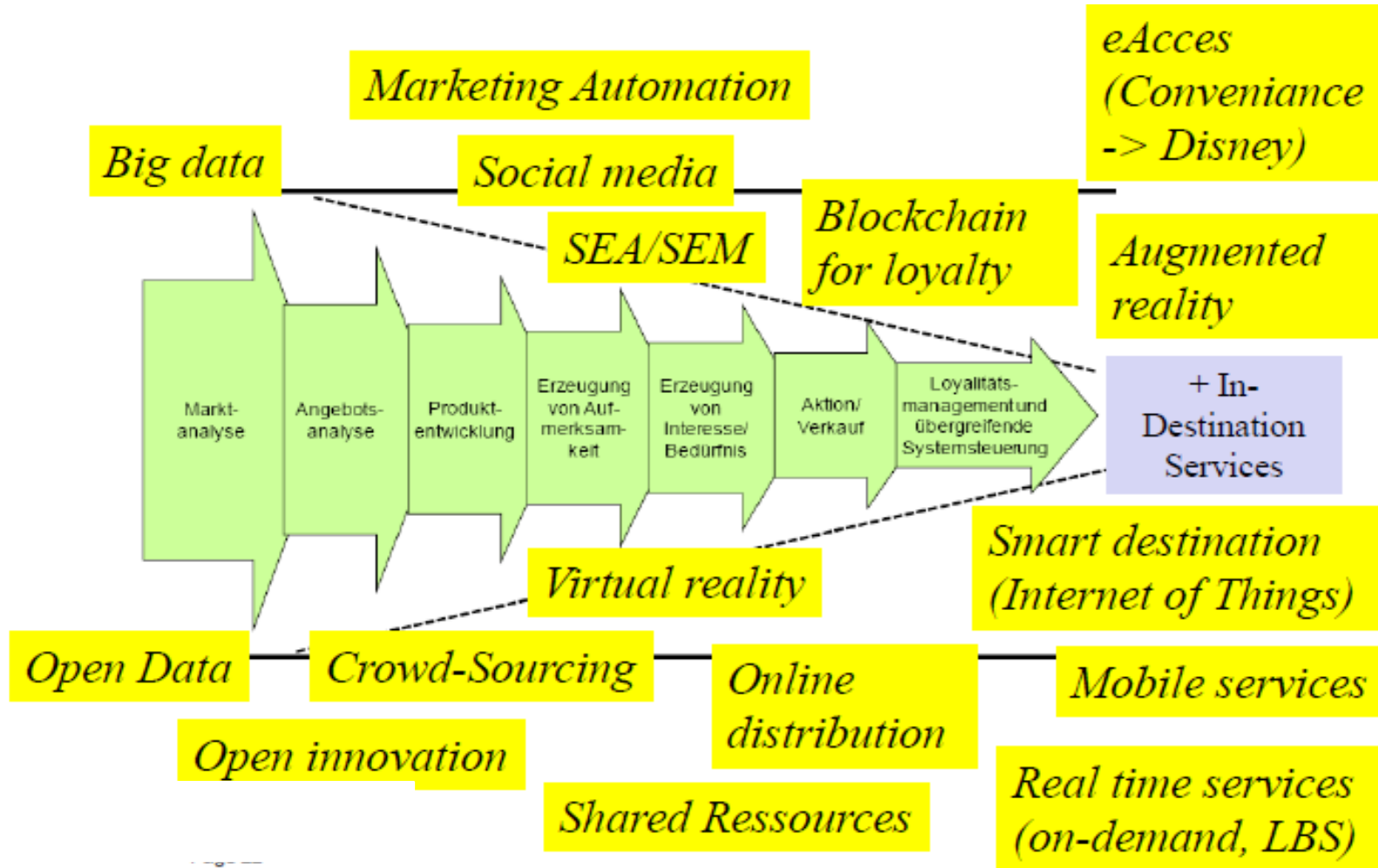
Google Pixel Buds: Personal Translator
in Real Time

For tourism, networking and miniaturization mean “temporal and local virtual ubiquity of people and things at zero cost” and thus the same advantages of potential proximity for all (suppliers and tourists).

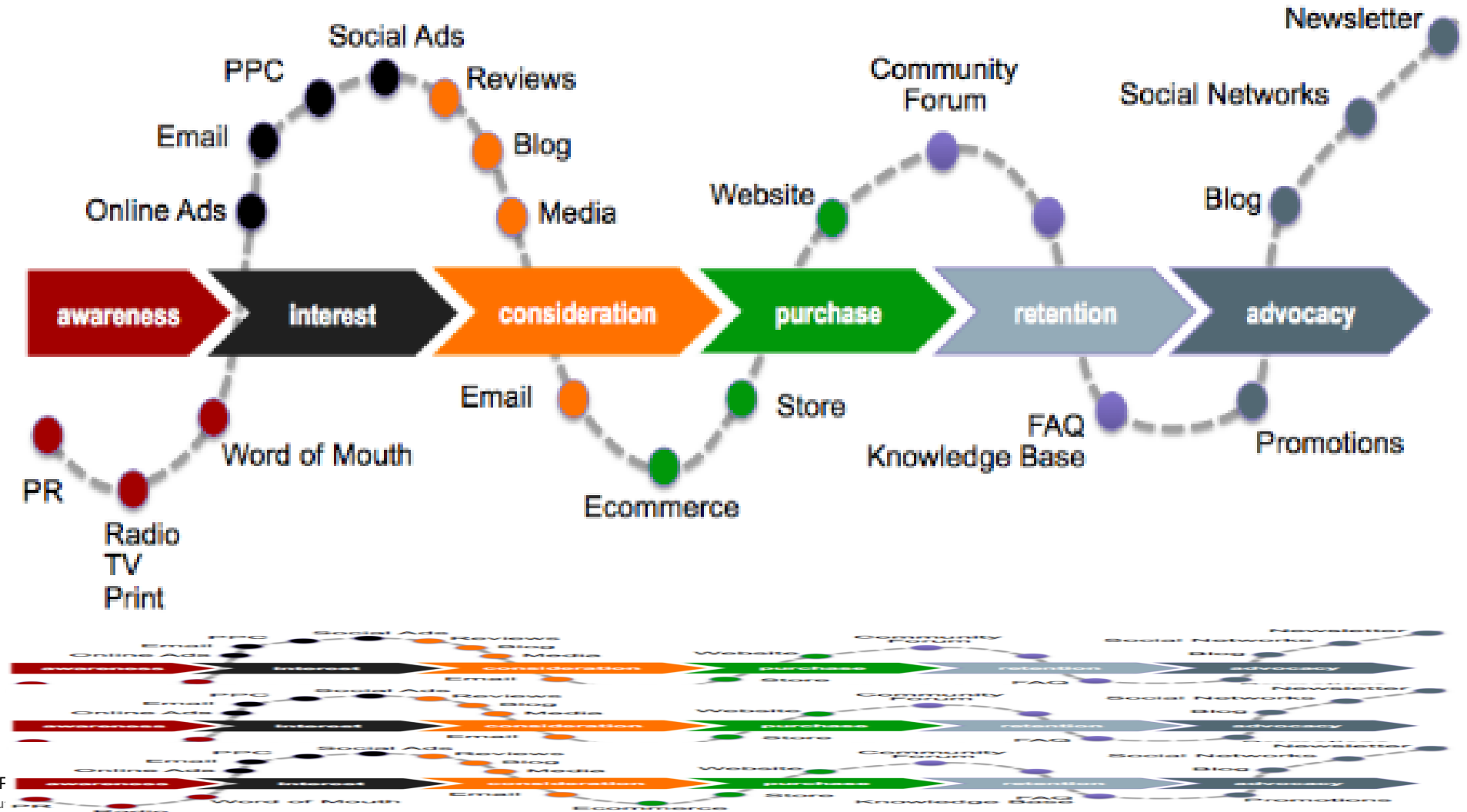


Data, not only humans, are mobile...

Today we have digitization options in every phase of the marketing process; constant interaction is possible.



The consistent orientation towards customer processes hereby helps us to decide which digital marketing games to play where and how to control customer flows.



In which business are we in?

In the “business” for and of the production and facilitation of stories.
Guests produce and distribute content (UGC) for others and themselves.

- The business of tourism consists of **creating or facilitating countable experiences**.
- Tourist resorts are the **stages for narratives** and **self performance** of their visitors.
- Social media are essentially **virtual spaces of storytelling and performativity** created by mobile and stationary technologies, i.e. the execution or specification of the spoken word (example: "I am here at...", etc.).
- **Investments in the storyfication** of services and products/offers are key.
History = Process (Service Design = Process).



Intermediate summary: 5 propositions.

- **Follow the Flow:** In recognition of the growing differences in the spatial behavior of our visitors and their decision processes, we ideally structure marketing activities around **strategic visitor flows (SVF)**.
- **Visitor centered customer journeys:** In the future, we will use SST to create largely **customizable and self segmenting customer journeys** along (aggregated) SVS with content and technologically appropriate touchpoints.
- **Storyfication:** Products and services are therefore increasingly designed along a **souped-up narrative** and geared to maximum potential with regard to their story.
- **Promotion:** Promotion is increasingly **taken over by visitors themselves** and can be used by destinations.
- **Sales:** Sales, too, is increasingly **differentiated according to SVF** and thus to potential customer needs and processes and to partners who have access to these customers.

Agenda

- Building a case
- **Visitor flow based management**

The St.Gallen Model for Destination Management

This book illustrates how the boundaries created to manage and market tourist destinations are the root of the practical and academic problems that trouble destination management these days. The **St.Gallen Model for Destination Management (SGDM)** introduces an alternative perspective that allows transcending past boundaries and thus getting closer to the real complexities of managing tourist behavior in dynamic systems.

While this may sound daunting, it starts with something very practical: The observation of how tourists of different kinds move about as flows of visitors. **Strategic visitor flows (SVF)** are the basic unit of analysis and planning of the new model. The SGDM connects these flows to demand and supply networks. Underlying mechanisms explain the social forces that drive tourists' behavior and the interdependencies that determine a viable supply of tourist services in destinations.

The model builds on **practical experience in more than 30 destinations** and the latest insights from ongoing research on destination management and marketing. Internationally, we observed that a basic understanding of the presence of multiple visitor flows and of the related network mechanism enabled actors (e.g., from hotels, food and lodging, operators of attractions, transportation, tourist organizations, and politicians) to break free of existing preconceptions. The SGDM and its instruments enabled them to rethink tasks, responsibilities, and projects. This ultimately allowed them to make more efficient and effective use of their scarce resources, benefiting both visitors and destination actors.

From an academic stance, this book suggests that the SGDM's focus on strategic visitor flows serves as the foundation of a new paradigm in destination management and points to **avenues for further research**.

This book targets practitioners, students, and scholars with a concern for the viable longterm development of tourist destinations.

www.en.sgdm.ch

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Pietro Beritelli, Stephan Reinhold, Christian Laesser
and Thomas Bieger

The St.Gallen Model for Destination Management

Beritelli/Reinhold/Laesser/Bieger

The St.Gallen Model for Destination Management

*"From insight
to impact"* 

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«Flows» assign space a particular function – in the animal kingdom as well as for humans. And of course, tourists too!



And now...



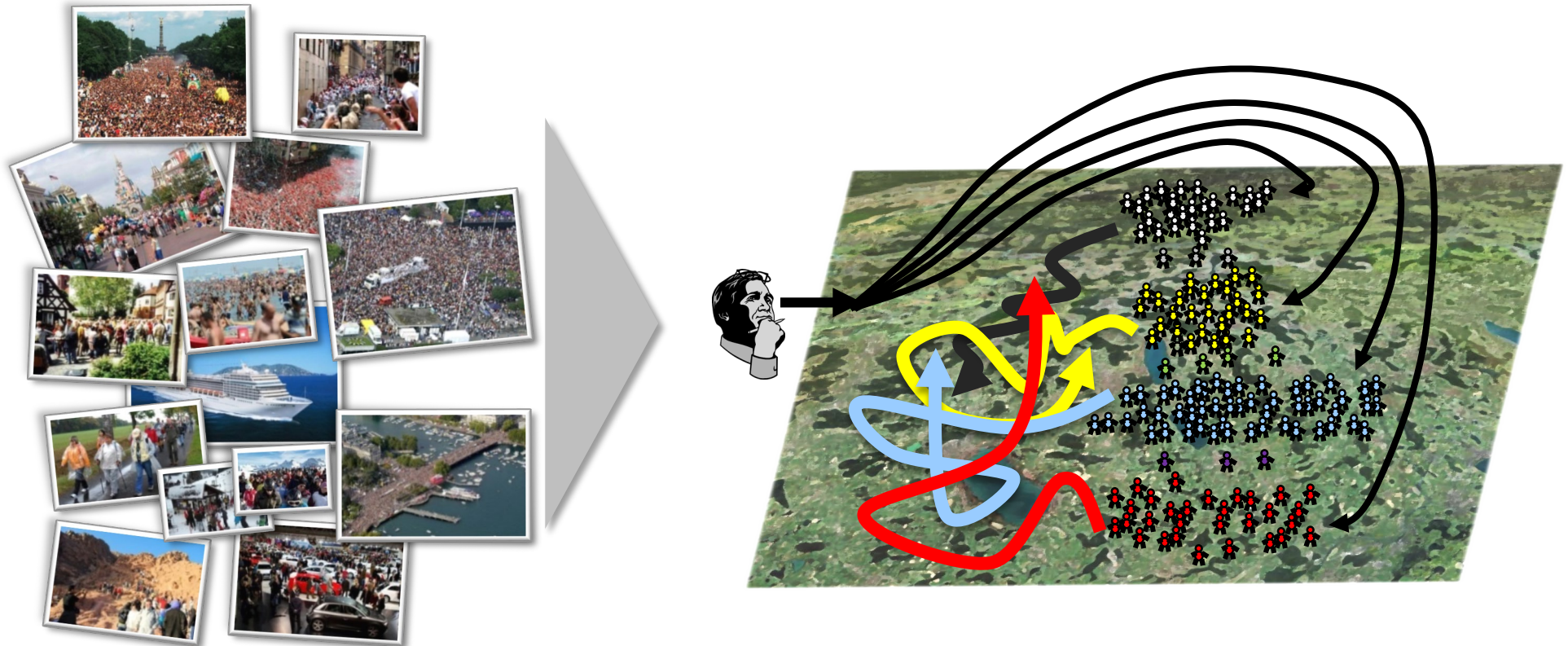
What constitutes sugar in tourism?



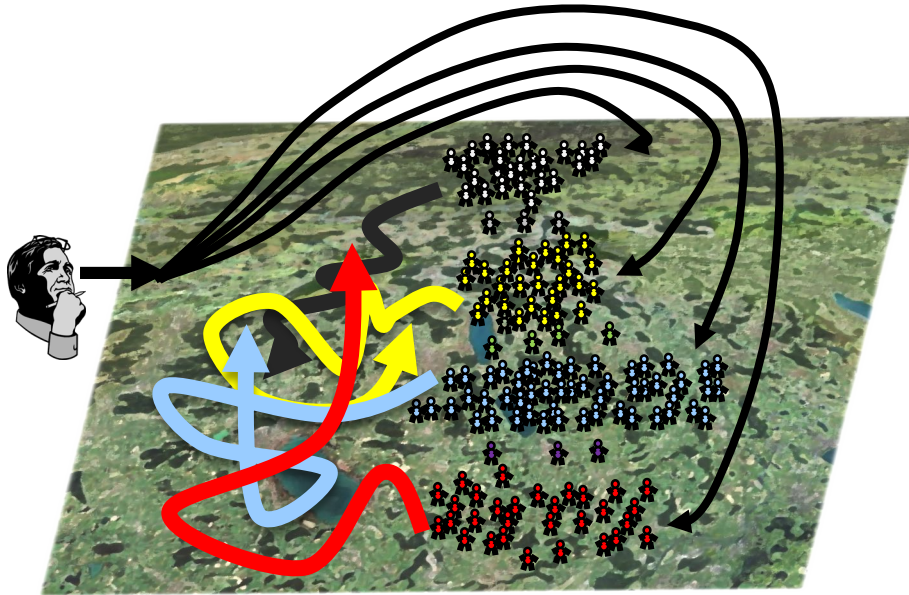
What constitutes pheromone in tourism?

It is the visitor flows, not politicians, which at the end of the day define destinations.

The **destination** is a space «created» and defined by the visitor;
which the visitor is attracted to and in which he moves «freely in/ with the mass».



Strategic Visitor Flows (SVF) provide the basis to actually develop and market destinations – with real impact.



WHO and HOW COME?

What **homogeneous visitor (flows)**? What drives them here? How do they decide? etc.

WHAT and WHEN?

What are they doing here? How much and what do they consume? When are they coming for how long? etc.

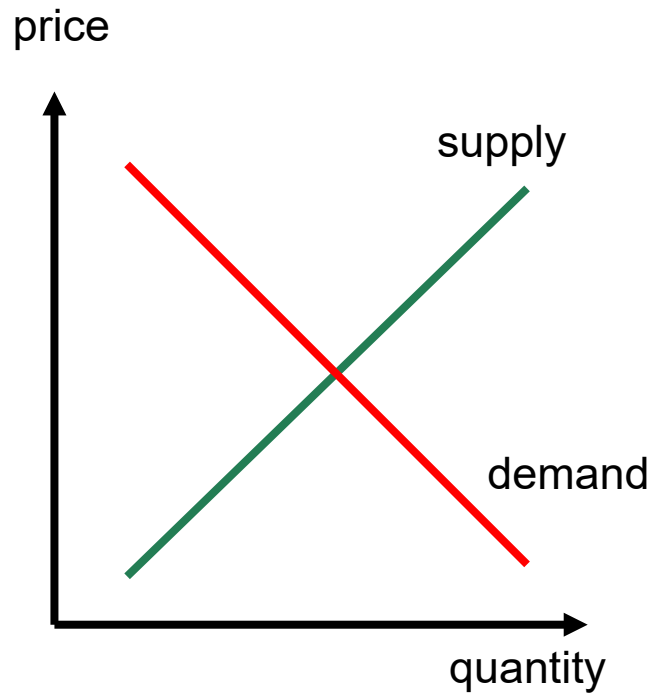
WHERE?

Where are they coming from? Where are they moving? Where are they staying? Where are they going in-between and after? etc.

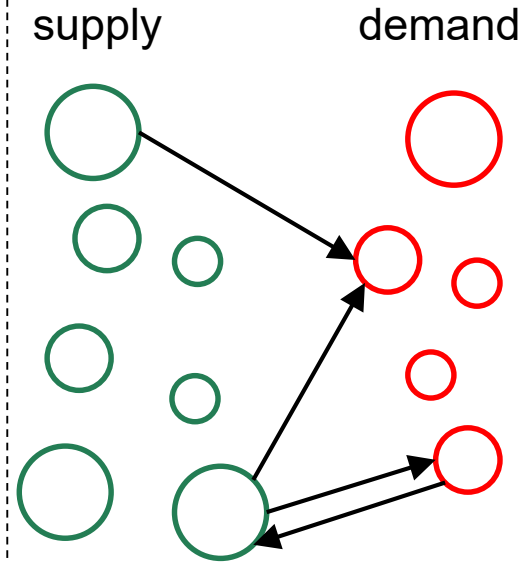
Local informants easily answer these questions without much effort if supported with simple techniques.

In reconstructing flows, we take account of the peculiarities of tourism production and consumption (demand).

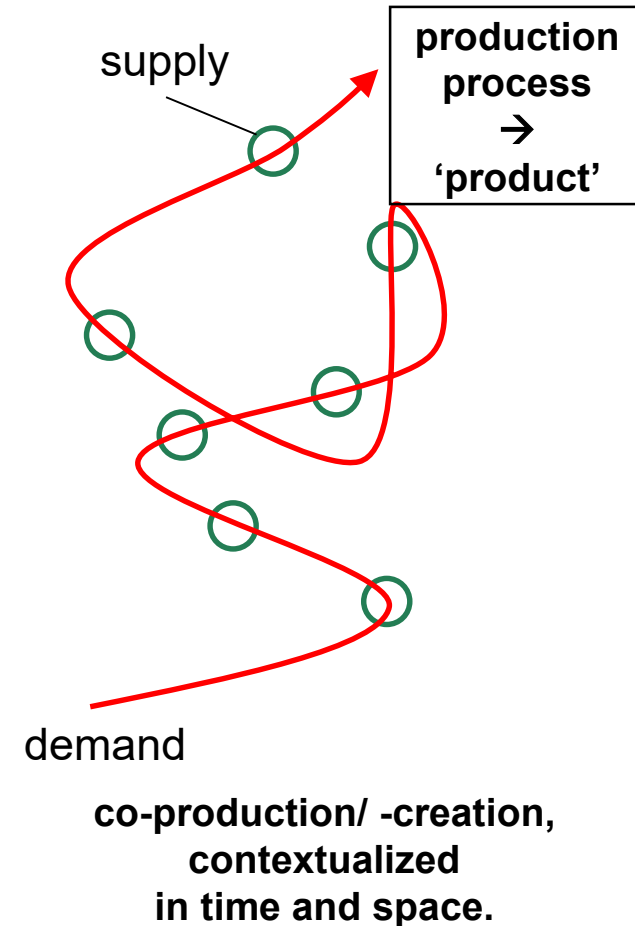
THE ECONOMIST'S VIEW



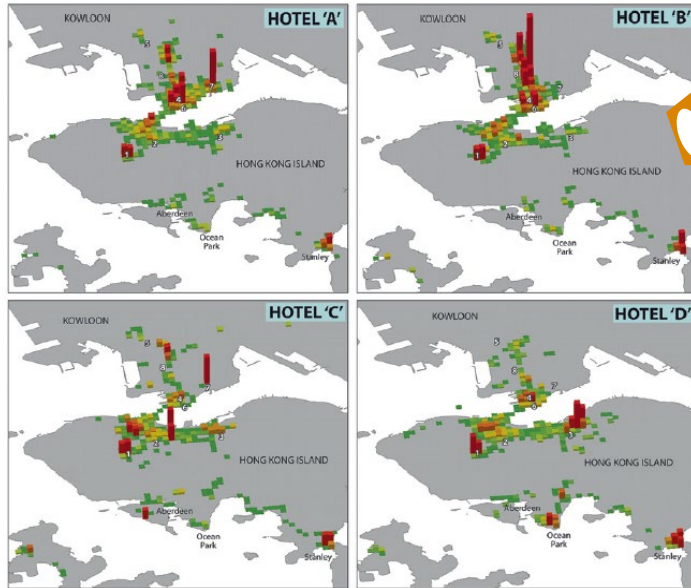
THE (CONSUMER GOODS) MARKETER'S VIEW



THE TRAVEL PERSPECTIVE

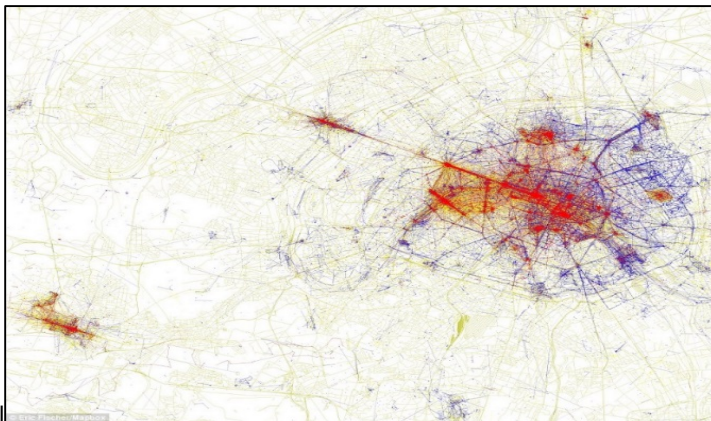


In fact, most tourists look for the same and do the same.



| % visitors | |
|-------------|---------|
| Green | <1% |
| Light Green | 1%-10% |
| Yellow | 10%-30% |
| Orange | 30%-60% |
| Red | >60% |

| | |
|---|---------------------|
| 1 | The Peak |
| 2 | Central |
| 3 | Causeway Bay |
| 4 | Tsim Sha Tsui |
| 5 | Mongkok |
| 6 | The Avenue of Stars |
| 7 | Hung Hom |
| 8 | You Ma Tei |



Aggregate time spent

Intensity of visitor activity

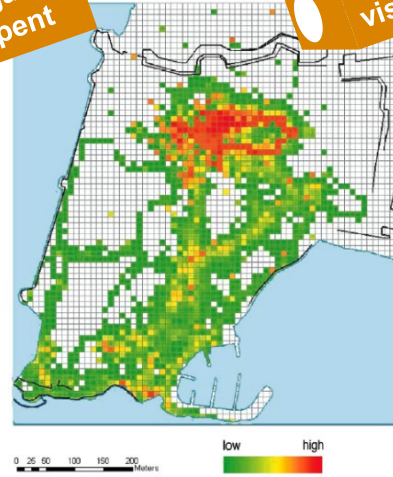


Figure 3 The intensity of visitors' activity in Akko's Old City by cell (10 m x 10 m).

Visitor tracking

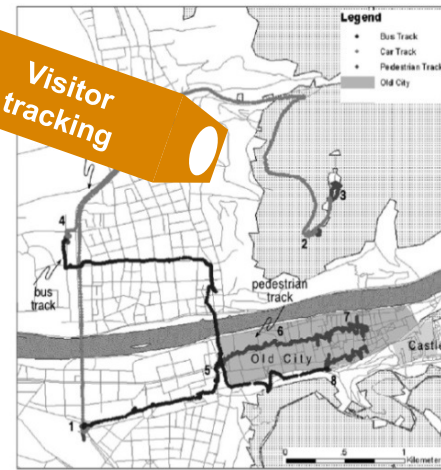
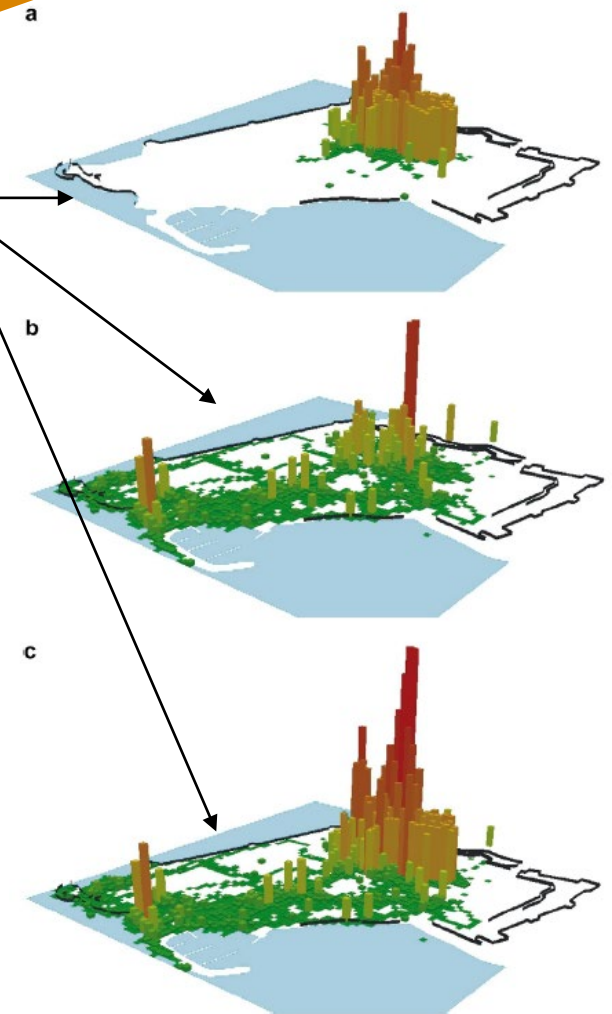
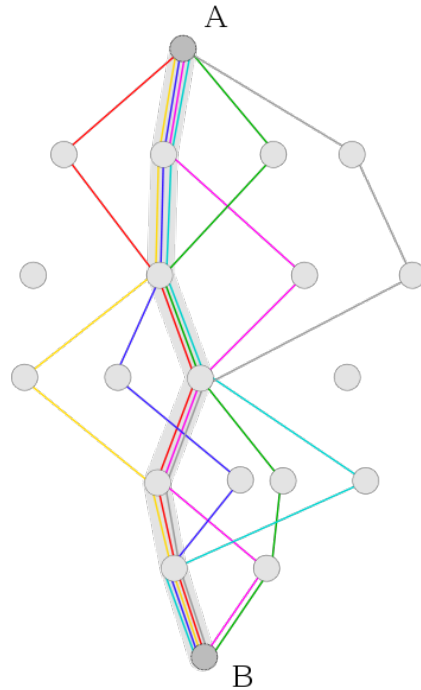
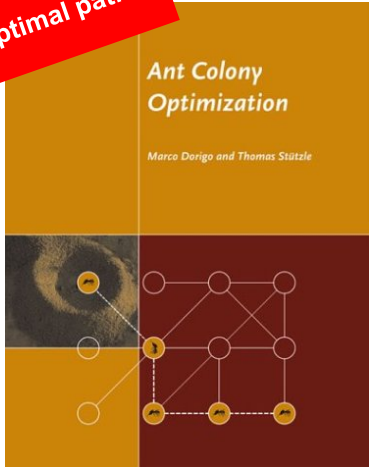


Figure 1. The Heidelberg GPS Track

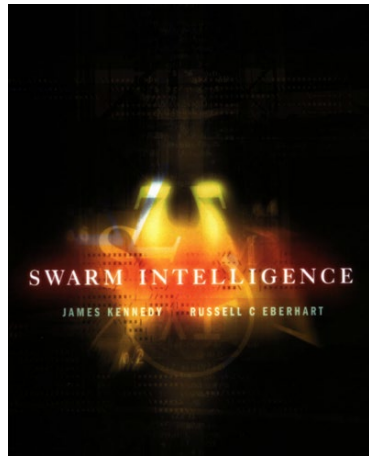
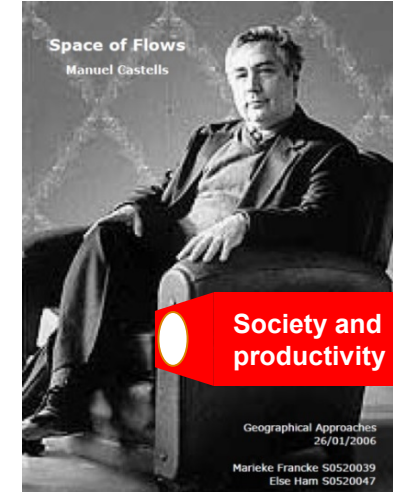
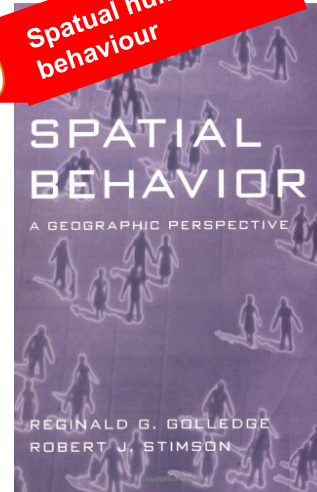


This approach or idea is not new at all. We have only overlooked its potential for years...

Optimal paths



Spatial human behaviour



Homo sapiens on Vacation: What Can We Learn from Darwin?

Geoffrey I. Crouch¹

Abstract

In recent years, scholars in various fields have been making increased use of evolutionary theory to gain a deeper understanding of human behavior. Since the 1970s, with the birth of new fields of research known as Sociobiology and Evolutionary Psychology, researchers in a broad range of the social sciences are now applying evolutionary theory and thinking to the study of human behavior in a wide variety of contexts. However, there is little evidence of studies that have sought to examine tourism behavior from an evolutionary perspective. This article examines predominantly the literature on sociobiology and evolutionary psychology, as well as some from genetic science, in order to identify aspects of tourism behavior in which evolutionary-based theorizing may hold important and promising potential to increase understanding.

Keywords

tourism behavior, sociobiology, evolutionary psychology, Darwin, consumer behavior, human nature, genetics

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«novelty seeking gene», wayfinders in migration und travel

... and early recognized, central and relevant ideas have been ignored/ forgotten (selected examples).

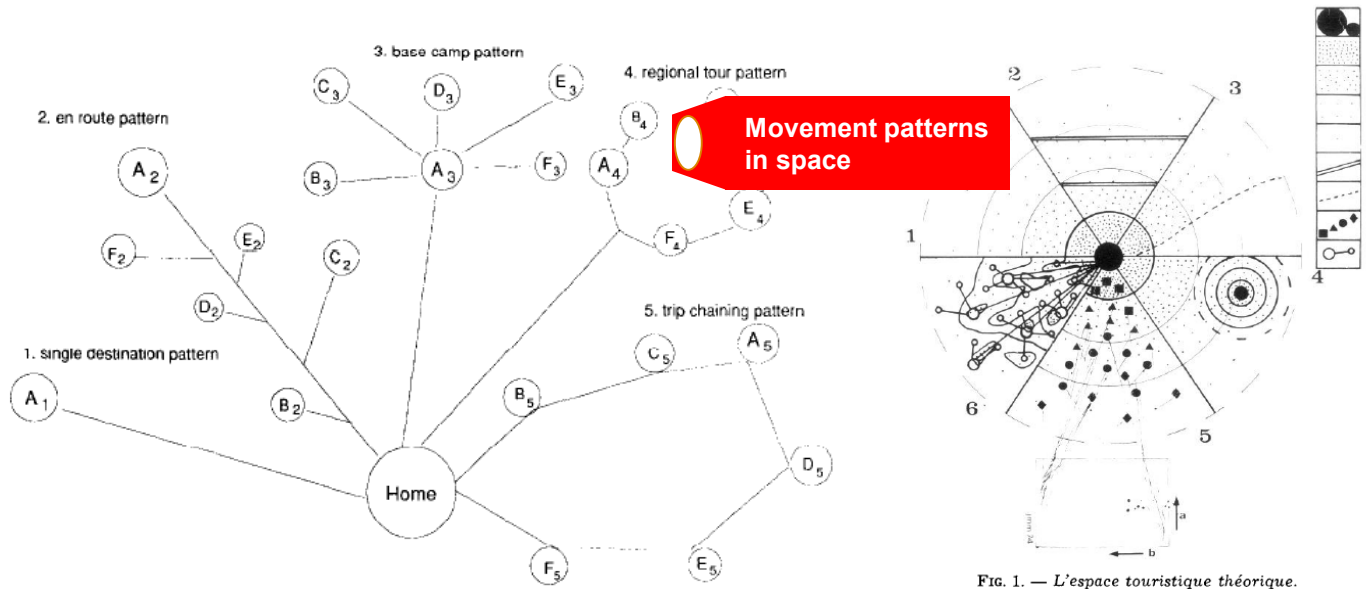


Figure 2. Alternative Spatial Patterns of Pleasure Vacation Trips

(Lue, Crompton, Fesenmaier, 1993)

Multiple systems

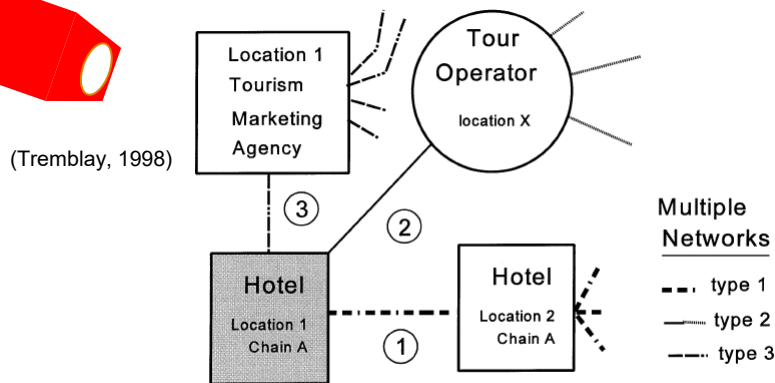


Figure 4. Overlapping Networks

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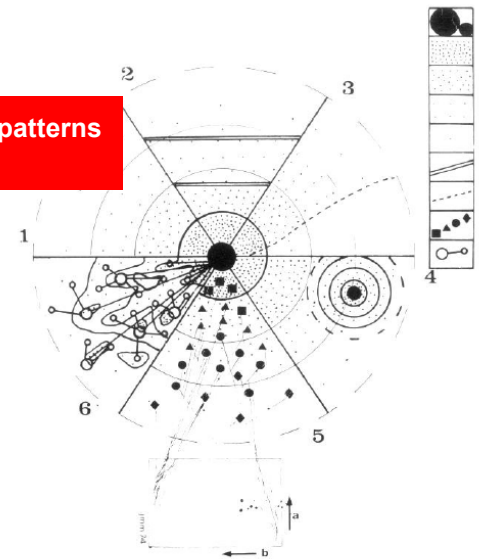


FIG. 1. — L'espace touristique théorique.

(Miossec, 1977)

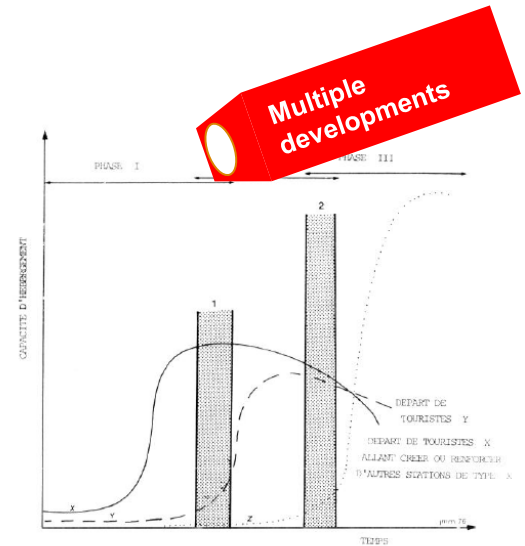
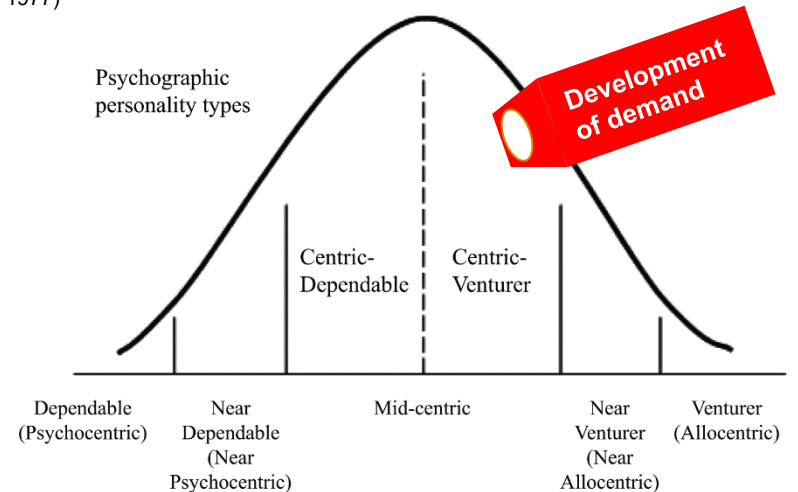


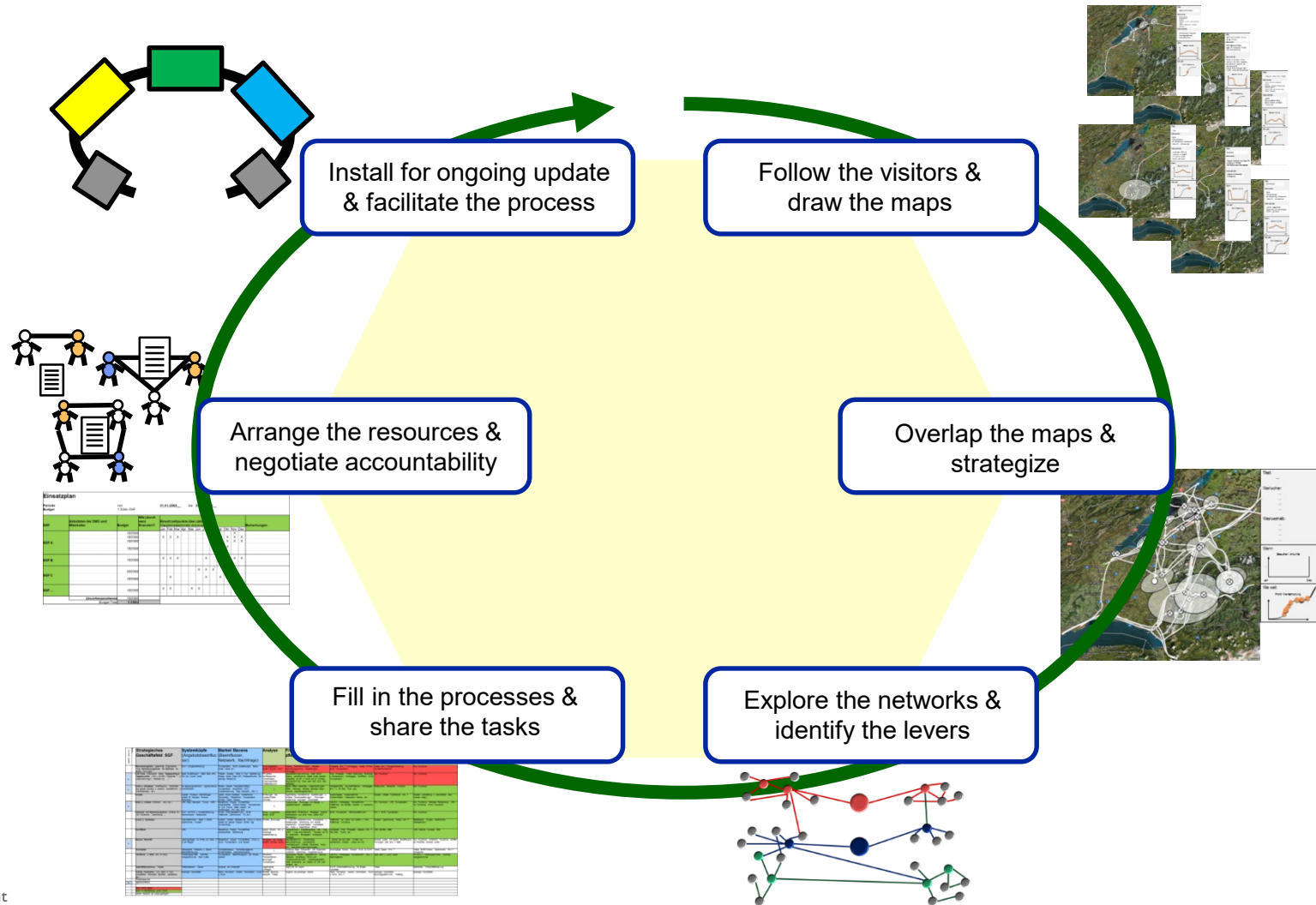
FIG. 3. — Rythmes d'évolution des stations et migrations touristiques.

X. Hébergement de type X. — Y. Hébergement de type Y. — Z. Hébergement de type Z. — 1 et 2. Seuils qualitatifs.



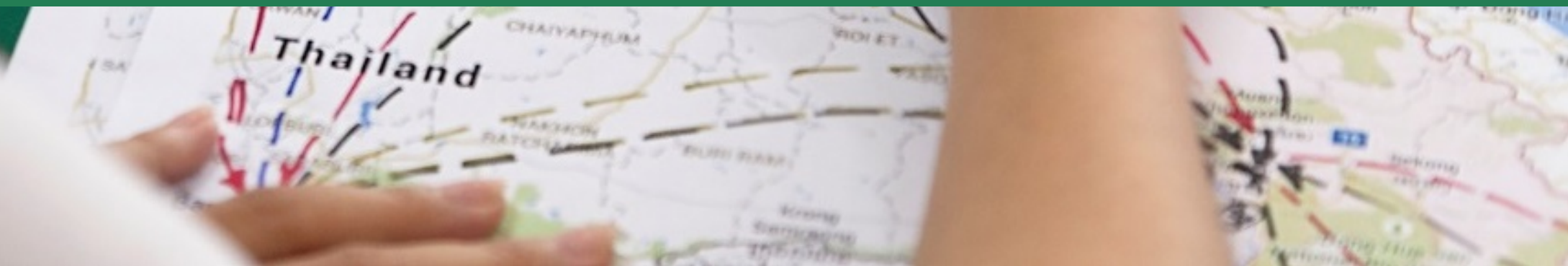
Source: Adapted from Plog (2001) (original, 1972)

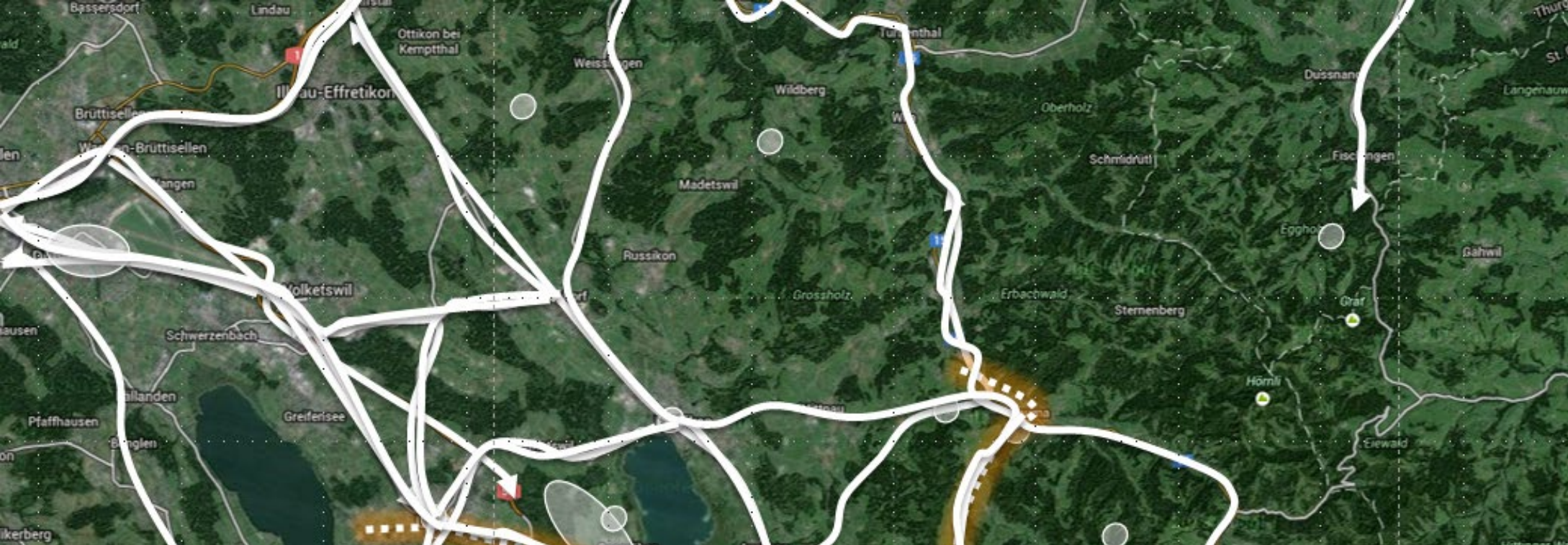
To cope with the logic of flows, we have successfully developed and tested a six step heuristic.



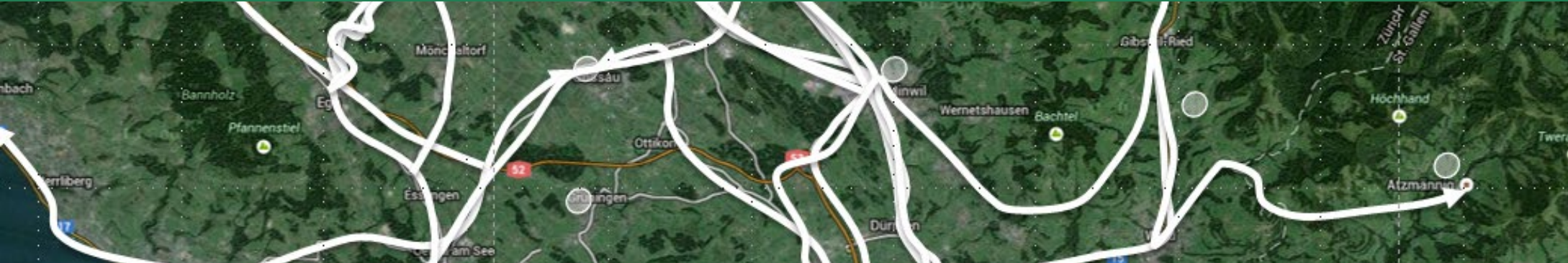


Step 1: We draw maps to identify SVFs and «frame» ourselves.





Step 2: We overlap our maps to strategize.





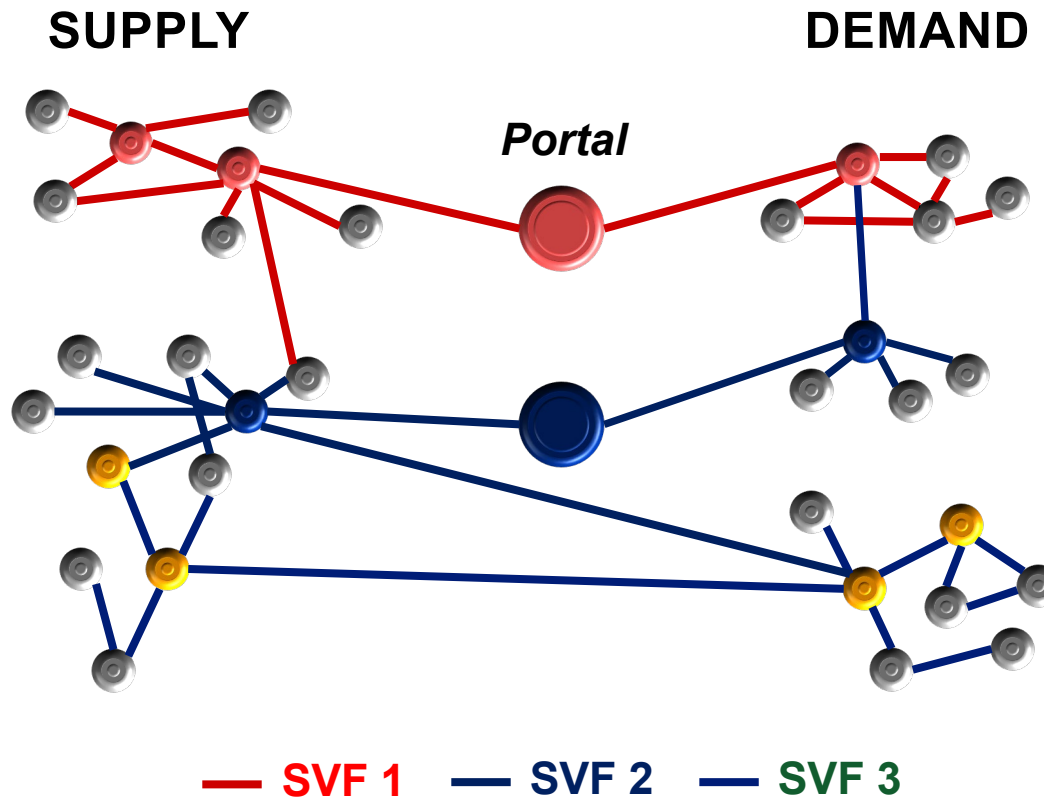
Steps 3 and 4: We determine networks, levers, and processes



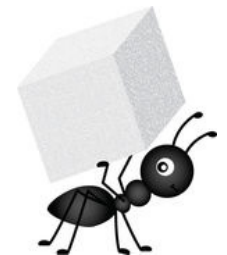
We identify supply and demand networks per SVF.
Each SVF represents a business system. The destination as a portfolio of SVF consists of multiple business systems. Actors take different roles in different SVF.



System head
Most important
«food source»
for the ants






Market Maven
Influence flows,
Ants with the strongest
pheromones & receptors



Tables support the structuration of processes.

**Networks and interdependencies
(Who/what influences how?)**

Diagnosis

| SVF | Networks and interdependencies (Who/what influences how?) | | Diagnosis | | | | |
|-----|--------------------------------------------------------------|---------------|---------------------|-------------|------------|-------------------------------|-------------------------------------------------------------------------------------------|
| | System head(s) | Market mavens | What is going well? | Challenges? | Solutions? | What else do we need to know? | SVF system minder |
| ... | ... | ... | ... | ... | ... | ... | ...  |
| ... | ... | ... | ... | ... | ... | ... | ...  |
| ... | ... | ... | ... | ... | ... | ... | ... |
| ... | ... | ... | ... | ... | ... | ... | ...  |

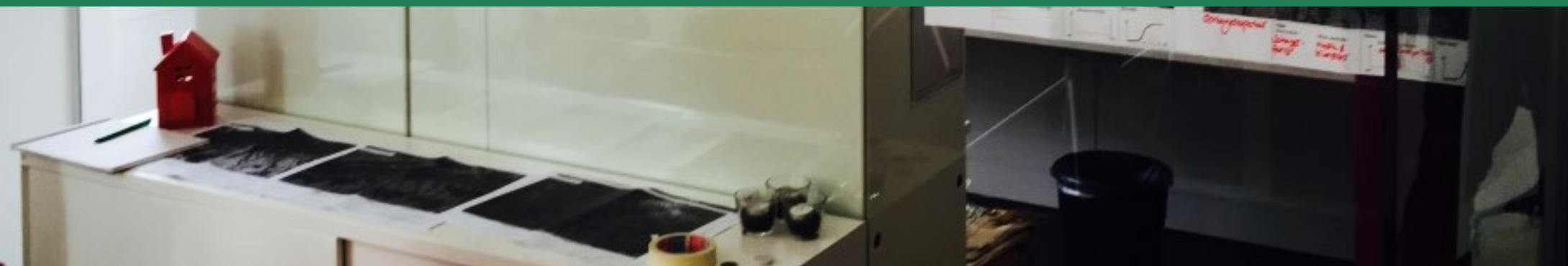


Step 5: We start negotiating and implementing projects.

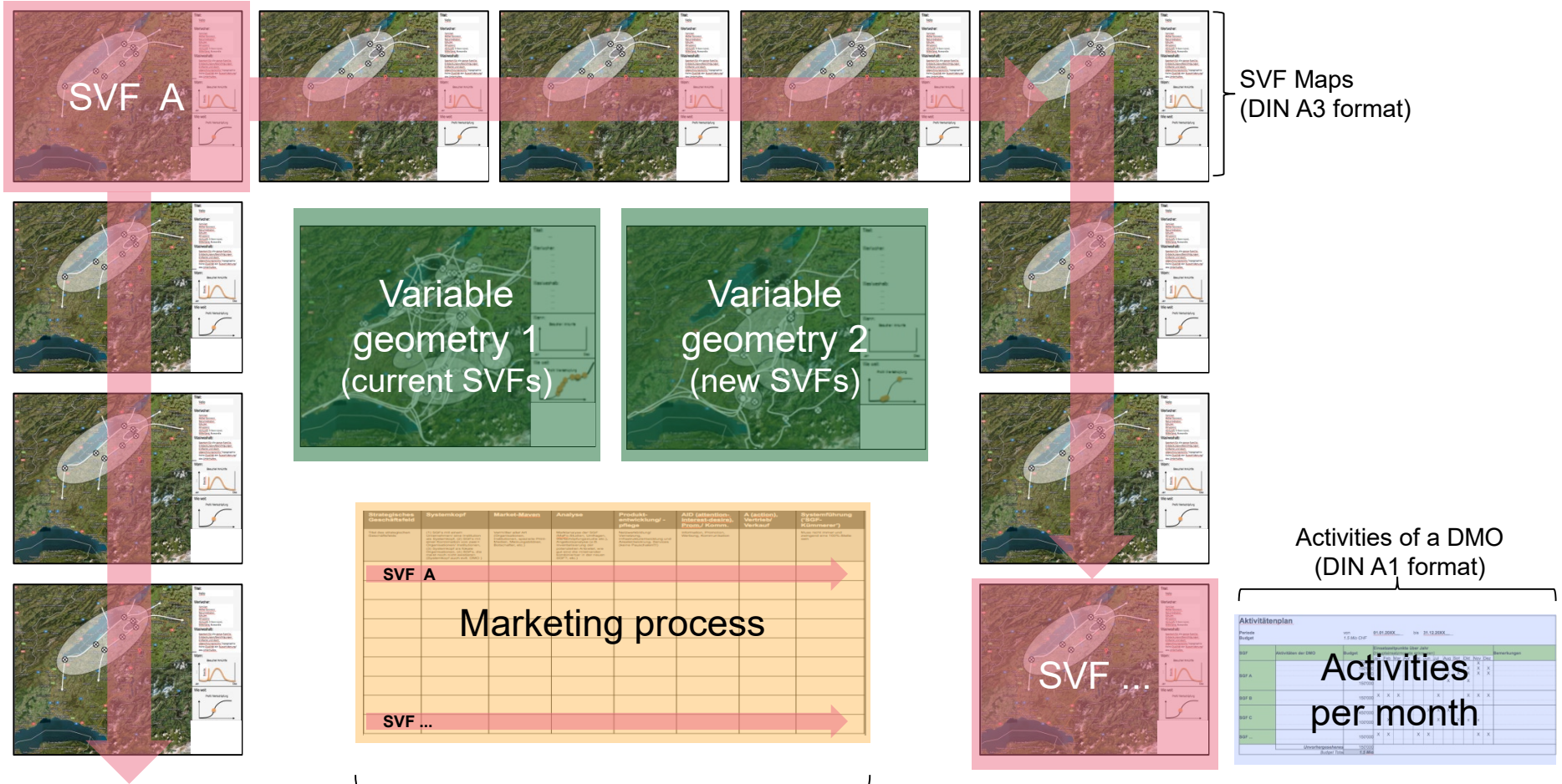




Step 6: We facilitate ongoing destination management.



The Destinorama visualizes the complex situation, focuses on the currently relevant and feasible, and is always up-to-date.

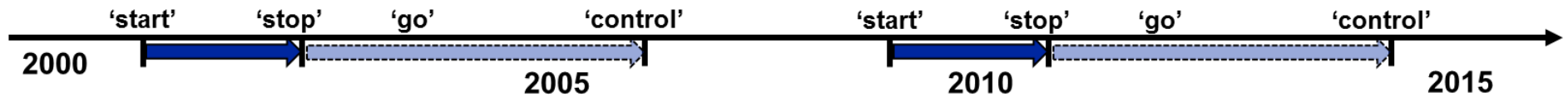
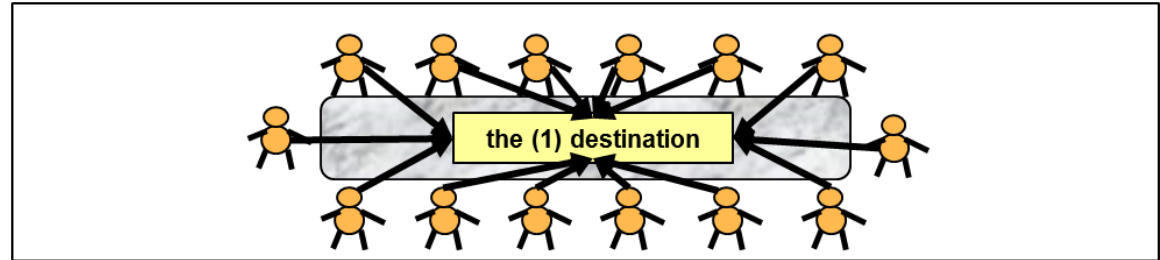


Funnel (DIN A1 format) and variable geometry (DIN A2 format)

Working with flows is not only intuitive but also avoids un-necessary conflict and power games.

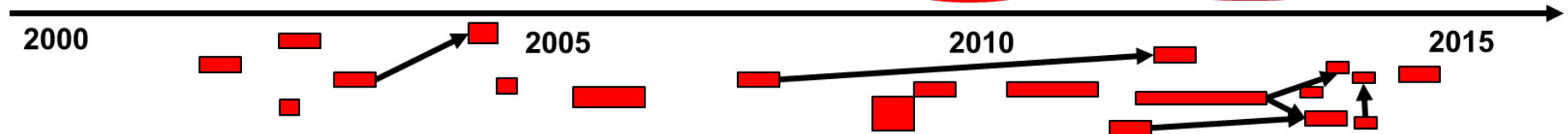
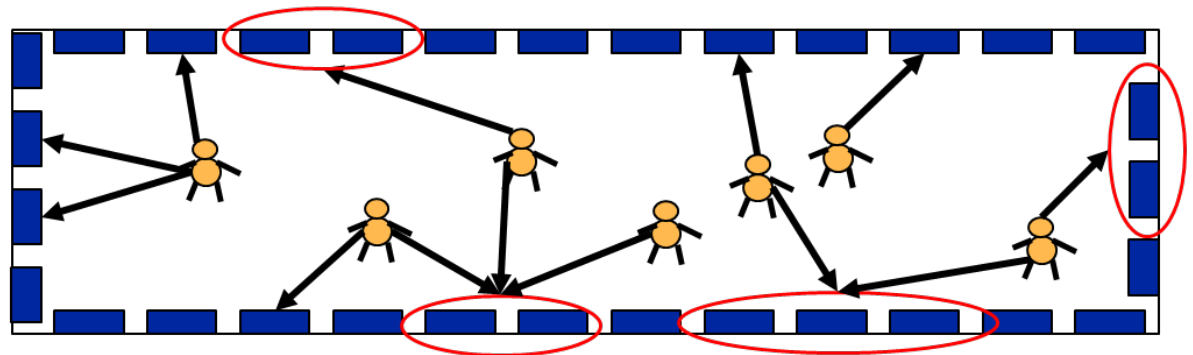
Traditional approach

- 1 destination
- 1 strategy
- 1 report
- 1 round table
- Every actor 'representing interests'
- 1 common process



Flow-based

- Many different areas (map sizes)
- Many projects and initiatives
- Many maps and tables, working papers
- 1 meeting room with different participants at different times
- Every actor learns, discusses, decides
- Continuous, decentralized, but still surveyed learning and decision platform



Have I convinced you?

The flow-based view of tourist demand and production helps actors appreciate and handle the complexity and dynamics of tourist destinations.

The SGDM is a blend of theory and method that produces tangible, practical results in destination management.

Thanks for your attention.