

# ***THE EXPERIENCE ECONOMY***

***LECTURE NOVEMBER 2005 IN ORLANDO***

***BY GÖSTA FERNSTRÖM***

***FERNIA CONSULTING AB***

***[fernia@tele2.se](mailto:fernia@tele2.se)***

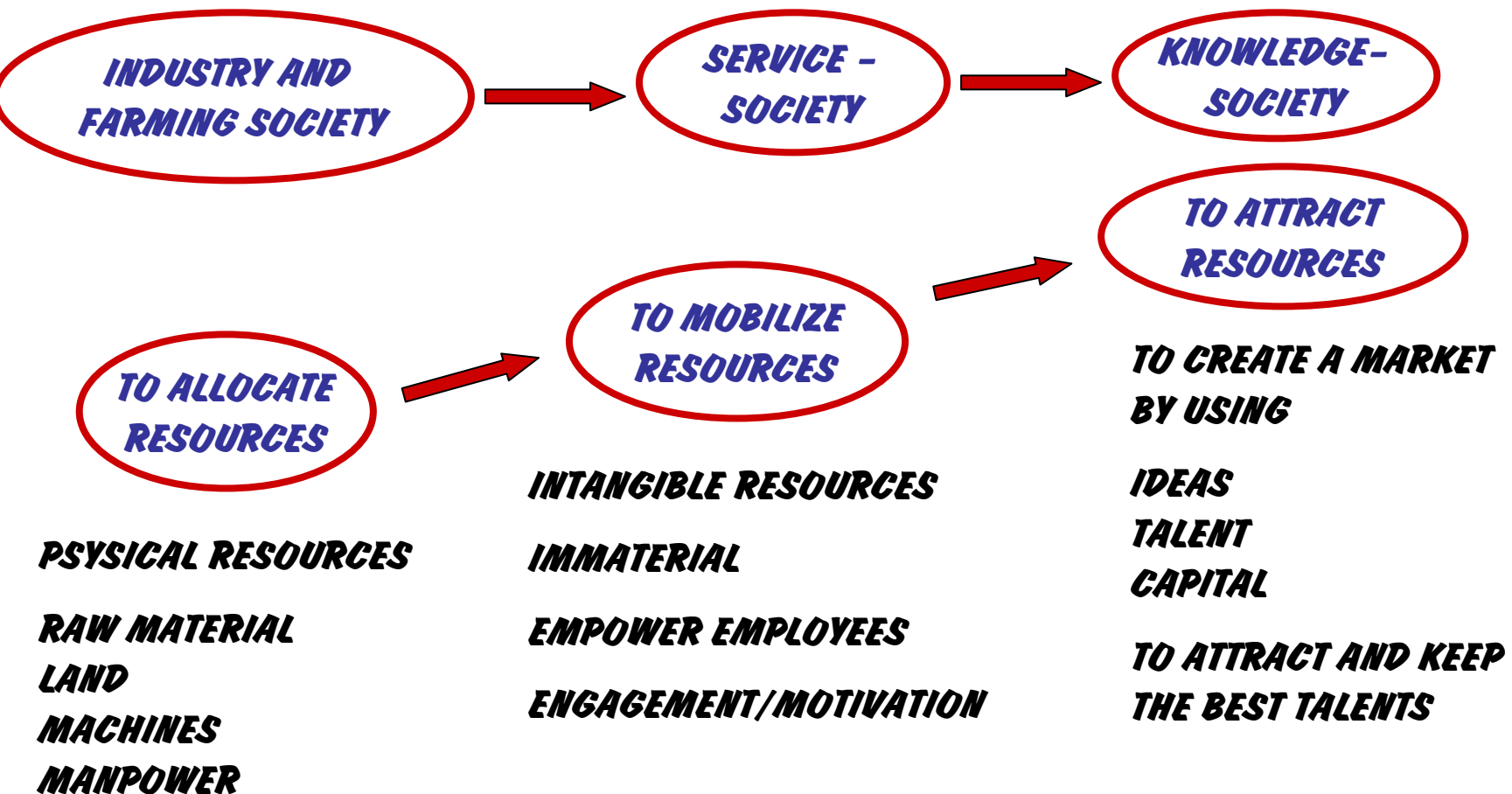
***+46 705 82 22 24***

# ***WHAT HAPPENS IN THE WORLD ?***

- ***PROBLEMS - TERRORISM - NATUR CATASTROPHES - PANADAMINI***
- ***A GLOBAL WORLD - OUT SOURCING - UN - THE MUSLIM WORLD***
- ***CHINA/INDIA - STEEL - OIL - WHAT COMES THEN?***
- ***USA - ENTREPRENEURSHIP***
- ***EU - THE COMPANIES- THE NEW MEMBER COUNTRIES - A TRADE UNION - EURO***
- ***"IF CHINA IS THE FACTORY OF THE WORLD, THEN INDIA IS ITS OFFICE"***

# **WHAT HAPPENS IN THE NEW ECONOMY ?**

**WHAT RESOURCES DO WE NEED AND HOW DO WE HANDLE THEM?**



## **THE FUTURE**

**THE RESOURCES - OUR EMPLOYEES - WALK OUT THROUGH THE DOOR EVERY DAY. OUR MANAGEMENT CHALLENGE IS TO MAKE SURE THAT THEY ARE LONGING AND LOVE TO COME BACK EVERY SINGLE DAY!**

# ***MARKETING AND CUSTOMER ORIENTATION IN THE TRAVEL AND HOSPITALITY INDUSTRY***

***BRAND***

***IMAGE***

***EXISTING CUSTOMERS***

***STORYTELLING***

***TOTAL EXPERIENCE***

***REVENUE MANAGEMENT***

***THE LITTLE EXTRA CARE***

***HOSTMANSHIP***

***SERVICE***

***CRM***

***ONE STEP AHEAD***

***DATA MINING***

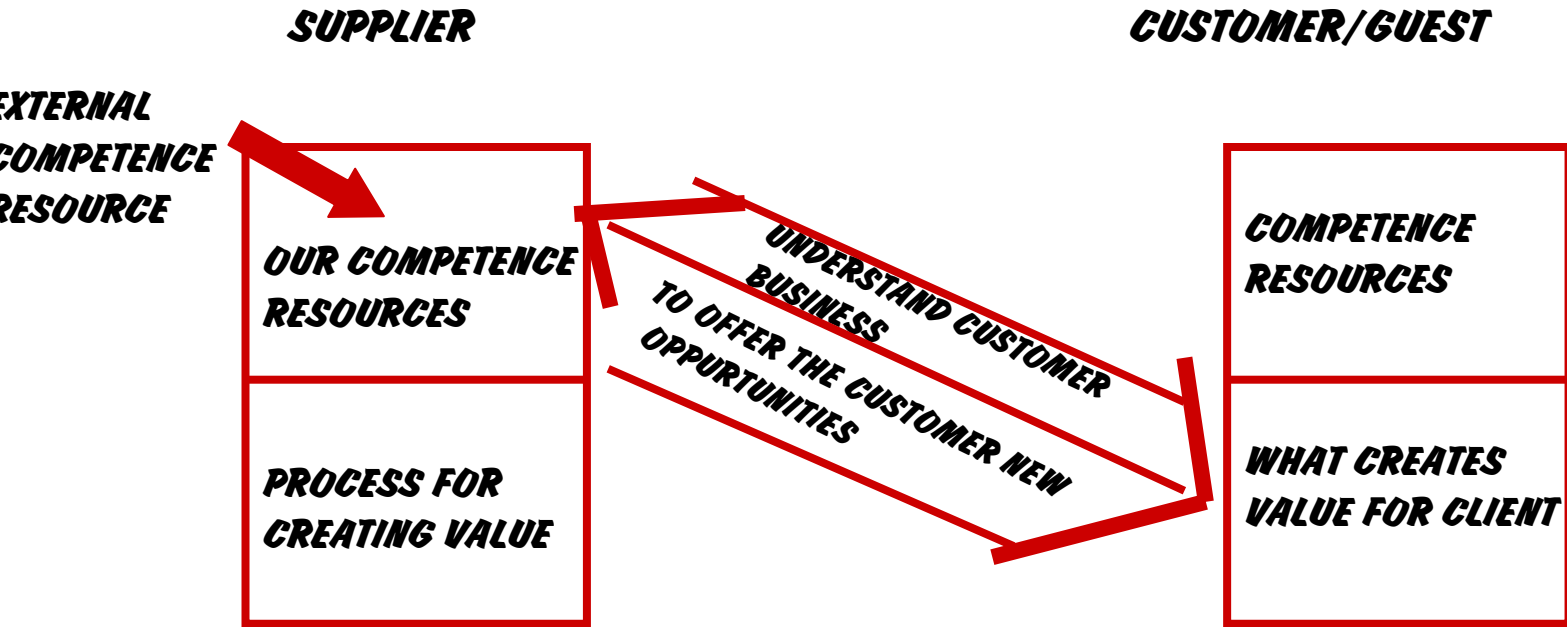
***EXPERIENCES***

***EXPERIENCE ROOM***

# ***RELATIONS CUSTOMERS - SUPPLIERS***

***CRM***

---

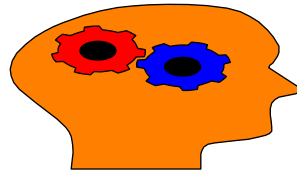


- ***IDENTIFY THE CUSTOMERS PROBLEMS/DEMANDS/WISHES AND WHAT CREATES VALUE FOR THE CUSTOMER***
- \* ***COMBINE CUSTOMERS PROBLEMS/DEMANDS/WISHES WITH OWN KNOWLEDGE/ EXPERIENCES AND CREATE SOLUTIONS THAT THE CUSTOMER NEVER THOUGHT ABOUT***
- ***THESE SOLUTIONS ARE THE CUSTOMERS REAL DEMAND AND THESE WILL GIVE YOU INCREASED COMPETITIVENESS***

# **WHY WILL THE CUSTOMER BE MORE DIFFICULT TO DO BUSINESS WITH ?**

- WE ARE RUNNING OUR BUSINESS AND SELLING WITH THE LEFT BRAIN WHILE MORE AND MORE CUSTOMERS ARE BUYING WITH THE RIGHT BRAIN?**

## **OUR COMPANY FOCUS**



## **CUSTOMERS BUYING BASED ON**

**LOGISTICS  
ORDER AND STRUCTURE  
PLANNING  
BUDGET  
ANALYZIS**

**FEELINGS  
INTUITION  
TRUST  
IMAGE  
BRAND  
VISUAL PICTURES**

**L  
O  
G  
I  
C**

**PLACE**

**PROJECT**

**BUREAU**

**TEAM**

**P  
R  
O  
C  
E  
S  
S**

# ***DATA MINING - CUSTOMER DATA BASE***

## ***• COLLECTING DATA***

***• FROM PMS - LOCALLY COLLECTED - CENTRAL COLLECTION- AT EVERY MEETING WITH CUSTOMER***

## ***• THREE IMPORTANT POINTS***

***• THE GUEST HER-HIMSELF- THE CUSTOMER - -THE COMPANY - THE TRAVEL AGENCY***

## ***- COLLECT UNIQUE DATA***

***-MUST BE CORRECT- FIRST AND LAST NAME /ADDRESS/COMPANY/ DATE OF BIRTH/E-MAIL/MOBIL/PHONE***

***- FREQUENT TRAVELLER CARD/ CLUB MEMBER***

***- SPECIFIC WISHES AND DEMANDS***

***- CUSTOMER PREFERENCES***

## ***• RUN SYSTEM REGULARLY AND CLEAN OUT NON ACTIVE CLIENTS***

***- TAKE AWAY AND RINSE REGISTER FROM GUESTS THAT DOES NOT COME BACK***

***- PRIORITY FOR FREQUENT GUESTS***

# ***IMPORTANT TRENDS FOR TRAVEL AND HOSPITALITY***

---

***\* LACK OF TIME***

***\* FLEXIBLE PAKETING***

***\* DEMOGRAPHY***

***\* TARGET GROUPS/ RELATIONS***

***\* THE EXPERIENCE ECONOMY***

***\* "MONEY TALKS" – MORE FOR LESS***

***\* SECURITY***

***\* INFRASTRUCTUR***

***\* LATE BOOKINGS***



## **LACK OF TIME**

- \* SHORTBREAKS - WEEK END**
- \* SPLIT WEEK IN TWO ( = VALLETS )**
- \* COMBINING BUSINESS - CONFERENS - LEISURE**
- \* SHORT TRAVEL TIME AT RIGHT PRICE**
- \* ELIMINATE PROBLEMS - EVERYTHING MUST WORK**
  - CHECKING IN AND OUT**
  - NO MECHANICAL KEYS**
  - RENTING AND PASSES**

## **DEMOGRAPHY**

- \* 40TH GENERATION AND OLDER**
- \* GRAND FATHER AND GRAND CHILDREN**
- \* SINGLE PARENT**
- FLEXIBLE PACKAGING- FREEDOM OF CHOICE**

## **TARGET GROUPS / RELATIONS**

- \* FOCUS SPECIFIC TARGET GROUPS**
- \* PRIORITY ON EXISTING CUSTOMERS**
- \* BUILD A CUSTOMER DATABASE WITH E-MAIL**
- \* SPECIAL OFFERS TOWARDS TARGET GROUPS**

## **PACKETING OF THE DESTINATION**

- FLEXIBLE PACKETING, WHERE THE CUSTOMER CAN CHOSE**
- \* FOCUS VALUE FOR CUSTOMER**
- \* RIGHT PARTNERS**
- \* RIGHT DISTRIBUTION CHANNELS**
- \* STRENGTHENING OF BRAND**
- \* LONGTERM PARTNERSHIP WITH WIN - WIN**

# **THE EXPERIENCE ECONOMY**

- \* FLEXIBEL PAKETERING – VALFRIHET / VARIATION**
- \* EXPERIENCE S FOR CHILDREN**
- \* WIDEN SEASONS**
- \* EXPERIENCES THAT FOCUS – THE 4 E:S**
  - EDUCATION/LEARNING**
  - ESCAPISM – INVOLVING THE CUSTOMER**
  - ESTETICS AND DESIGN**
  - ENTERTAINEMENT**

## **SECURITY**

- \* IDENTIFY AND RECOGNIZE WITH PHOTO**
- \* CHILD SECURITY**
- \* PLASTIC KEYS – AT SEVERAL LEVELS**
- \* RECEPTION AT THE ENTRANCE**
- \* INTEGRITY / SOCIAL RESPONSIBILTY**

# **MONEY TALKS - MORE FOR LESS**

- \* ***COST PRESSURE - LOWER MARGINS = DEVELOP THE PROCESS***
- \* ***TOUGH COMPETITION - LOST BUSINESS = BECOME UNIQUE***
- \* ***ADVANCE PAYMENTS →***
- \* ***ELIMINATE DISCOUNTS***
  - ***OFFER VALUE***
  - ***ADD THINGS TO YOUR OFFER***

## **LATE BOOKINGS**

- \* ***SPEND RESOURCES ON PROGNOSIS***
- \* ***CALENDER OF EVENTS***
- \* ***REVENUE MANAGEMENT***
- \* ***FLEXIBILITY***
- \* ***FAST DECISIONS***

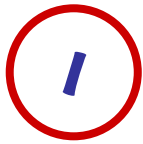
# ***INFRASTRUCTURE***

- ***Low cost Airlines***
- ***Short travel time***
- ***Security***
- ***Pick up Service***
- ***Rental Car***
- ***Internal transportation***
- ***Internet access***
- ***Packeting***

# **GLOBAL MARKETING TRENDS**

**CHEKITAN DEV**

- 1. CUSTOMER CHANGING**
- 2. NEW BUYING PATTERNS**
- 3. HYPER COMPETITION**
- 4. SEGMENTATION – SPECIALISATION**
- 5. DIFFICULT TO DIFFERENTIATE**
- 6. DECREASED LOYALTY TO BRANDS**
- 7. MORE VALUE FOR MONEY**
- 8. SECURITY**
- 9. OWNERS DEMAND FOR PROFITABILITY**
- 10. INTERNET TAKES OVER**



## **CHANGING CUSTOMER PROFILES**

- \* 50 % OF BUSINESS TRAVELLERS IN THE STATES IS WOMEN**
- \* SERVICE FOR MOTHERS AND FATHERS**
- \* PEOPLE FROM 30 - 40:IES VERY HEALTHY - IMPORTANT CUSTOMER GROUP**
- \* WORKING 24 / 7 HOURS EVEN WITH JET LEG**
- \* A CHEF THAT TAILOR MAKE YOUR DINNER**
- \* ADOPT THE HOTEL ROOM TO THE GUEST WISHES**
- \* TAILOR MAKE, INDIVIDUAL SOLUTIONS WHEN THE CUSTOMER DEMANDS IT**

***• BUSINESS PEOPLE WHO TRAVEL A LOT SPENDS 3-4 HOURS WORKING IN THE HOTEL ROOM ( MARRIOTT )***

***\* HAVE TO WORK EVERYWHERE***

***AT HOME - ON VACATION - ON THE ROAD***

***\* WORKING ON VACATION 62 % CONTACTS THE OFFICE ONCE PER WEEK***

***25 % CONTACTS THE OFFICE ONCE PER DAY***

***36 % WORKS***

***16 % CONTACTS A CUSTOMER ONCE PER WEEK***

***40 % HAS TO LEAVE A TRAVEL PLAN***

***19 % ARE OBLIGED TO CONTACT THEIR OFFICE***



3

## **COMPETITION IS GETTING WORSE**

- \* **LACK OF TIME IS GETTING WORSE - COMPETE ON TIME**
- \* **DELTA AIRLINES** <90 SEK CHECK IN TIME  
**DELTA HOTEL** <60 SEK CHECK IN TIME
- \* **McDonald's** <90 SEK DELIVERY GARANTEE

4

## **SEGMENTATION AND SPECIALIZATION**

- \* **PREPARE FOR CHILDREN** - **NALLE PUH / HARRY POTTER SHEETS**  
- **ACTIVITIES FOR CHILDREN**
- \* **ADOPT TO DOGS** ( 29 MILJ. AMERICANS TRAVELLED WITH DOGS )  
- **DOG EQUIPMENT**
- \* **HANDICAP ADOPTION** - **OFFER PACKAGING**

## **DIFFICULT TO DIFFERENTIATE – BE UNIQUE**

- \* WESTIN HOTELS – HEAVENLY BEDS SPECIAL PILLOWS/BLANKETS**
- \* W HOTELS – CONSTANTLY NEW EXPERIENCES**
- \* ROOMS AND SUITS FOR CREATIVE MEETINGS**
- \* FAVORITE EQUIPMENT FOR TOURISTS  
( AOL )**
  - 51 % BALCONY**
  - 18 % BATH ROBE**
  - 12 % GYM**
  - 13% VCR / DVD**
  - 6 % INTERNET**
- \* " GET FIT WITH HILTON"**
  - TRAINING EQUIPMENT IN THE ROOM**
  - HEALTH / FITNESS PROGRAM / PAPERS**

- \* INFLATION IN LOYALTY PROGRAM - 2,3,4 DOUBLE POINTS OFFERED**
- \* SIMILAR STANDARDS HOTEL ROOMS**
- \* EVEN LEADING HOTELS INTRODUCING LOYALTY PROGRAMS  
RITZ CARLTON - LEADING HOTELS**
- \* WHAT WILL HAPPEN WHEN EXPEDIA / TRAVELOCITY  
INTRODUCES LOYALTY PROGRAMS**

# WHAT DOES THE CUSTOMER WANT?

	<i>HOW TO EAT</i>			<i>TO DO BUSINESS</i>			<i>EQUIPMENT</i>			
	<i>RESTAU- RANG</i>	<i>FREE BREAKFAST</i>	<i>OWN KITCHEN</i>	<i>BROAD - BAND</i>	<i>BUS CENTRE</i>	<i>ROOM INTERNET</i>	<i>PICK UP SERVICE</i>	<i>PLAY- ROOM</i>	<i>POOL</i>	<i>FITNESS</i>
<i>BUSINESS TRAVELLOR</i>	<b>56%</b>	<b>22%</b>	<b>22%</b>	<b>54%</b>	<b>32%</b>	<b>14%</b>	<b>44%</b>	<b>19%</b>	<b>19%</b>	<b>18%</b>
<i>TOURIST</i>	<b>24%</b>	<b>45%</b>	<b>31%</b>	<b>35%</b>	<b>50%</b>	<b>15%</b>	<b>9%</b>	<b>27%</b>	<b>52%</b>	<b>12%</b>

## **INCREASED DEMAND FOR SECURITY**

- \* VIDEOCAMERA TO COVER PARKING/ LOBBY ETCETERA**
- \* OK WITH PHOTO IDENTIFICATION AT CHECK IN**
- \* SECURITY/ FIRST AID EQUIPMENT IN ROOM**
- \* PREPARED TO PAY EXTRA FOR INCREASED SECURITY**
  - BUSINESS 0 - 30%**
  - TOURIST 0 - 100%**
- \* INCREASED DEMAND FOR WELL BEING/ENVIRONMENT – TAKES FOR GRANTED**
  - NON SMOKING – NO CAR EXHAUST / LOW NOISE LEVEL – FAT FREE –**
  - LOW COLESTEROL – SUGAR / SALT .....**

## **INTERNET TAKES OVER MORE AND MORE**

- \* MULTI - CHANNEL SERVICE = CUSTOMER DEMAND**
  - REAL TIME INFORMATION ON INTERNET**
  - QUICK RESPONDS ON E-MAIL**
  - 24 / 7 SERVICE**
  
- \* THE BREAK DOWN OF THE NORMAL DISTRIBUTION CHANNELS**
  - AGENTS - GDS - SALES CHANNELS WILL BE REPLACED BY THE ELECTRONIC CHANNELS, ELIMINATION OF MIDDLE MAN**
  
- \* EXPEDIA / TRAVELOCITY GROWING RAPIDLY - GAINING POWER**
  - HIGH COMMISSION !**
  
- \* ADD TO THAT YAHOO TRAVEL / TRAVELWEB**
  
- \* REVERS AUCTIONS**
  
- \* CENDANT " BEST - RATE GARANTEE "**

# ***OUR VALUES***

---

- ***EARLY ESTABLISHED      BELOW <20 YEARS***
- ***MORE THAN ONE LIFE STYLE AND SWITCHING BETWEEN THEM  
FROM DENTIST/MD TO HARLEY DAVIDSON***
- ***MIXING AND OVERLAPPING OF WORK AND LEISURE***
- ***OUR YOUTH – WELL EDUCATED***
  - ***WELL INFORMED***
  - ***HAVE TRAVELLED THE WORLD***
  - ***OPEN MINDED – LACK OF RESPECT***
  - ***ENVIRONMENT AND ETHICS***
  - ***QUALITY CONCIOUS***
  - ***EXPERIENCE ORIENTATED***
- ***THEIR DEMANDS : BOTH AND WHEN – ANYTIME OF DAY  
LOYAL TO THEMSELVES  
ADOPT OR THEY DISAPPEAR***

# ***THE EXPERIENCE SOCIETY***

***"VALUE OF TIME" THOMAS FÜRTH***

---

## ***\* TO LIVE FROM ENJOYING, WORRYING AND TAKING CARE OF EACH OTHER***

- TO OFFER PEOPLE EXPERIENCES***
- THE WORLD IS SHRINKING***
- BOTH/AND RATHER THAN THE EARLIER EITHER/OR***

## ***\* THE CONSUMER OF TOMORROW***

- "ANYTIME OF THE DAY AND ANYWHERE IN THE WORLD"***
- EXPERIENCES AND FEELINGS***
- THE BUYER IN POWER***
- WHAT THE CUSTOMER DOES NOT KNOW ABOUT, THEY CAN 'T ASK FOR***

## ***\* TO SELL PERFECTION***

- A SOCIETY WITH FOCUS ON DREAMS, ADVENTURE, FEELINGS AND NEW AGE***
- "SELLING DANGER"***
- "RETREAT AS A LUXURY"***
- LACK OF TIME ( WEEK END, SHORT BRAKE***

## ***\* THE ONE WHO IS NOT LOST IS NOT WELL INFORMED!***



# **THE VALUE FORMULA**

$$\text{VALUE FOR CUSTOMER} = \frac{\text{PLEASURE}^*}{\text{PAIN}^{**}}$$

**\* DESIGN - SERVICE - VALUE FOR MONEY**

**• \* TIME - COSTS - PROBLEM FREE**

**CHEKI DEV**

# ***THE EXPERIENCE ECONOMY***

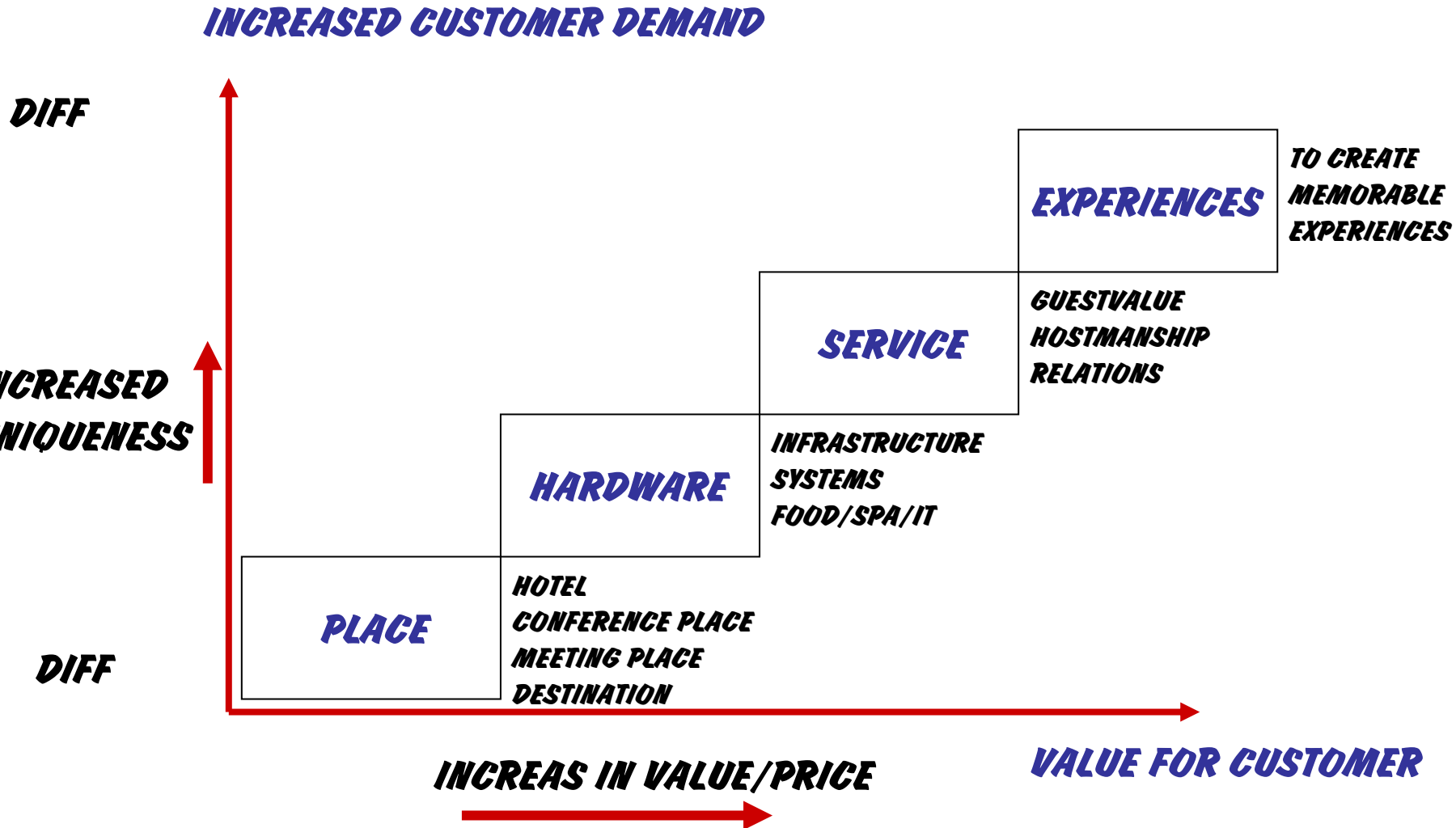
## ***A CUP OF COFFEE***

***THE EXPERIENCE ECONOMY***

### ***A CUP OF COFFEE***

• <b><i>RAW MATERIAL</i></b>	<b><i>FARMER</i></b>	<b><i>3-5 ÖRE FOR BEANS</i></b>
• <b><i>GOODS</i></b>	<b><i>PROCESS GRINDER</i></b>	<b><i>50 ÖRE/CUP</i></b>
	<b><i>BACK HOME</i></b>	<b><i>1-2 KR/CUP</i></b>
• <b><i>SERVICE</i></b>	<b><i>CAFÉ LYXURY HOTEL</i></b>	<b><i>15-20/KR CUP 50-60/KR CUP</i></b>
• <b><i>EXPERIENCE</i></b>	<b><i>CAFÉ FLORIAN MARKUS PLACE IN VENICE</i></b>	<b><i>120-150 KR/CUP</i></b>

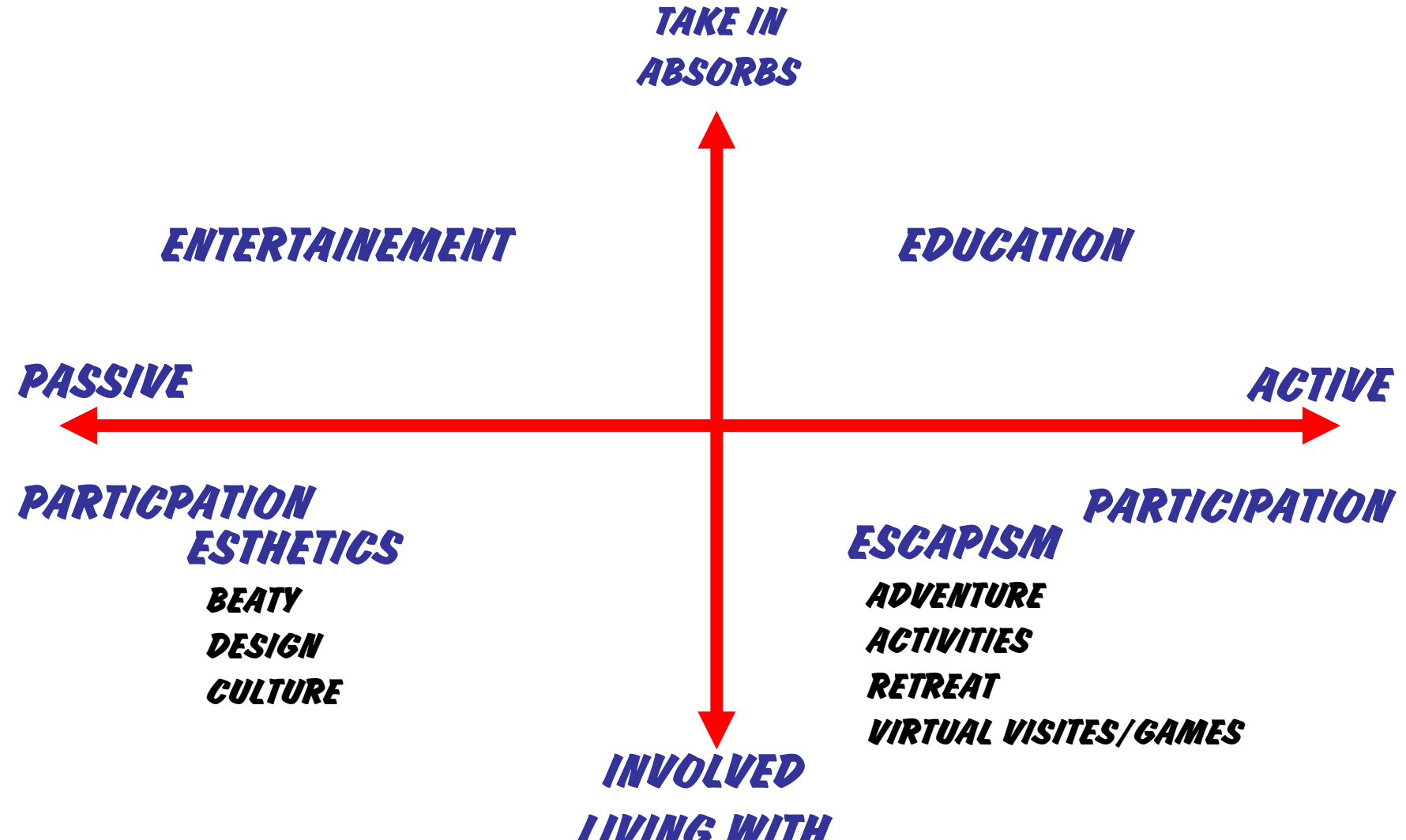
# THE EXPERIENCE STAIRCASE TO REMAIN UNIQUE



FREE TRANSLATION FROM " THE EXPERIENCE ECONOMY "

# ***WHAT MAKES AN EXPERIENCE MEMORABLE***

***THE 4 E:S OF EXPERIENCES  
FROM THE EXPERIENCE ECONOMY***



# ***WHAT MAKES AN EXPERIENCE MEMORABLE? ?***

---

## ***FOUR CORNER STONES***

- 1.** ***ENTERTAINEMENT***      ***- TO ENJOY***  
***TO ENTERTAIN THE CUSTOMERS AND MAKE SURE THEY REALLY ENJOY IT***
- 2.** ***EDUCATION***      ***- TO LEARN***  
***TO MAKE SURE THAT THE EXPERIENCE INCLUDES A TEACHING SESSION, WHICH  
COULD BE HISTORY, KULTUR, THEME***
- 3.** ***ESTHETICS***      ***- TO BE***  
***EVERYBODY HAS AN INCREASED NEED FOR BEAUTY, DESIGN, CULTURE TO  
ACTIVATE ALL OUR SINS***
- 4.** ***ESCAPISM***      ***- TO DO***  
***TO INVOLVE AND ACTIVATE THE CUSTOMER TO DO THINGS -  
ADVENTURE, RETREAT, ACTIVITIES, IN REAL LIFE OR VIRTUALLY***

***FROM THE EXPERIENCE ECONOMY***

# ***THEMING OF AN EXPERIENCE***

## ***THE FIVE STEPS.***

### ***• Step 1***

- What core values should we stand for – 5 impressions***
- Theme with three key words***

### ***• Step 2***

- What 5 senses should the customer feel/experience***

***# To see – details – pictures***

***# hear – sounds – noise – music***

***# feel – feelings – touch***

***# smell – smells***

***# taste – eating/drinking and tasting***

***# behavior – hostmanship***

### ***• Step 3***

- Reinforce positive cues/experiences and memories – eliminate problems and negative cues***

### ***• Step 4***

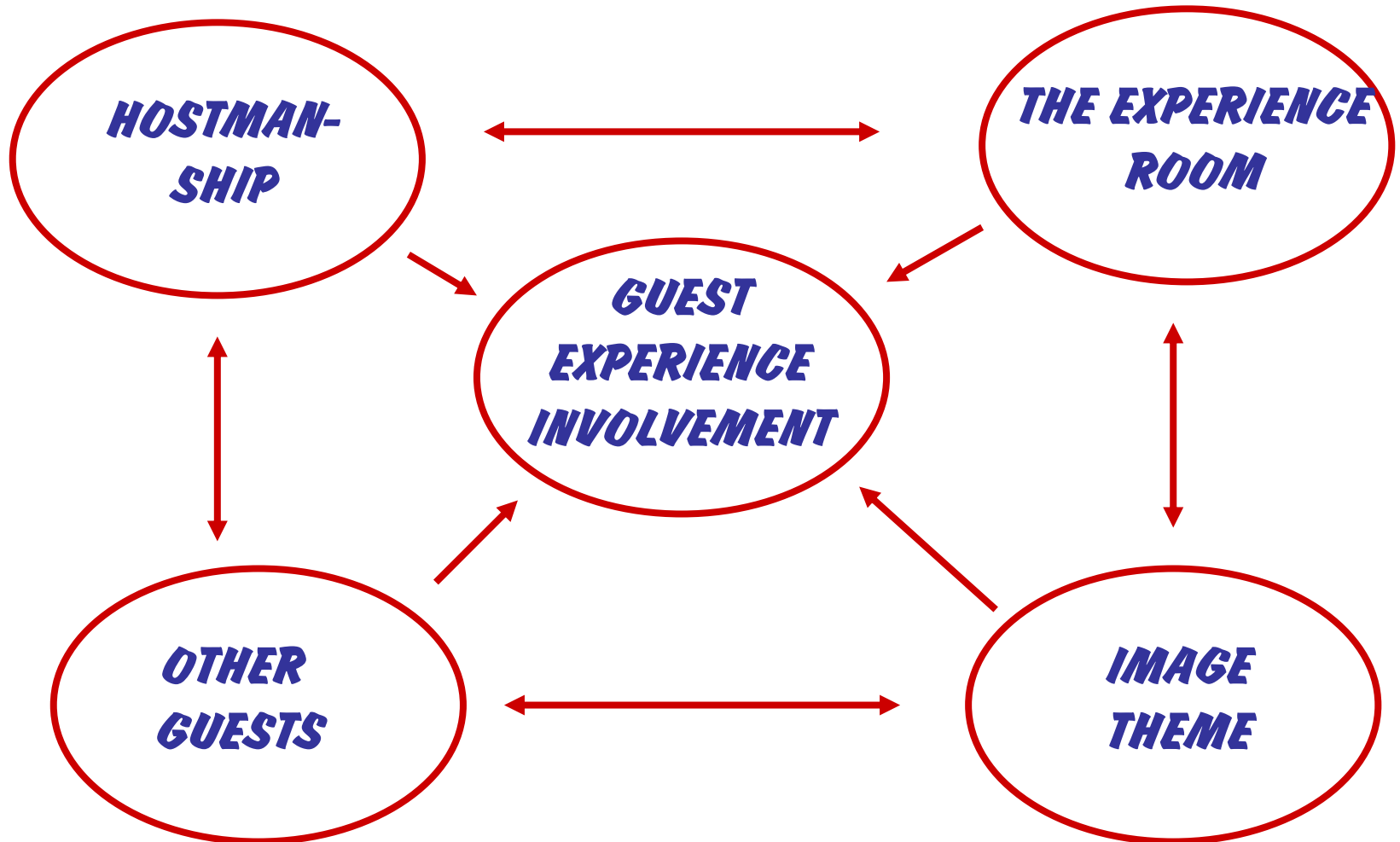
- What experiences and memories should the customer remember?  
( signature moments – how – do – what)***

### ***• Step 5***

- Which memorable Total Quality Experience should the customer bring***

# ***FACTORS THAT INFLUENCE THE GUEST EXPERIENCE***

***ENL. LENA MOSSBERG***



# ***THE EXPERIENCE ROOM***

---

**ENL. LENA MOSSBERG**

## ***THE ROLE OF THE PLACE IN MARKETING***

- \* A VISUAL METAFOR TO COMMUNICATE YOUR OFFER***
- \* TO ATTRACT THE RIGHT CUSTOMER SEGMENTS/GROUPS***
- TO POSITION THE ORGANIZATION/PLACE AND TO DIFFERENTIATE IT FROM COMPETITORS***
- TO IMPROVE CUSTOMERS AND EMPLOYEES OPPORTUNITIES TO EXECUTE THEIR ACTIVITIES***
- \* TO INFLUENCE CUSTOMERS AND EMPLOYEES FEELINGS AND BEHAVIOR***

***THE TOTAL EXPERIENCE MEANS EVERYTHING !***

---



# ***10 POINTS FOR THE EXPERIENCE STRATEGIES***

---

**BENGT WAHLSTRÖM**

- 1. START BY DOCUMENTING THE EXISTING, KEY EXPERIENCES***
- 2. IDENTIFY ENTREPRENEURS AND KEY PERSONS/DRIVERS***
- 3. ANALYS THE EXPERIENCES WHEN IT COMES TO THEME, CONTENT, IMAGE. CAN WE FIND SYNNERGIES AND PARTNERING OPPURTUNITIES WITH OTHER ACTIVITIES?***
- 4. DEVELOP EXPERIENCE CONCEPTS AND COMBINE TECHNOLOGY – FEELINGS – BRAND***
- 5. GET EVERYONE TO ACCEPT THE NEW EXPERIENCE STRATEGIES***
- 6. WHAT IS ACTUALLY THE COMPETITORS DOING?***
- 7. CREATE A POSITIV MEDIA PICTURE – WITHOUT MEDIA NO SUCCESS/SPREAD***
- 8. COOPERATE OUTSIDE NORMAL BORDERS***
- 9. KEEP TRAC OF NEW TRENDS – SPEND TIME ON BUSINESS INTELLIGENCE***
- 10. WORK LONGTERM***

# ***ACTION PLAN FOR A PLACE TO SUCCEED***

---

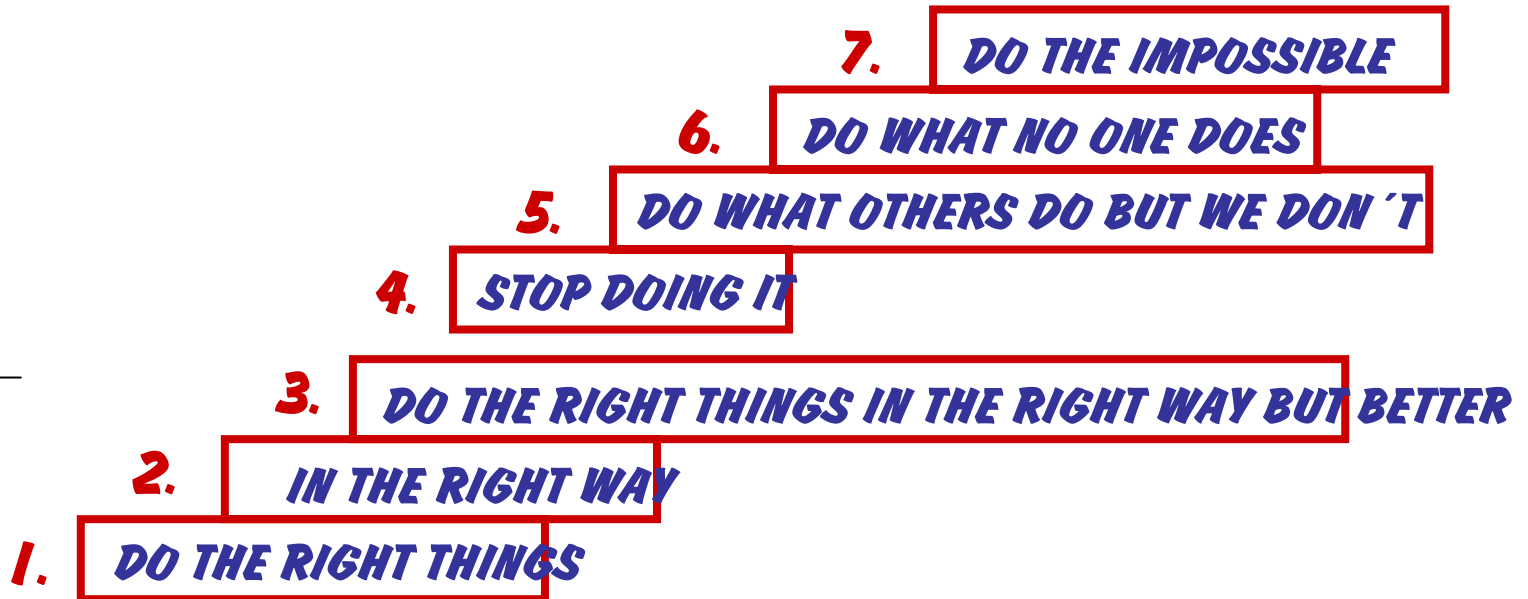
***FROM " MARKETING PLACES IN EUROPE "***

***PHILIP KOTTLER / CHRISTER ASPLUND***

- ***TRY TO UNDERSTAND AND EVALUATE WHAT IS HAPPENING IN OUR BUSINESS ENVIRONMENT***
- ***UNDERSTAND RELEVANT GROUPS DEMANDS, EXPECTATIONS AND HABITS***
- \* ***BE AWARE OF YOUR OWN PLACE STRENGTHES AND WEAKNESSES***
- \* ***BUILD A REALISTIC AND COMMERCIALY USEFUL VISION OF WHAT THE PLACE SHOULD BE AND LOOK LIKE IN THE FUTURE***
- \* ***CREATE AN ACTION PLAN BUILT ON THE VISION AND FORM AN EFFECTIVE ORGANIZATION FOR IMPLEMENTATION***
- \* ***MAKE SURE EVERYONE STANDS BEHIND AND SUPPORTS THE VISION AND THE ACTION PLAN***
- \* ***CONTINUALLY FOLLOW UP AND MEASURE THE RESULT***

# **SEVEN LEVELS OF CHANGE**

**MICKE MALM ( R. SMITH )**



**STEP 1**

# HOW TO GET EVERYONE ONBOARD ?

**\* STORY**

## **- MESSAGE**

**PETER STRÖM**

**VISION - BUSINESS IDEA**

**VALUE BASE**

**COMPANY CULTURE**

**THE LEADER SETTING THE EXAMPLE**

**PARTICIPATION**

**\* MAP**

## **- GOALS AND TARGET GROUPS**

**\* TOOLS**

## **- TOOL BOX**

**IT. SERVICE CONCEPT**

**\* CAMPFIRE**

## **- " INTERNAL MARKETING "**

- ALL RUNNING IN THE SAME DIRECTION**
- EVERYBODY TO WORK ACCORDING TO THE STORY**
- GET EVERYONE ONBOARD**
- EVERYONE TALKING THE SAME LANGUAGE**

# ***Pixie Formula Disney***

***Competense      + Commu-      + Care      = Pride***  
***development    nication***



<i><b>E-learning</b></i>	<i><b>Storytelling</b></i>	<i><b>Feedback</b></i>	<i><b>Creates self</b></i>
<i><b>Employees</b></i>	<i><b>Data mining</b></i>	<i><b>Give credit</b></i>	<i><b>motivated</b></i>
<i><b>Hostmanship</b></i>	<i><b>Recognize</b></i>	<i><b>Show app-</b></i>	<i><b>employees</b></i>
<i><b>Activities</b></i>	<i><b>Priorities</b></i>	<i><b>riciation</b></i>	
<i><b>The Company</b></i>	<i><b>Preparations</b></i>		

# ***REVENUE MANAGEMENT***

***"TO MAXIMIZE REVENUE AND SAVE SPACE FOR YOUR MOST VALUABLE CUSTOMERS"***

***.FOCUS PRICE RATHER THAN COST***

- MARKET BASED PRICING***
- SELL TO SEGMENTS/NICHES***
- SAVE SPACE FOR MOST VALUABLE CUSTOMERS***
  - MOVE CUSTOMERS TO LOW DEMAND DAYS***
  - UTILIZE IT TECHNOLOGY***
  - EVALUATE SEGMENTS AND NICHES***
  - BUILD YOUR CUSTOMER DATA BASE***
  - BETTER PRICING POLICIES***
- INDIVIDUAL PRICING PER DAY***
- CLOSING OUT ON HIGH OCCUPANCY***
- REDUCING RATES ON LOW OCCUPANCY***
- OVERBOOKING POLICY***

# **REVENUE ( YIELD ) MANAGEMENT**

**PROF SHERRI KIMES**

## **DEFINITIONS**

**TO SELL THE RIGHT CAPACITY TO THE RIGHT CUSTOMER AT  
THE RIGHT TIME AND AT THE RIGHT PRICE**

**OR**

**TO MAXIMIZE PROFITABILITY BY MANAGING AND CONTROLLING  
THE CAPACITY, TIME, AND COSTS BASED ON CUSTOMER DEMANDS**

## **WHICH MEANS**

**\* TO SOLVE PROBLEMS THAT MAKES THE OPERATIONS  
MAKE MORE MONEY**

**\* THE ART OF SAYING YES OR NO TO THE CUSTOMER**

## **WHEN TO USE REVENUE MANAGEMENT ?**

- \* RELATIVELY CONSTANT CAPACITY**
- \* CAPACITY THAT CANNOT BE STORED ( ROOMS – SEATES ..... )**
- \* PRE BOOKING**
- \* A DEMAND THAT FLUCTUATES**
- \* PRICE AND COSTS THAT CAN BE STRUCTURED**
- \* MARKETS AND CUSTOMERS THAT CAN BE STRUCTURED**

## **TODAY USED WITHIN**

- \* AIR LINES - SEATS**
- \* HOTEL – REVPAR**
- \* CAR RENTAL – CAR/DAY**
- \* RESTAURANG – REVPASH**
- \* GOLF – TEE OFF TIMES**
- \* HEALTH CARE**
- \* MEETING PLANNING - FACILITIES**

## **IN THE FUTURE**

### **FOR**

- \* ADDS**
- \* TRAVEL**
- \* SHOPS**



# ***TRUE SIGNS OF A SUCCESSFUL LEADER***

---

## ***\* HIGHLY ENGAGED - EMPATHY AND CARE OF***

- EMPLOYEES***
- CUSTOMERS***

## ***\* KNOWS THE BUSINESS AND ITS WAY OF WORKING***

- HAS EXPERIENCE AND A PROVEN SUCCESS RECORD***

## ***\* SYSTEMATIC - CREATIVITY AND VISIONS***

## ***\* DECISION MAKER - A FEELING FOR DIRECTION***

## ***\* SETTING THE EXAMPLE FOR THE EMPLOYEES !***

## ***\* CREATES A STRONG CULTURE IN THE COMPANY***

- OPEN - INFORMS AND COMMUNICATES WITH DIALOGUE***
- EMPLOYEES AND CUSTOMERS TREATED THE SAME WAY***
- " EMPOWER " EMPLOYEES***
  - ENGAEMENT AND MOTIVATION***
  - DELEGATE RESPONSIBILITIES AND DECISIONS***
  - PARTICIPATION AND MEANINGFULNESS***

## ***\* HAS CARISMA - OUTGOING AND CHARACTER***

- HAVE FUN - DRIVING FORCE - LIKES COMPETITION***
- INTEGRITY - PICKS THE THE RIGHT EMPLOYEES***
- ETHICS AND MORAL - QUALITY OF LIFE***

# **A STRONG COMPANY CULTURE**

## **IS BASED ON**

- \* HOW TOP MANAGEMENT ACTS AND BEHAVES**
- \* THE ENVIRONMENT WE CREATE IN THE COMPANY**
- \* MANAGEMENT ENGAGEMENT AND BEHAVIOR SETTING THE EXAMPLES**
- \* VALUES AND ATTITUDES**
- \* HEROES**
- \* RITUALS AND HISTORY**
- \* SYSTEM OF INFORMAL RULES THAT CONTROLS AND FORMS OUR BEHAVIOUR**
- CREATES PROUD EMPLOYEES THAT BELONGS AND FEELS THEY ARE AN IMPORTANT PART OF THE COMPANY**

**INSPIRES**

**A STRONG CULTURE DRIVES THE COMPANY**

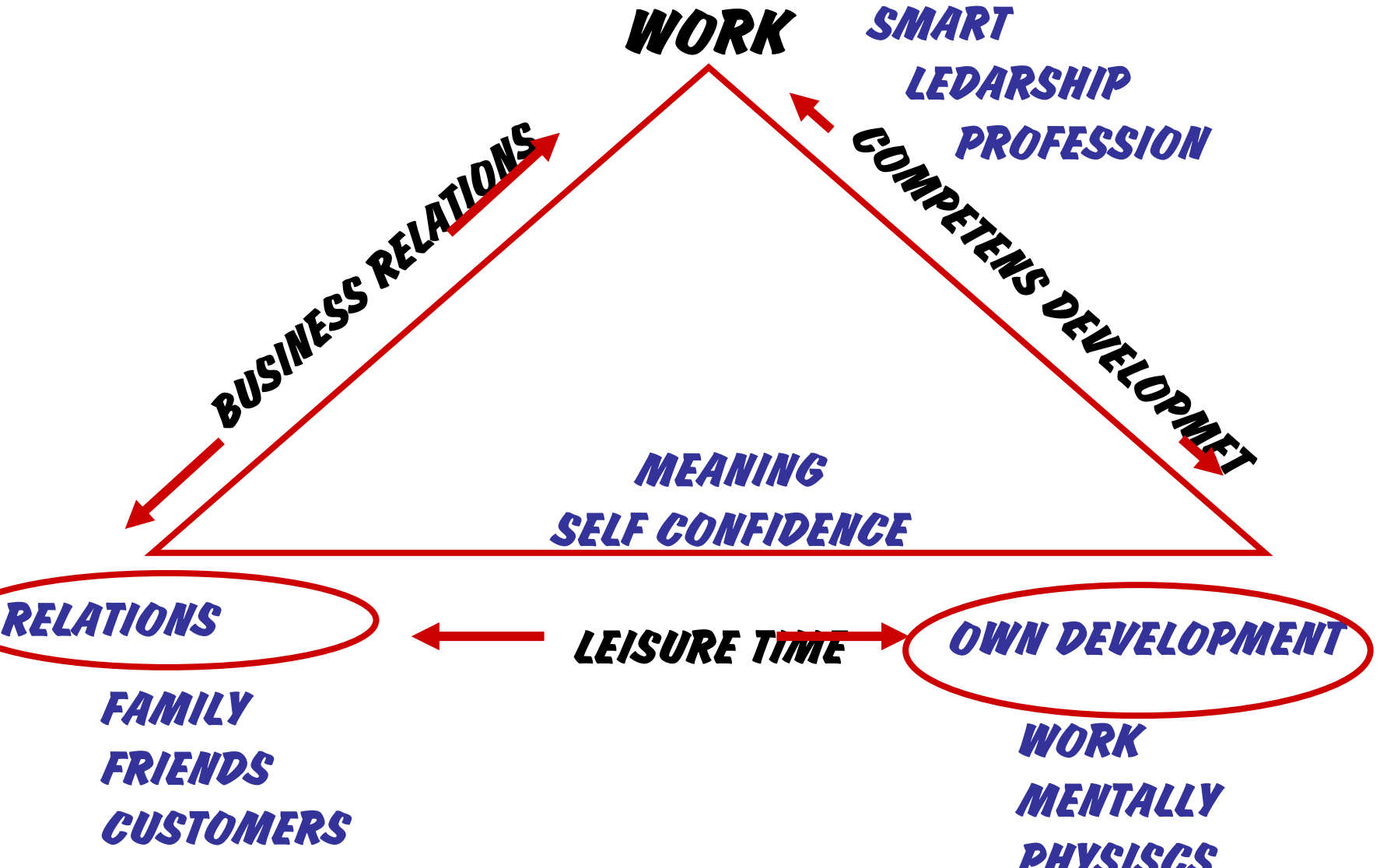
# ***SEVEN WAYS OF BUILDING CULTURE FOR LEADERS***

- ***MEET PEOPLE WITH EYE CONTACT, A SMILE AND THEIR NAME***
- ***ALWAYS LOOK FOR TALENT***
- ***GIVE CREDITE - TIMING***
- ***LISTEN TO OTHER PEOPLES OPINION***
- ***WORK CONSTANTLY AS A TEACHER - TRAINING YOUR PEOPLE***
- ***CHALLENGE YOUR EMPLOYEES***
- ***CREATE AN ENVIRONMENT THAT ENGAGES AND MOTIVITATES***

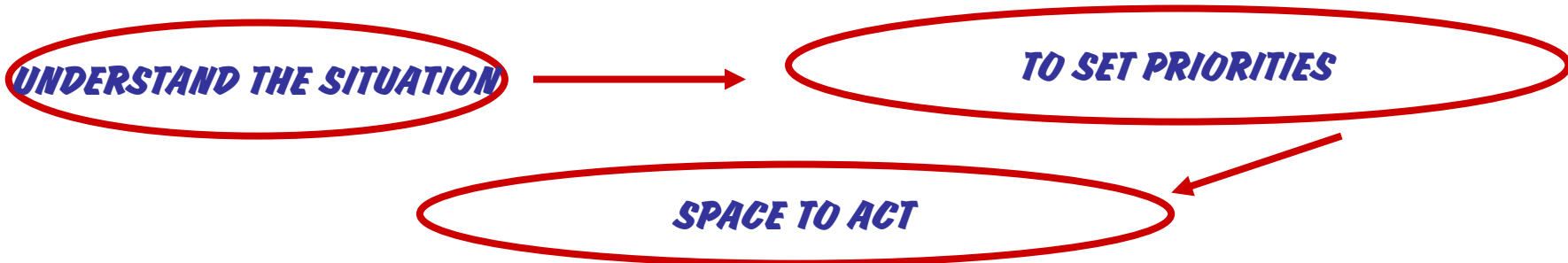
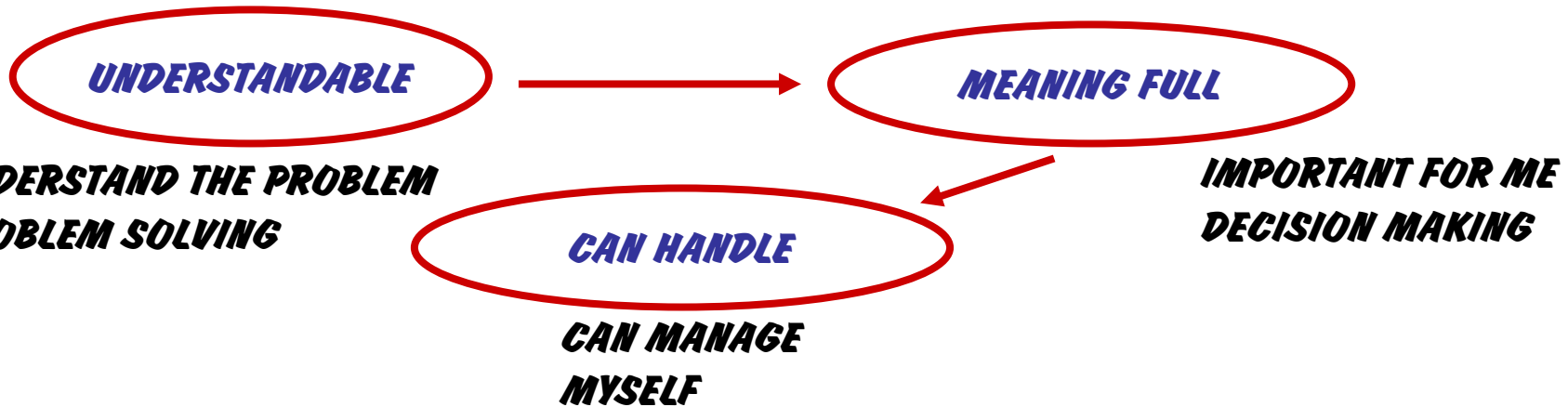
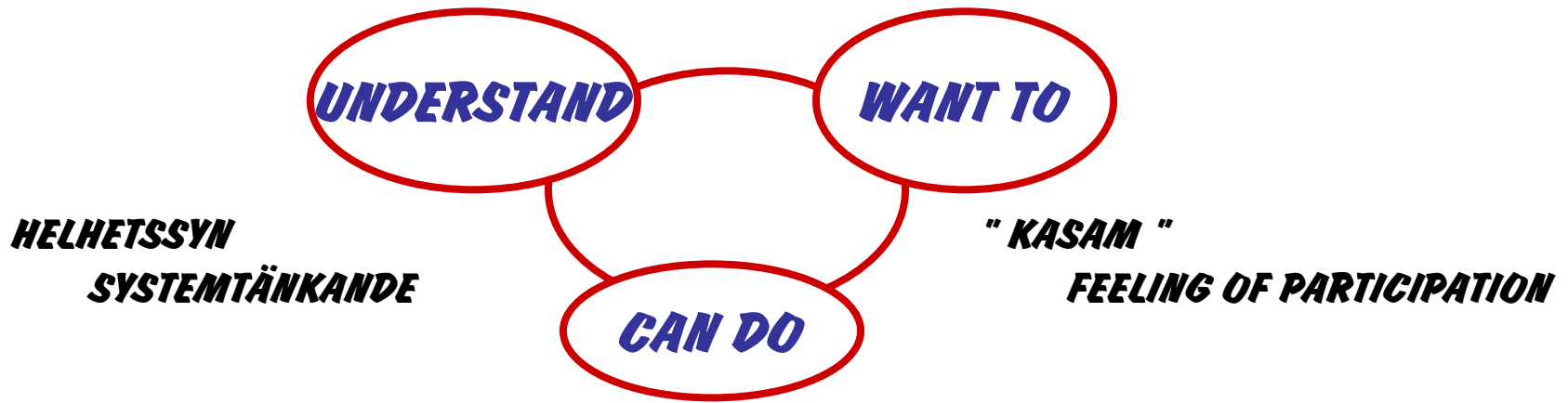
***VALERIE OBERLE***

# ***BALANCE WORK - PRIVATE LIFE***

---



# THE BASIC OF LEADERSHIP

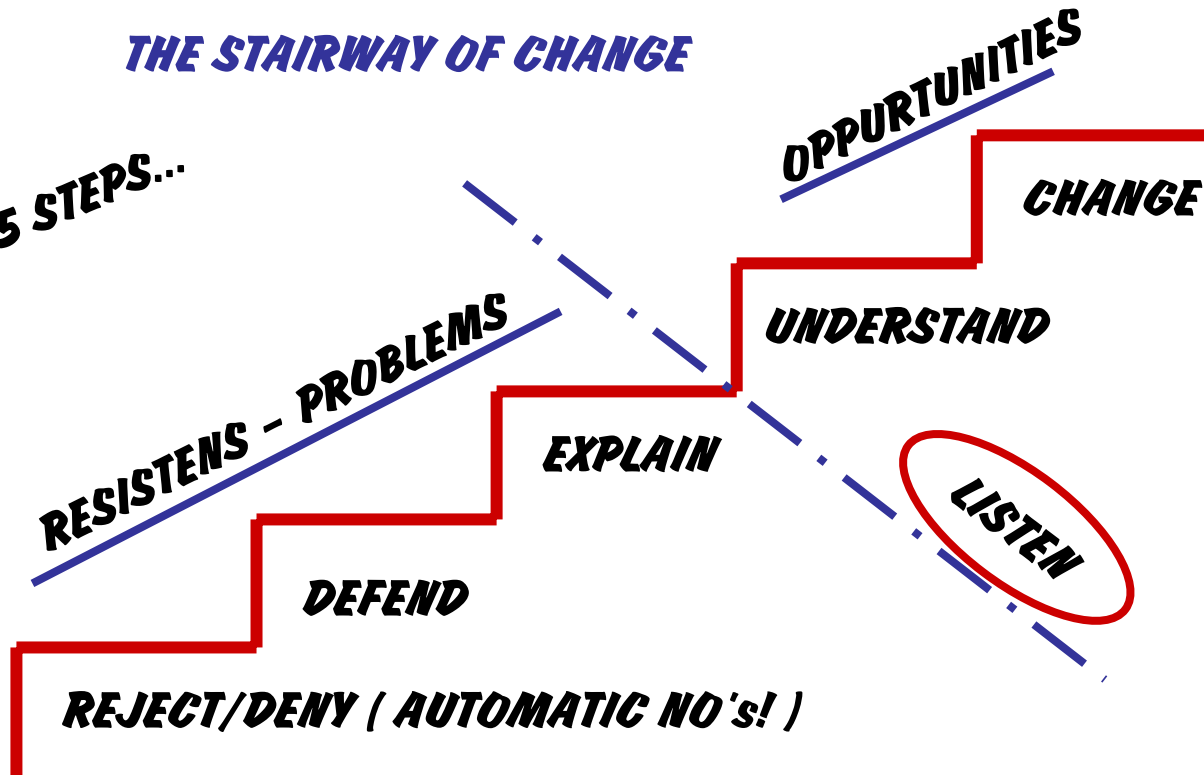


# ***TO LISTEN AND CHANGE***

---

## ***THE STAIRWAY OF CHANGE***

***5 STEPS...***



***\* AS A LEADER LISTEN FIRST TO THE CUSTOMER/EMPLOYEE AND WAIT WITH YOUR OWN IDEAS/SOLUTIONS ( EVEN IF YOU KNOW BEST ! )***

***\* SEE OPPORTUNITIES IN OTHER PEOPLES DIFFERENT THINKING***

***• EXCELLENCE IN MANAGEMENT IN SALES AND TO INFLUENCE IS TO GET THE CUSTOMER/EMPLOYEE TO COME UP THEMSELVES WITH YOUR IDEAS AND SOLUTIONS !***

# **IMPORTANT WHEN RECRUITING YOUNG, WELL EDUCATED PEOPLE**

## **\* THE COMPANY NAME, IMAGE AND BRAND**

- **VIKTIGT ATT FÖRETAGET SYNS / IMAGE**
- **ATT DET FINNS EN INTERNATIONELL PRÄGEL**
- **FLASHIGT KONTOR / MODERNA ARBETSREDSKAP**

## **\* WORK TASKS**

- **TRAINEE / INTRODUKTION / MENTOR ( HÖG CHEF )**
- **VARIERANDE ARBETSUPPGIFTER**
- **TIDIGT KOMMA FRAM OCH VISA UPP SIG / SYNAS**

## **\* SOCIAL ENVIRONMENT**

- **SOCIAL INTRODUKTION – GEMENSKAP / KAMRATSKAP**
- **KUL PÅ JOBBET**
- **FLEXIBILITET**
- **JÄMN KÖNS OCH ÅLDERSFÖRDELNING**

## **\* REMUNERATION**

- **BEGYNNELSELÖN VIKTIG TROTS ALLT**
- **KARRIÄRSMÖJLIGHETER**  
( EX. HUR SNABBT BLIR MAN CHEF / LEDARE ? )

# **DEFINITION OF A "KNOWLEDGE WORKER" ?**

- **WELL EDUCATED – UNDERSTANDS THE IMPORTANCE OF CONSTANTLY RENEWING ONES KNOWLEDGE**
  - **TO INCREASE OWN MARKET VALUE**
  - **AS A DRIVING FORCE/MOTIVATOR FOR DEVELOPMENT**
- \* **UNDERSTANDS THE VALUE OF BUILDING NETWORKS FOR**
  - **FINDING NEW JOBS**
  - **FOR EXCHANGING EXPERIENCES AND TO BUILDING NEW COMPETENCE**
  - **FOR DOING BUSINESS IN THE FUTURE**
- \* **PROACTIVE TO CHANGE – LOYAL MAINLY TO HIM- OR HERSELF**
- **LOOKING FOR AND DEMANDING CHALLENGING TASKS, RENEWING OF KNOWLEDGE AND BUILDING OF NEW NETWORKS**
- **PREFER TO WORK FOR LEADERS THAT THEY CAN LEARN FROM, PLUS TO HAVE COMPETENT COLLEAGUES**

**WE WILL ALL BE KNOWLEDGE WORKERS !**



# **RECRUIT AND RETAIN EMPLOYEES**

## **\* INCREASED DEMAND FOR FLEXIBILITY!**

### **PROBLEMS**

- TO BALANCE WORK AND PRIVATE LIFE
- POOR COMMUNICATIONS
- NOT ADOPTING TO YOUNG EMPLOYEES DEMANDS
- GRYTHYTAN 7 OF 47 STILL IN THE BUSINESS AFTER 5 YEARS

### **MORE FLEXIBLE WORKING HOURS**

- 70 - 80% FULL TIME 30 - 20% PART TIME
- ADAPT TO AGE AND FAMILY SITUATIONS
- UNCONVENTIONAL WORKING HOURS

### **HAVE MORE FUN AT WORK - INCREASED VARIATION - SEVERAL DIFFERENT TASKS/ASSIGNMENTS**

- SEASONS - WINTER - SUMMER
- 2 - 4 HOUR JOBS

### **COMPANY CLIMATE/CULTURE/IMAGE**

### **ATTRACTIVE WORK SITE**

### **MANAGERS SETTING GOOD EXAMPLES**

# ***HOW TO CREATE NEW EXPERIENCES AND SERVICE CONCEPTS***

---

***CHOOSING MARKET AND TARGET GROUPS***

***STRATEGIC MANAGEMENT INVOLVING EMPLOYEES***

***TOTAL EXPERIENCE CONCEPT***

***CUSTOMER ORIENTATION - DEVELOP WHAT THE CUSTOMER WANTS***

***EMPOWERMENT - EMPLOYEE TO OWN HIS/HER PROBLEMS***

***HOSTMANSHIP - MEETING BETWEEN EMPLOYEE AND GUEST***

***A CULTURE THAT ENGAGES AND MOTIVATES OUR EMPLOYEES***

***LASTING QUALITY IN OUR OFFERS***

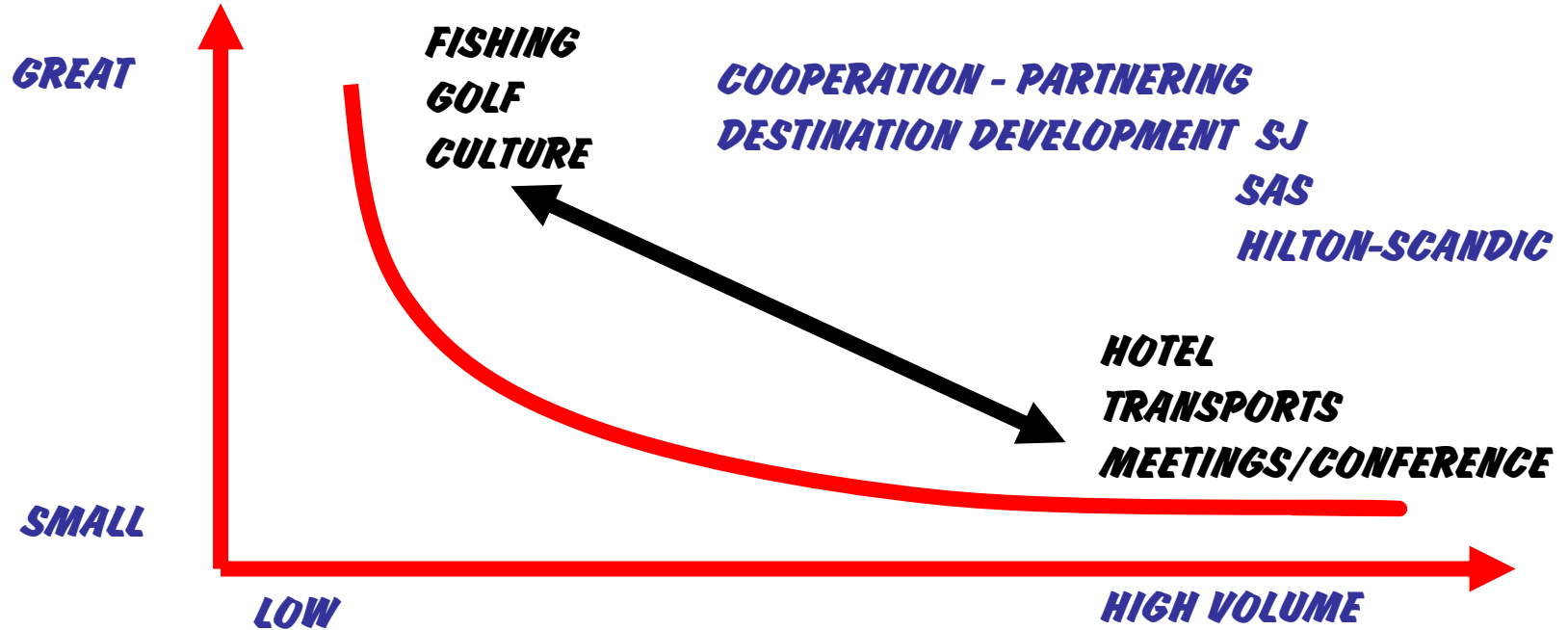
# ***Success Factors for Hospitality Innovation***

- ***Market selection***
- ***Strategic human resource management***
- ***Training of employees***
- ***Market responsiveness***
- ***Empowerment***
- ***Behavior based evaluation***
- ***Marketing synergy***
- ***Employee commitment***
- ***Tangible quality***

# ***THE EXPERIENCE ECONOMY***

---

## ***EXPERIENCES***



***BOTH PARTIES NEED EACH OTHER***

---

# ***THE FUTURE TOURISM AND HOSPITALITY INDUSTRY***

***AN EXITING GLOBAL MARKET OF GROWTH DEMANDING LEADERSHIP,  
PARTNERING AND PROFESSIONEL MANAGEMENT TO HANDLE:***

- THE FAST DEVELOPMENT OF TECHNOLOGY WHERE ALL TRAVELING  
STARTS ON INTERNET***
- DESTINATION DEVELOPMENT - HOTELS AS LEADING PACKAGING  
COMPANIES***
- CUSTOMER ORIENTATION - THE CUSTOMERS WANT 'S TO HAVE  
TAILOR MADE, INDIVIDUAL SOLUTIONS AND TO BE IN CONTROL  
DESIGNING THEIR OWN PACKAGES***
- LEDARSHIP AND MANAGEMENT***
- WE HIRE ATTITUDES AND TRAIN FOR SKILLS***
- A COMPANY CULTURE WHERE EMPLOYEES TAKES OWN INITIATIVES  
WITH A HIGH LEVEL OF CREATIVITY AND A WORKING ENVIRONMENT  
OF "CONTROLLED CHAOS"***

# ***SOME IMPRESSIONS FROM ORLANDO***

## ***TRIUMPH ENTERTAINEMENT***

- DEVELOPS EXPERIENCES AS A CONSULTANT***
- ROI RETURN ON IDEAS***
- TGE TOTAL GUEST EXPERIENCE***
- ENGAGE AND INVOLVE THE CUSTOMERS***
- TECHNOLOGY GETTING AFFORDABLE - WE CAN INCLUDE SMELL, LIGHT AND LIGHT***
- EXPERIENCES - EGO - "MAKE ME FEEL SPECIAL", "FEEL DIFFERENT", "LIKE...ME"***

## ***"MOBIL MUSKEETERS" - CUSTOMERS RETURNING TO US***

- RETURNING CUSTOMERS***
- STAYS LONGER***
- BUYS MORE***
- WORD OF MOUTH - 60 PROCENT OF MARKETING IN THE FUTURE!***

## ***STARBUCK/BARNES&NOBLES***

- CAFÉ CULTURE***
- THE RETURN OF THE BOOK STORE***
- THE BOOKS AS AN EXPERIENCE - TO READ-TO DRINK - TO BUY***

## ***MCDONALDS***

***TODAY THE WORLD LARGEST TOY DISTRIBUTOR***

# ***ROSEN SCHOOL OF HOSPITALITY***

***PART OF CENTRAL FLORIDA UNIVERSITY***

***- NEWLY BUILT CAMPUS CLOSE TO ORLANDO EXHIBITION CENTRE  
CAMPUS VID ORLANDO EXHIBITION CENTRE - AT THE HEART OF ORLANDO'S  
EXPERIENCE INDUSTRY WITH DISNEY, UNIVERSAL STUDIOS, SEA WORLD AND  
WITH MORE THAN 125 000 HOTEL ROOMS IN THE AREA***

***- INVESTING 56 MILLION DOLLAR OUT OF WHICH 35 MILLION DOLLAR IS A  
DONATION FROM HARRY ROSEN***

***- TUITION FEE 9 000 DOLLAR COMPARED TO CORNELL 30 000 DOLLAR***

***- DIFFERENT TASK AREAS.***

- EVENT MANAGEMENT***
- FINANCIAL MANAGEMENT AND TECHNOLOGY***
- FOOD SERVICE AND RESTAURANT OPERATIONS***
- LODGING - HOTEL***
- GOLF MANAGEMENT***
- THEME PARKS AND ATTRACTIONS***
- TOURISM***
- VACATION OWNERSHIP RESORTS (TIME SHARE)***

# ***SUCCESSFUL MANAGEMENT***

***A STRONG COMPANY CULTURE - WITH  
LEADERS SETTING THE EXAMPLE AND  
THAT CAN INFLUENCE THEIR EMPLOYEES***



***CREATES LOYAL, PROUD AND HAPPY  
EMPLOYEES***



***HOSTMANSSHIP THAT DELIVERS VALUE TO  
THE CUSTOMERS, IE MEMORABLE  
EXPERIENCES***



***DELIGHTED, VERY SATISFIED CUSTOMERS  
WHO ARE COMING BACK, TIME AFTER  
TIME***



***CREATES COMPANIES WITH GROWTH AND  
PROFITABILITY***



# RESE- OCH TURISTINDUSTRIEN UTVECKLINGSTRAPPA

## MENTORSKAP

T  
R  
A  
I  
N  
E  
E

