



IST

Fallstudienreihe

Innovation, Servicedienstleistungen und Technologie

Case Studies on

Innovation, Services and Technology

The tourist industry

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1. Case study

The tourist branch has long been facing stagnating growth rates, which forced many hotel owners and hotel chains to look for new concepts and additional services in order to find new sources of profit. The case study is aimed at showing how a hotel chain can discover new ways of winning customers and conquering a new market segment through services. Special focus is set on creativity techniques and gradual examination of the service development process which leads to the creation of a new service concept.

In 2007 the international tourism branch recorded a 6% increase in the number of tourists compared to the previous year. Thus, in 2007, nearly 900 million tourists travelled worldwide. If one differentiates according to travel destinations around the globe, the Middle East recorded the highest growth rate with 13%, followed by Asia and the Pacific Region with 10%, Africa with 8%, America with 5% and Europe with 4%.

The countries which attracted tourists in the Middle East were Saudi Arabia and Egypt. In the Asian and Pacific Region, Malaysia, Cambodia, Vietnam and Indonesia were among the most-favored destinations, while in Africa, Morocco and South Africa were the tourists' preferred locations. In the American region, USA topped the list of preferred countries to travel to, while in Europe, Turkey, Greece and Portugal welcomed the most tourists.¹

When analyzing the reasons to travel, the following was discovered: 51% of all travels were recorded as pure leisure and holiday trips, 27% were health-, spiritual- or religion-related trips, 16% business trips and 6% could not be assigned to any category.²

An increasing trend in the field of leisure and holiday trips has been the offering of all-inclusive packages, predominantly in the Asian and Middle East regions. Furthermore, hotels tend to offer more adventure trips, such as safari or

¹ Vgl. World Tourism Organization (2008), URL siehe Literaturverzeichnis.

² Vgl. World Tourism Organization (2007), URL siehe Literaturverzeichnis.

rainforest excursions. Vacationing at a hotel is also increasingly turning into an event.

An example for one such hotel is the famous “Ice Hotel” in Lapland, Sweden (Fig.1), where parts of the James Bond movie “Die another Day” were filmed. The hotel is build from ice anew every year and can be visited only in winter. Other extravagant hotels can be found in Dubai – the “Burj Al Arab”, which rises from the sea in the form of a gigantic sail and fascinates with its extraordinary architecture, or in Las Vegas – the “Venetian”, a luxury hotel, which reproduces the Italian city of Venice on the inside and even boasts a 400m long “Canale Grance” under an artificial sky, a replica of the famous Piazza San Marco with cafes and street artists.

Luxury hotel chains such as Ritz Carlton or The Four Seasons own exclusive hotels all over the world with diverse service offerings, such as special wedding packages, wellness offers or specific conference deals for business meetings. The luxury hotel chains try to offer the perfect full-service, starting with noble gourmet restaurants and stretching to Bentley rides for the shopping tour.

The increasing scope of offers also corresponds to a new hotel category - “7 stars”. The first 7-star hotel according to the official criteria of the Swiss certification company SGS is the “Town House Gallery” in Milan.³ There is one more 7-star hotel, the “Burj Al Arab“ in Dubai, which however has not yet been officially certified.

The Steigenberger Hotels are also considered luxury hotels, still owned and managed by a family business. So far, the Steigenberger Hotels only operate in Europe – Germany, the Netherlands, Switzerland, Austria and Italy. This is also the order in which they last wrote revenues, with Germany accounting for nearly 80% of the total with its 290, 6 million Euros.⁴ The Steigenberger City Hotels generate about 66% of the company’s revenue, while the Steigenberger Holiday Hotels earn only about 33%. A 5-year revenue overview reveals that the City

³ Vgl. Hamburger Abendblatt (2008), URL siehe Literaturverzeichnis

⁴ Vgl. Steigenberger (2007), S. 13

Hotels wrote continuous revenue increases, while Holiday Hotels generated less profit, and recorded an upward trend only in the past 2 years. It is also interesting to note that Steigenberger made 59% of total profit from business travelers and only 41% from private individuals.⁵ Steigenberger owns altogether 31 city hotels and 23 holiday hotels.

The program offer ranges from special city trips to conferences and sports activities such as Nordic walking or diving, wellness and family adventures.

⁵ Vgl. ebenda, S. 14

2. Task

As a graduate of Stuttgart University you have been chosen by the Steigenberger family to succeed the old-fashioned manager of hotel development, who is to retire at the end of 2008. Your task is to develop a “Steigenberger future concept 2015” for the areas “Holiday and Leisure”, and to bring more innovation and dynamics in the service concept of the hotel chain. In order to implement your idea, you have been granted access to all necessary resources to create a new hotel in a country of your choice in Asia, Africa or South America.

2.1 Generating ideas and using creativity techniques

As the new manager of hotel development you are particularly interested in generating new and creative ideas for the development of new services. You can still very well remember what you learned about “generating new ideas” during your student career. For a start, please explain how winning new ideas should ideally work within the process of creating new and innovation services in the hotel branch.

Consider in particular how you can optimize the generation of new ideas through the use of creativity techniques. Name 3 of them and explain them briefly. Choose one of these creativity techniques and present in detail how you would apply it to your specific task at Steigenberger. Explain and justify your choice.

2.2 Service development

In the next step, develop a new service concept for your hotel. Please include the following points:

1. Definition of the country in Asia, Africa or South America where your concept will be implemented.
2. Definition of your customer group.
3. Limit your service concept to 1 service you consider particularly innovative and important. Describe this service as precisely as you can. The thematic and contextual focus of your work should be the development and organization of this new service!

After having already considered in detail Phase 1 of the systematic process of service development in the previous task, go through Phases 2-4 of the development process of the service you chose to develop. Describe these phases using the theoretical perspective you are familiar with, and apply them to the service you developed for this case study.

2.3 Service Blueprinting

In order for your newly generated service to be applied not only in your new hotel, but also in other Steigenberher hotels around the world, it needs an appropriate, country-wide plausible presentation and description of the service. Please explain the advantages of creating a service blueprint, and design one for your newly developed service. Pay special attention to the distinction between visible and invisible service activities.

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