

Tärnafjällen – a destination with online booking

Summary

The PR association, Tärnaby-Hemavans PR-förening, has in the past year carried out two projects with the purpose of creating online booking for the destination Tärnafjällen. The first booking was made on the very first day.

The destination is at the forefront and creates its own, unique tourism trademark. The destination receives a tool for retailers that makes it possible to customise different price combinations. In the world of Via Baltica Nordica, this would provide the destinations with the potential to market each other, and earn money doing so.

Local businesses can market themselves on the Internet as well as interact in clusters. Furthermore, local businesses are suppliers to the destination's marketplace.

The booking system is simple and is based on the conditions of SMEs. It is supplemented with a Web-based training program for personnel.

Background

Projekt SVEA

The Swedish Alliance for Electronic Commerce, GEA, started Projekt SVEA in the fall, 2000. The purpose was to inform SMEs of the benefit of information technology to business development. The direction of the project changed afterwards. From being a pure information project during the first year, the project took a more commercial direction.

Within the framework of the project, several hundred business-owners have been interviewed about their electronic businesses. These then served as examples of best practice, particularly in the interactive educational tool, 'Click to Learn.'

Projekt SVEA has worked together with partners who have supported the project financially. Some of these partners are Swedbank FöreningsSparbanken, Microsoft, IBM, Posten and Telia. This partnership had the goal of business benefit, which is slightly different from the nature of the partnership with the project initiators; GEA, the Swedish Federation of County Councils, the Swedish

Association of Local Authorities, the Federation of Private Enterprises, the Swedish Federation of Trade, the IT business association, IT-Företagens förening, and the Swedish Business Development Agency Nutek.

Projekt SVEA has been dependent on suppliers throughout the project duration. Suppliers were not given space for their products if the business-owner interviewed did not choose to point them out for the purpose of business benefit. Projekt SVEA has won respect in a number of different camps owing to this relationship. In addition, this relationship has given the project an objective idea of what the market has to offer from one moment to the other, and which solutions have the best conditions for success in various environments.

REG-IT

In the winter, 2003, Projekt SVEA initiated talks with Nutek about a pilot project on tourism within the framework of the REG-IT program.

The purpose of Projekt SVEA was, together with selected suppliers, to create an opportunity for SMEs located around a tourist destination, to develop business benefit and improve their businesses. At this time, Projekt SVEA found a booking system and produced the interactive training program to accompany it.

Nutek supported this idea. Since this was a pilot project in which results were assumed to be easily measured and easily applied to other destinations great stringency was necessary when selecting the destination.

The choice was Tärnaby-Hemavan. The area is a geographically limited part of the Storuman local authority. The area has a PR association, PR-förening, and the members run the tourist information office in Tärnaby. Members of the association are businesses of various sizes. These include large complexes with accommodations, medium-size businesses and micro-businesses.

A project for skill enhancement was implemented previously in the area. The destination also has experience of holiday packages.

Major players often have access to online booking solutions today. They however use systems with little or no flexibility. Neither can these systems create holiday packages with many components.

The situation is basically the opposite for small businesses. They don't know what they are worth as a part of a package deal. They often don't see that the value of a package deal is often greater than the sum total of its parts. They often aren't familiar with relevant technical solutions.

A tourist destination needs knowledge of how to create packages, how to negotiate with suppliers, to make agreements, to meet quality assurance and to guarantee supply of the product at the right time all of which are vital factors in being successful.

Tärnafjällen – project conditions

When Projekt SVEA selected Tärnafjällen as the destination for the pilot project the following conditions were vital to project implementation.

1. A skilful local project management
2. A booking system
3. A training tool
4. A Web-based tool
5. Experience of producing holiday packages
6. Businesses that were prepared to devote time to the project

Tärnafjällen – the project

Since Tärnafjällen is a characteristic area for winter tourism, it was particularly wise to begin with the less complicated summer season. In less than two months a marketplace was created, distance courses were produced and shop solutions were designed for some 20 businesses. The first booking on the marketplace was on the very first day. Through online booking, Tärnafjällen found new customers from new markets.

Some of the businesses were sceptical of the new technology at the start of the project. But that scepticism evaporated as soon as they saw the business benefits. More businesses were added.

During the project preparations were made for a continuation for the winter season. This can be described as a follow-up project in which new services and functions were added to the booking system. One example is a 'map function.' In brief, when an accommodation or first choice for some reason isn't available then other available accommodations are shown in real-time on the map. In this context, it should be pointed out that the map function was added after a meeting between Projekt SVEA, Via Baltica Nordica (Via Baltica Nordica Development Zone) and Cartesia. During the project in Tärnafjällen, Projekt SVEA found out that Via Baltica Nordica was working with matters of mutual interest. The map function was the first practical result of joint discussions.

Cooperation with Microsoft created the potential of integrating the bookings with new functions in Outlook. In addition, an agreement was reached with banks on e-invoicing. This meant that all invoicing at the destination was seen as belonging to a 'legal entity.' In other words that the participating businesses gained access to the service e-invoicing at a very favourable price. What's more, the largest tourist complex linked the booking system on the Internet with the complex's own economy system. Destination courses for seasonal personnel were customised and training programs for the booking tool were produced.

General conclusions of the projects in Tärnafjällen

It was relatively easy to gather material for skill enhancement, chiefly in the form of destination courses for seasonal personnel.

The course that was produced in Tärnafjällen had the headings Tärnaby, Hemavan, Resa, Accommodations, Eat, See and Do. Complexes can order customised advanced courses. The courses have been designed so that in some cases they can be used in schools in the subject Regional History.

In Tärnaby-Hemavan there is access to extensive material, however not in digital form. To be able to produce Web-based courses on the Internet it was necessary to 'build' a digital school library.

The booking solution that was selected in Tärnafjällen turned up by coincidence through Projekt SVEA. The same e-commerce solution was used in various shapes and designs by small businesses in many branches. It proved to be very flexible. In addition, it contained rental functions that made it particularly suitable for a tourism project. It turned out that this e-commerce solution with minor modifications could be used as an interactive educational tool. The secret behind the many combinations was that all the units in the e-commerce solution were given unique article numbers. This meant that units of time could be matched with various units of products and services.

By using this solution it was possible to create a new type of Web shop comprised of many levels. The destination had its own top level in the hierarchy. At that level you can produce holiday packages and combine products and services from all types of suppliers, large and small. It was also possible to market services of businesses that didn't have their own Web sites at the marketplace. In addition, it was also possible to sell souvenirs and goods from selected suppliers. Tärnafjällen created a marketplace, a centre with the right type of profile to market the destination.

At the same time, various suppliers were given the opportunity to show their entire product range in their own shops on the Internet. This made it possible for suppliers to interact without disturbing the uniting profile for the entire destination.

Viewed from the customers' perspective, the holiday packages combined with individual offers meant major business benefit and a high rate of customer satisfaction.

The holiday customer could compose their holiday themselves and select various combinations in different packages, all the way to a unique holiday experience. Businesses or group organisers could act in the same way that the private customer.

Customers were also given the opportunity to purchase goods and book tickets to different events, either through the marketplace or direct from various businesses and organisers.

The project set-up additionally created entirely unexpected synergies. One example is the fishing packages that were produced for summer tourists in Tärnafjällen.

Fishing supply shops with e-commerce on the Internet saw the offers for fishing trips on the Internet. They found them so interesting that they asked if they could link these packages to their own Web sites without any cost for the businesses or destination. The fishing supply shops on the Internet saw marketing fishing trips as a natural part of their own marketing. Their idea was that anglers who like to travel could book their trips and supplement their equipment with the products of the shops. The effect was that both the fishing supply shops and the destination found new customers.

New Opportunities – Via Baltica Nordica

The new booking system means that the destination and even the participating businesses have a new sales tool. This is besides the fact that they are accessible all year round, all round the world on the Internet.

This is about gaining access to a tool to put in the hands of retailers. For example, the destination can attract retailers and these may be other destinations or travel agents.

Here, it is naturally tempting to point out the potential to destinations in Via Baltica Nordica, which by booking each other's destinations would actually be retailers for each other.

One concrete example from the project Tärnafjällen can be found in the fishing branch. Top 10 Fishing has its own agents in Europe who sell fishing holidays in Sweden on commission. The new booking tool makes it possible to sign agreements under different terms and conditions with different retailers. The system shows who the booking comes from and automatically estimates the discounts that particular retailer is entitled to.

The same applies to individual businesses at the destination. They may participate in holiday packages by renting snow scooters. With the tools, they now have entirely new potential to initiate contacts with retailers on the second-hand market when the season is over.

Project Costs and Future

Both projects together have required cash funding of SEK 900,000. This amount includes everything except the time devoted by the businesses. Today, besides the destination with the marketplace, there are more than 30 businesses involved in booking and selling Tärnafjällen. The PR association, PR-föreningen, has slightly less than 80 members. Approximately half of the businesses have their own Web sites. The result that 30 out of 40 possible businesses are project members must be seen as good.

What does the future hold? What will the costs be? Will there be expensive license fees?

The cost for the booking solutions amounts to SEK 1,400 per month for the marketplace and half, SEK 700 per month for the business that has its own shop. The supplier also leaves a profit guarantee which means that if turnover doesn't exceed the monthly cost, the business will not be debited.

Large booking systems are often developed in large-scale environments which means license fees. Since this booking system has been developed in scaled environments with small databases in cooperation, there is no license fee.

Development of the booking system or new applications are added to the destination or the businesses during the term of lease.

It should be added here that the businesses that initiated the project in Tärnafjällen and that own all the rights to the various solutions have entered into partnership with the working name Bokning & Co. During the second quarter, 2004, it is estimated that some 30 additional marketplaces will be formed in Sweden.

The Report

This report on Tärnafjällen was compiled under contract to Via Baltica Nordica. The assignment was to describe the two projects in Tärnafjällen in detail.

We hope that the report will make future choices simpler for Via Baltica Nordica through knowledge attained in Tärnafjällen.

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as assigned

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