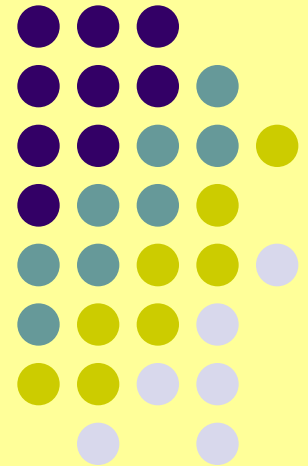
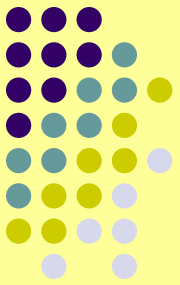


4th World Congress on Snow Sport and Mountain Tourism Andorra

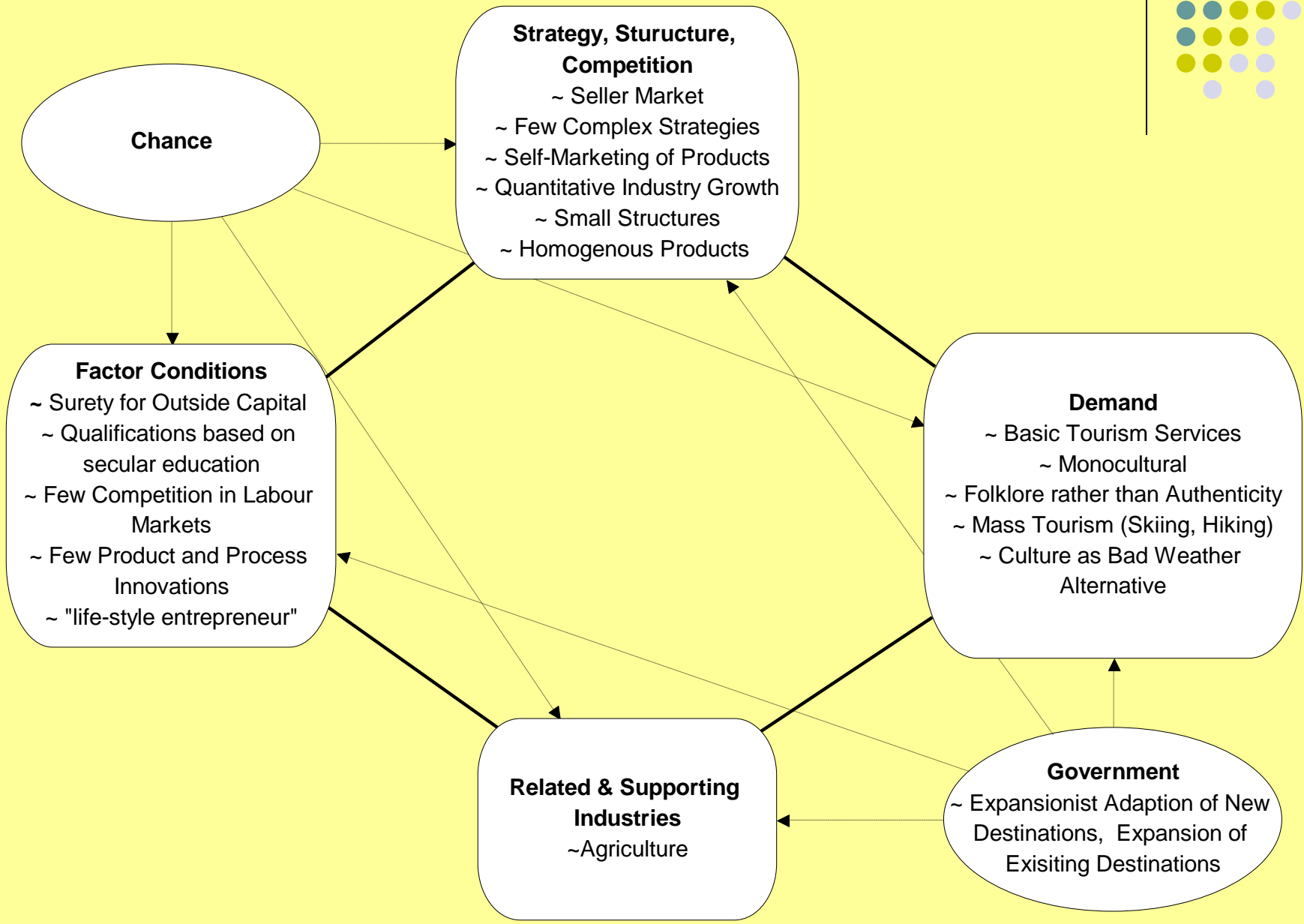
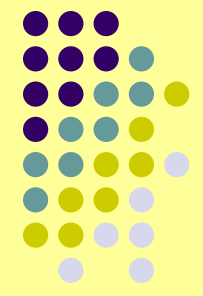
**Le tourisme de montagne: quelles
impulsions sont-elle nécessaires pour
transformer le tourisme traditionnel?**

Prof . Klaus Weiermair
Directeur de l'Institut l'entreprenariat, du
tourisme et des services

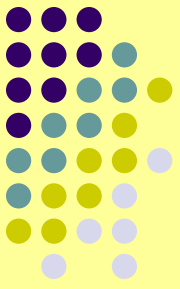




In order to remain sustainability competitive you
have to move from the “old” tourism to the
new tourism



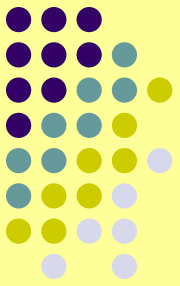
Factors of competitiveness in the old alpine tourism I



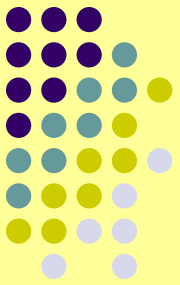
- **Factors of production**

- pure nature (mountains) & natural attractions
- minimum infrastructure (roads, railways, simple transport facilities for the mountain)
- entrepreneurship: single family ownership with owner- managers and collaterally secured foreign capital
- employees unskilled (seasonal work) plus occupationally trained skilled workers (apprenticeship training)

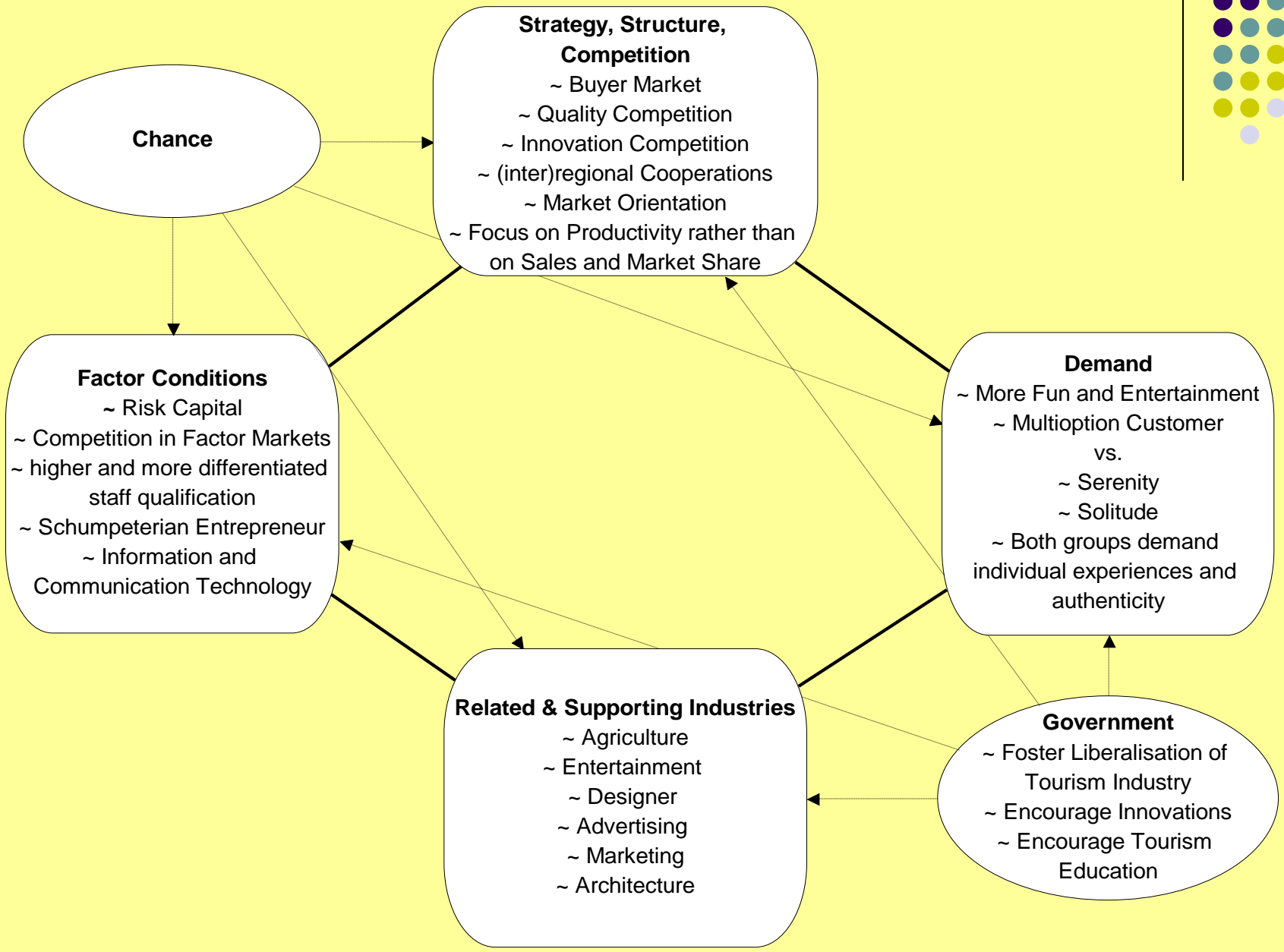
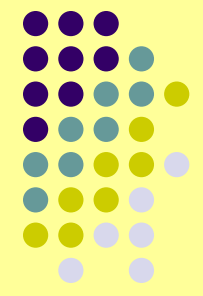
Factors of competitiveness in the old alpine tourism II



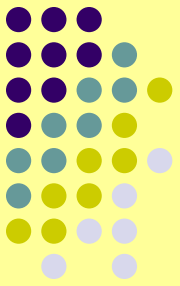
- little sophisticated technology
- nor or little product development
- customer from nearby (neighbouring) sending countries
- relatively simple preferences (hiking and skiing)
- high percentage of conservative (loyal) customers -
> high percentage of repeat customers
- easily satisfied in term of service quality (boom of 2 and 3 star hotels)



Factors of competitiveness in the new alpine tourism

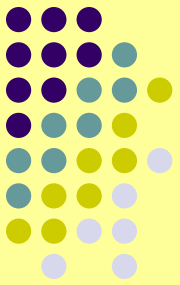


Big changes on the demand side

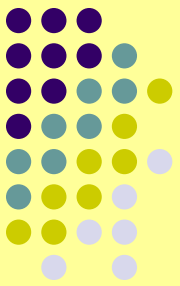


- New customers
- Demographic changes
- Lifestyle and psychographic changes
- Flexibility/Mobility
- Value for money
- Experience orientation (all senses should be addressed)
- Hybrid customer
- More experienced and better informed
- Changes in work and leisure time
- Time sensitiveness
- Multi-optional customers (freedom of choice)
- Price sensitiveness
- New combination of travel and work activities
- Rising travel/culture experience

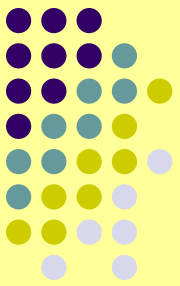
Big changes which have occurred on the demand side



- New ICT
- Productivity and profitability gaps between (alpine) tourism and other industries -> consequences drying up capital markets for start up as well as experienced tourism companies over indebtedness of tourism firm BASEL II
- Educational upgrading of tourism schooling in the last 10 years
- Risk capital markets develop
- seller markets disappear
- High market entry into the industry until the 80ies
- Rising number of new destinations and products

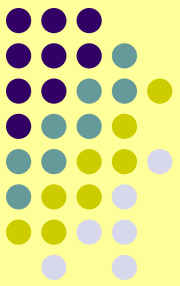


Requirements of change from old to new tourism because of market failure with respect to the structure, conduct and performance of the alpine tourism industry



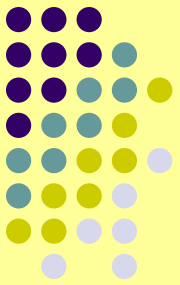
1. Change of owner-manager to becoming true entrepreneurs
2. Need to make human resources in the industry more professional
3. Increase market transparency for tourism supply
4. Correct capital endowment structure of tourism supply
5. Create more efficiency and effectiveness of supply through changing the scale of operations
6. Create economies of scope through diagonal and vertical integration
7. Lower risk and cost of innovation and product development through cooperation and associated cost/risk sharing and
8. Make investments in tourism and general infrastructure
9. Support the internationalisation of the alpine tourism industry
10. Develop effective advertising and branding strategies

Change of owner-manager to becoming true entrepreneurs



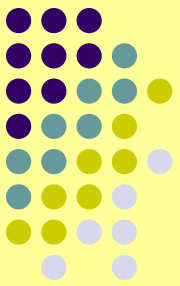
- Change the mindset of old entrepreneurs (various change management strategies & practises, such as developing new tourism philosophies and strategies at the destination level)
- Mount various types of workshops, conferences and continuing education/training programmes
- Exchange of know-how in local, regional, national and/or international experience groups
- Study trips to successful destinations and/or firms
- Force change through or with market forces (e.g. requirements of professional strategic business plans when asking for bank loans, risk capital or new partners)
- Forcing entrepreneurs to use internet or go online through IT based supply services and/or linkages with tourism authorities and organisations (b2b, b2c, and b2g)

Make human resources in the industry more professional



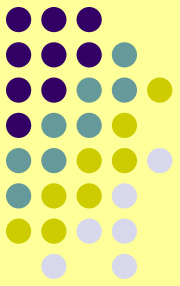
- Behavioural training programmes offered to the industry through the chamber of commerce, and/or regional tourism boards and/or consultants/experts to better service orientation and motivation of employees in the industry
- Opening up of new tourism programmes from traditional apprenticeship programme to today's many postsecondary programmes (bachelor, master, tourism MBA, PhD)
- Professionalization through lateral and international mobility (facilitated through multinational enterprises)
- Professionalization through successful early succession to more qualified family member
- Aiding the entry of qualified young entrepreneurs
- Buy out and other take over strategies through qualified personnel (consultants, young professionals, MA etc.)

Increase market transparency for tourism supply



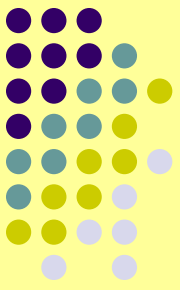
- Provide market studies and/or specific market research in long distance markets for smaller alpine tourist destination through regional and/or national tourism organisations and research organisations
- Test markets for specific new products (alpine Wellness, Spa, Beauty)
- Collect destination data and provide benchmarking (best practice -> Destinometer)

Correct capital endowment structure of tourism supply



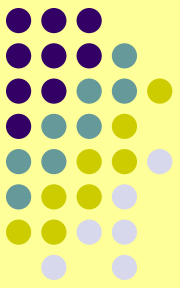
- Provide low interest loans in areas where firms face undue high cost/risk of capital (e.g. transport systems, destinations information and reservation systems; environmental redesign)
- Research and development
- Develop (use) risk capital markets and/or provide different capital structures in tourism (many different models have been tried)
- Make it easy for firms to merge with more efficient firms and/or lower barriers of industry exit
- Apply Basel II rigorously

Create more efficiency and effectiveness of supply through changing the scale of operations



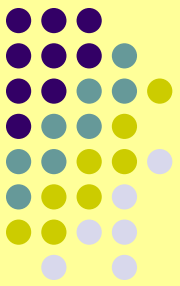
- Encourage the regionalisation of destinations and destination organisations (increasing the economies of scale and scale effect of certain cost/risks notably in the field of advertising, marketing but possibly also in product development, R&D)
- Try to build new hotel and other facilities only at or above minimum option size category of hotel/facility
- Build new natural organisations with better focus on core competencies (and outsourcing of other functions)
- Outsource other (no core or low scale) functions

Create economies of scope through diagonal and vertical integration



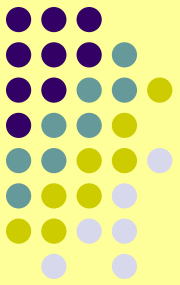
- Develop new focus of cooperative production and marketing (value networks; virtual companies and organizations)
- forming new alliances with different other tourism sub-branches or related industries (e.g. culture, entertainment, retail, health, film, architecture, transport, commodities, fashion etc.)
- Staging of events and/or the creation/staging of tourism experiences

Lower risk and cost of innovation and product development through cooperation and associated cost/risk sharing



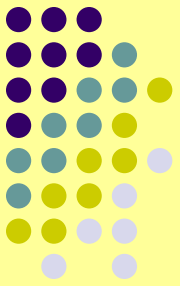
- Formation of tourism clusters and networks (e.g. in the field of health, sports, shopping, events, training and supply etc.)
- Product development groups through joint R&D with/without support from government, research or science
- Formation of cooperation and/or alliances (franchising without the local framework of a franchising system)
- Franchising and licensing
- Joint partnership and development of chain operations

Make investments in tourism and general infrastructure



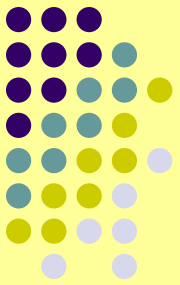
- Increase accessibility through more efficient and/or more enjoyable transport systems in alpine regions (airports, roads, railway, and cable way systems) usage of private/public partnership (PPP)
- Investment in other public or public/private spheres, e.g. health centres, museums and/or other cultural attractions, environmental redesign
- Development of tourism friendly businesses in tourist locations
- Development of IT infrastructure in tourism (reservation and destination information systems, destination products, destination monitoring and controlling)
- Re-Invest in local resources maintaining local social and culture structures to keep authenticity

Support the internationalisation of the alpine tourism industry



- Expansion (growth) of industry with help of existing or newly formed joint venture firms and/or developers (new network organisations) to invest abroad
- Export support for tourism industry
- Usage national organisations involved in organising outbound tourism to support incoming foreign investment

Develop effective advertising and brand strategies



- In the new economy there will be no place for the old middle (middle quality, middle price) because of quality uncertainty and changing income structure
- Brands and the development of effective brands a “must” in the new tourism
- Development of smart branding policies with the right product portfolio (placement), logo (corporate identity), image and targeted clientele (segments)
- Using the right blend of information advertising (nearby markets) and image advertising (long haul markets) both with heavy injections of life style advertising