

Piloting a Digital Maturity Model for Smart Destinations



FORUM SCIENTIFIQUE REGIOSUISSE
13-14 septembre 2021 - Andermatt

Tourism Institute, HES-SO Valais-Wallis, Switzerland
Dominique Fumeaux – Sandra Grèzes – Emmanuel Fragnière – Michael Fux – Alain Imboden

Contact: Alain.Imboden@hevs.ch



- **Aim of the project:** to develop a **maturity model** dedicated to lesser-known mountain destinations in order to :
 - evaluate their degree of smartness
 - compare it with other destinations based on similar indicators
 - recommend an action plan to improve their services
- Presentation of the 2nd stage of research consisting of **piloting a maturity model with 3 Swiss destinations**
- **Instruments** used:
 - A digital maturity model
 - A survey based on the maturity model and sent to DMO's
 - A focus group per destination composed of key tourism stakeholders

Maturity Model: a pilot study



copyright: WT / C. Perret

- Tourism destinations and in particular peripheral ones are challenged to become a well-functioning smart ecosystem due to the **complexity of the tourism sector**
- Peripheral regions risk being left behind (Vargas-Sanchez et al. 2011) due to:
 - An ever-growing digital divide at various levels (motivational, informational, physical) between them and their more adaptable (urban) counterparts (Minghetti & Buhalis 2010)
 - Predominance of small- and medium-sized companies
 - Lack of leadership
 - Lack of culture of collaboration
 - Difficulties for innovation
 - Presence of proprietary software, which makes interoperability difficult
 - A lack of capacities to invest, to access and to control information that could be transformed into valuable knowledge (Ivars-Baidal et al. 2019)


-> Those tourism destinations are not part of the global digital tourism ecosystem (Ivars-Baidal et al. 2019)

- Measuring technological advancement for strategic and comparative purposes
- Technology as a mean rather than an end : digitalization and smart destinations
- Evaluating the implementation of and support for digitalization in a destination
- A maturity model with **6 dimensions**:
 - **Culture**: assessing innovation readiness
 - **Connectivity**: assessing data management and infrastructure
 - **Customer relationship**: assessing CRM strategy and practices
 - **Content**: assessing digital marketing and communication strategy
 - **Commerce**: assessing distribution channels
 - **Customer**: assessing experience design and value co-creation

Measuring the smartness of a destination

| | | |
|---|---|--|
| | | Ability, to merge customer data from different sources |
| Commerce: assessing distribution channels | Presence of multi-channel dynamic pricing strategy | Ability to align the digital offers with customer needs |
| | Up-to-date online booking system | Presence of destination app |
| | Online booking system well-functioning and optimized for direct bookings | Presence of guidelines for data protection |
| | Digital solutions for automation of internal workflow | Presence of smart tourist office for management of services and |
| Relationship: assessing CRM management | Use of targeted marketing media | Presence of free WIFI for guests |
| | Presence of smart solutions | Awareness about risks and opportunities of digitalization |
| | Multilingual websites and online communication | Presence of a webcam |
| Content: assessing digital marketing & communication strategy | Use and management of a digital marketing strategy | Presence of a digital innovation strategy |
| | Regular maintenance of online content | Availability of budget for digital innovation |
| | Well-functioning website | Presence of smart cards |
| | Website and distribution channels designed for effective online referencing | Availability of know-how and human resources for digital innovation |
| | Accurate online description of the organisation and its services | Presence of digital hub |
| | | Presence of guest community platform |
| | | Presence of hiring and training strategy for digital innovation |
| | | Use of smart solutions in accommodations |
| | | Presence of tools for experience co-creation |
| | | Collection and use of transaction data |
| | | Use of smart solutions in attractions/activities and for personalized offers (e.g. gaming app) |
| | | Use of data analytics and benchmarking |
| | | Presence of KPI for digital marketing strategy and |
| | | Use of smart solutions in transportation (e.g. transport control system) |
| | | Use of technology for enhancing the guest experience |
| | | Use of Big Data for enhancing the guest experience |
| | | Use of geophysical data for enhancing the guest experience |

Diagnosis Tool

| Customer type : _____ Destination : _____ Type of stay : _____ | | A Customer Journey  | | |
|--|----------------------------|--|--|--|
| | | Pre stay | Stay | Post stay |
| Smartness Indicators | Culture | <i>Fragmented ecosystem / Inconsistent representation of destination / Lack of digital expertise Digital coherence / Robust interconnectivity / Digital know-how</i> | | |
| | Connectivity & Controlling | <i>No Data protection strategy / Lack of data management / No Business Intelligence approach Omnichannel data collection / Online reputation management / Data integrity</i> | | |
| | Customer Relationships | <i>Limited pre stay interaction Digital relationship building</i> | <i>Reactive physical interaction Proactive digital interaction</i> | <i>Limited guest loyalty strategy Personalised digital follow-up</i> |
| | Communication | <i>No digital marketing strategy Multichannel digital presence</i> | <i>Inconsistent information Updated holistic information</i> | <i>Sporadic maintenance Regular & targeted updates</i> |
| | Commercialization | <i>Basic booking system Dynamic packaging strategy</i> | <i>Fragmented pricing/booking Centralised pricing/booking</i> | <i>No targeted approach CRM-driven strategy</i> |
| | Customer Experience | <i>No use of virtual reality General information desk Fragmented online presence Personalized live interaction Pre-stay virtual immersion Converging online presence</i> | <i>Limited digital infrastructure No digital added value No live recommendations Efficient digital ecosystem Technology-enhanced stay Data-driven guidance</i> | <i>No personalised follow-up No « revisiting » approach No use of virtual reality Digitally driven relationship Data-driven loyalty incentives Digital memorabilia</i> |

In regular : low maturity
In bold : high maturity



- **Culture:** assessing innovation readiness
 - All 3 destinations showed awareness of the importance of incorporating digitalisation in their overall development strategy
 - However, they only partially have the financial and human resources required to design and implement digital solutions.
- **Connectivity:** assessing data management and infrastructure
 - Data collection and analysis is a challenge shared by all 3 destinations
 - Transaction data are not or in once case only partially collected and used.
 - Online reputation and online metrics are fully managed by one destination, partially by another and not at all by the third one.
- **Customer relationship:** assessing CRM strategy
 - All destinations are using social media to interact with their customers
 - Digital services provided during the stay are however still very limited

- **Content:** assessing digital marketing and communication strategy
 - All 3 destinations have a digital marketing strategy and a well-developed web portal
 - Online content management proved to be very efficient in all cases demonstrating a high level of maturity on what can be considered as the most traditional attribute of a smart destination
- **Commerce:** assessing distribution channels
 - None of the destinations currently use a dynamic pricing strategy
 - All offer a variety of booking options, with two having a centralised online booking platform incorporated in their website but only limited to accomodations.
- **Customer:** assessing experience design and value co-creation
 - None of the destinations have a dedicated mobile application neither offer free wifi
 - All destinations have a smartcard for their guests including different services
 - Webcams, interactive online maps and a review system are offered by all.

- **Common attributes of the 3 destinations**
 - A willingness to innovate and embrace the opportunities that new technologies offer to tourism development
 - A struggle to acquire the necessary know-how and funding to support such development
 - A challenge to select the right and most relevant technological solutions corresponding to their needs
 - Currently an incapacity to gather and more importantly analyse and draw conclusions from the customer data generated within their ecosystem
- **Our next steps:**
 - To further develop the model and in particular the quantification of its indicators
 - To elaborate, in collaboration with the 3 destinations, prototypes of digital products and services.

| Category | Statement | Gruyère | Anniviers | Goms |
|-----------------------|---|-----------|-----------|-----------|
| Culture | Digitalization is part of the overall development strategy of our destination | Yes | Partially | Yes |
| Culture | The opportunities and risks of digitalization are discussed in our Board of Directors / Management | Yes | Partially | Yes |
| Culture | We have sufficient financial resources for the design and implementation of digital solutions for our tourism | Partially | Partially | Partially |
| Culture | We have sufficient human resources and know-how for the design and implementation of digital solutions | Partially | Partially | Partially |
| Culture | The development of digital skills and know-how is taken into consideration in the recruitment and development of our employees | Yes | Yes | Yes |
| Connectivity | We have put in place measures and guidelines to ensure the functioning of our IT (IT infrastructure, server, and network) and data protection (back up) | Partially | Yes | No |
| Connectivity | We take measures to comply with legal requirements (data protection) regarding the storage of sensitive data. | Yes | Yes | Partially |
| Connectivity | We use digital tools to improve collaboration and communication between employees within our organisation | Partially | Partially | Yes |
| Connectivity | We use digital tools to improve information and data exchange, cooperation, and communication with partners outside our organisation | No | Partially | Yes |
| Connectivity | Our IT infrastructure allows all employees to access data and applications remotely if necessary, to perform their tasks. | Yes | Partially | Partially |
| Connectivity | We collect and use data generated by users in connection with their stay in our destination (reviews on online platforms, Instagram photos, Facebook posts, etc.). | Partially | Yes | No |
| Connectivity | We collect and use information about our customers from transactions made in connection with their stay (credit card, online booking, etc.) | No | Partially | No |
| Connectivity | We analyse the available data using appropriate tools to better understand our customers and competitors. | Partially | Partially | No |
| Connectivity | We have defined performance indicators and derive metrics to manage the marketing strategy and online reputation of our destination. | Yes | Partially | No |
| Customer relationship | We have integrated digital tools into our customer service (e.g. emails, online forms, live chat, messaging, our own application as a communication centre, chatbot). | Partially | Partially | Partially |
| Customer relationship | We use social media for continuous and regular interaction and dialogue with our customers. | Yes | Yes | Yes |
| Customer relationship | We use several online platforms (such as social media and search engines) to gain customers through campaigns targeting specific groups. | Yes | Yes | Yes |
| Customer relationship | We use digital media or sensors to help customers find their way during their stay (e.g. voice agents). | Partially | Partially | Partially |
| Customer relationship | We actively care about a good online reputation and use electronic word of mouth or media as influencing factors. | Yes | Partially | Partially |
| Content | Is your website multilingual? | Yes | Yes | Yes |
| Content | Do you have a digital marketing strategy? | Yes | Yes | Yes |
| Content | Do you regularly maintain your online content? | Yes | Yes | Yes |
| Content | Do you have a budget for SEO? | Yes | Yes | Yes |
| Commerce | Do you adjust your prices dynamically according to demand? | No | No | No |
| Customer experience | Our destination is able to integrate customer data from various sources into a single database. | No | No | No |
| Customer experience | Does your destination have its own mobile application available to your customers? | No | No | No |
| Customer experience | Is free WiFi available for guests throughout the destination? | No | No | No |
| Customer experience | Is a webcam of the destination available for customers? | Yes | Yes | Yes |
| Customer experience | Is an interactive map of the destination available online? | Yes | Yes | Yes |
| Customer experience | Is an electronic customer card available for customers to access a range of services (transport, activities, attractions)? | Yes | Yes | Yes |
| Customer experience | Do customers have the possibility to leave an online message about their stay (e.g. online guestbook)? | No | No | No |
| Customer experience | Do you use smart technologies to enhance your offer (augmented or virtual reality, fun mobile apps, activities linked to connected objects, virtual tours, etc.)? | Yes | No | No |
| Customer experience | Do you use intelligent technologies in connection with the transport system (e.g. a transport monitoring system)? | No | No | Yes |