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## **Development of a methodology to organize a High Fidelity Simulation as a Soft Opening of a Digital Integrated Destination – A Case-Study In the Swiss Alps**

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**Abstract** (*may not be longer than 300 words.*)

*In the Swiss Alps, most of the touristic destination are fragmented. However, even if the destination is not integrated, customers enjoy their stay as a whole experience. To enhance the satisfaction of their customers, Destination Management Organisations (DMOs) try to foster the integration of the destination in order to enhance the customer journey experience. This would lead to a better satisfaction of the customers. To integrate the destination, DMOs have to foster collaboration between the different actors of the customer journey and could a create a marketplace where customer can book and purchase all touristic products. Then, the digitalization of the customer journey based on a smartphone application facilitates the transactions between the customers and the service providers. Even if the score seems perfectly written, the coordination of all partners, as well as the app, must be tested before the arrival of the first customers. To this end, there is a need to develop a methodology to organize a High-Fidelity Simulation as a Soft Opening of the destination to test the integration of the destination at scale, especially the logistical as well as the psychological attributes of the customer journey. To illustrate the operationalization of this methodology based on Service Operation Management tools, a case-study in the Swiss Alps is described.*

**Keywords:** *Tourism, Integrated Destination, Digitalization, High Fidelity Simulation, Soft Opening, Service Operation Management, Service Design*



## **1. Introduction**

In the Swiss Alps, Tourism is a vital economic activity that represents almost 25% of the GDP. In winter, this activity is essentially based on the ski industry. These last years, difficulties appeared. The climate changes affect the quantity of natural snow. Skiing lose a lot of practitioners. Mountain destinations suffer for the competition of seaside destinations who offer for lower prices sun and warm during the winter. Customers change their habits. They travel more times but spend shorter time in a destination. The high cost of Swiss francs make Swiss ski destination less competitive. Furthermore, in some Swiss destination, many second homes have been built and even replaced hotels. Some called this phenomenon, the tourism of building.

To fight the tourism of building, the Swiss people accepted a new federal law, the Lex Weber. In a nutshell, this law restricts, even blocks, the building of new second homes in many touristic destinations. With this regulation change, a new type of building arise, the touristic residence. This kind of building is a mix between an hotel and an appartement. It provides the services of an hotel like the reception and the flexibility of an appartement (e.g. you choose if you want the cleaning of your room).

Another way to support the tourism industry is to enhance the quality of the services provided during the whole customer journey. To this end, some destinations are totally integrated. This touristic model is well disseminated in the United States. One company owns all the services that are part of the customer journey (e.g. hotels, cable-cars, shops, restaurants, activities, etc.). This ideal situation could be difficult to achieve, especially in Switzerland where the destinations are fragmented. However, the cooperation could be encourage by DMOs or private partners like cable car company or hotel chain. The creation of a marketplace where all services of the destination can be booked or purchase can be a solution. Then, the marketplace can be digitalized and tools like websites or applications are used to propose all the services to the customers.

This solution is applied by SWISSPEAK RESORTS (SPR), a touristic residence chain. SPR opened its first residence in December 2017 in Vercorin, in the Swiss Alps. The business model of SPR is based on two sources of income: the rent of appartement and the sale of services provided by local partners. For this second source, SPR collect a commission on each sale. To support this business model, SPR developped a smartphone application. The app informs the customers on the services that are available and permits to buy them. This business model is based on the concept of integrated destination.

Even if the concept sounds good on the score, it is necessary to orchestrate the whole experience. Furthermore, the touristic partners need a general rehearsal to test all services and the functioning of the app. Indeed, even if all the touristic partners are independant, they have to play together in order to provide the best experience ever. To this end, a High-Fidelity



Simulation was organised as a Soft Opening. During two days, 30 figurants playing the role of tourists have tested the SPR residence, the touristic services provided by the partners and the app. This Soft Opening permits to test the logistical as well as the psychological attributes of the customer journey.

This paper is organised as follow. In section 2, a literature review is made. The development of the methodology is exposed in section 3. Then, we describe the operationalization of the Soft Opening in section 4. Finally we conclude this paper with a discussion in section 5.

## **2. Litterature review**

### **2.1. Integrated destinations**

Tourist destinations can be considered as complex networks involving many actors working together to deliver different products and services. If tourists perceive a destination as a unit, their stay is composed of different experiences delivered by individual actors. The success of all individual actors depends on their efficient coordination and integration. The destination must be able to co-produce tourism services between several actors and continuously integrate new resources and skills. By establishing better cooperation and appropriate coordination of activities, both the destination and individual actors realize gains (Haugland et al, 2011). In order to integrate a destination, it is necessary to use many formal and informal processes as well as structures such as networks, partnerships, committees and other forms of organizations (Jamal & Jamrozy, 2006).

### **2.2. Digitalization of tourism**

Digitalization has a major impact on tourism. Big players like AirBnB, Booking, TripAdvisor or Google really changed the market. Small SMEs cannot ignore this trend and have to adapt their organisation in order to survive (Tkaczynski, et al., 2009). In touristic destination, DMOs play a central role in this change. Indeed, being in charge of the promotion of the destination, they have to provide a marketplace where customers find all information about their stay and buy the different services they need (Choi, S., Lehto, X. Y., & O'leary, J. T., 2007).

### **2.3. High-Fidelity Simulation & Soft Opening**

In the healthcare sector, High-Fidelity Simulation (HFS) is used to teach students and train teams. Numerous studies evaluate the impact of these exercises on students' skills and on their ability to work in teams (Munangati, T., & Naidoo, N., 2017). In palliative medicine, role-play is often used as simulation tool, but this technique is considered expensive and time-consuming (Evans, L., & Taubert, M., 2019).

In the airport sector, a study reveals that progressive confidence is essential for the transition from project to the operational opening of a terminal. *"This progressive confidence is*



*Development of a methodology based on Service Design Tools to organize a High Fidelity Simulation as a Soft Opening of an Integrated Destination Based On A Smartphone Application – A Case-Study In the Swiss Alps*

*characterised by establishing routines, tests and guarantees to ensure a predictable transition process.*” The strategy was to implement a Soft Opening. During 4 months, *“the airport’s operations would be scaled up to gradually reach their full operating capacity allowing for sufficient time to adapt the processes to the new setting.”* 192 trials and 3000 people were involved (Zerjav, V., et al., 2015, pp. 53, 55 & 56).

In the tourism sector, especially in hospitality management, companies like hotels and restaurants are used to organise a test, called Soft Opening, involving test customers before the arrival of the first customers. Their goal is to collect customers’ feedbacks and to proceed to the last adjustments in order to provide the best experience ever to their customers. However, these tests do not seem to be the subject of much literature. It is likely that this is due to the willingness to keep these procedures and results confidential.

To conclude, this concept of rehearsal is one of the five innovation rules for large, high-risk projects Davis et al. (2017).

### **3. Development of a methodology based on Service Design Tools to organize a High Fidelity Simulation as a Soft Opening of an integrated destination**

Before the arrival of the first customers in the integrated destination, it is necessary to test the customer journey, that is all the services provided by all the partners (Anderl, et al., 2016). To this end, a High Fidelity Simulation (HFS) as a Soft Opening of the integrated destination is proposed. During this Soft Opening, each services are tested as real with customers hired to observe and critic all aspects.

To design this HFS, a service blueprint based on the Shostack’s model (Lynn Shostack, 1982) is used. Service blueprint is a tool who helps to analyse the service process and to enhance the quality of the service (Li, 2015). First the customer journey is drawn. Then, the related touchpoints are added with a special focus on the employees visible actions and employees invisible actions of all the partners of the integrated destination involved in the Soft Opening. Finally, the support and the physical evidences were added to complete the service blueprint. The use of a service blueprint enables the coordination of all the partners involved in this Soft Opening and fixed quality measurement points.

In order to test each touchpoint of the customer journey, a scenario was written for customers were each details of the stay was described (e.g. the means of transport to use to reach the destination, the activity to book and perform, the dinner or the breakfast).

To collect data during the HFS, each customer received an audit formular (paper and online) to fill when a problem occur. Furthermore, observers had the mission to observe the conduct of the exercise and to remark the problems with the same audit formular.



#### 4. Operationalization of the Soft Opening

The first SWISSPEAK RESORTS (SPR) touristic residence opened in Vercorin, Switzerland, in December 2017. To test the integrated destination, a High Fidelity Simulation as a Soft Opening was organised. During two days, 12 touristic partners, around 50 employees of the destination and 30 customers were involved. The staff members of the project observed the Soft Opening. In addition, the local TV as well as the communication department of the university ensured media follow-up of this Soft Opening.

##### 4.1. Preparation

To support the integrated destination, a smartphone application was developed. On this app, customers find information about the destination and can also buy services (e.g. ski lessons or local visits) and products (e.g. breakfast or sport equipment). Since this app was specially developed for SPR, two usability tests were organized prior to this Soft Opening. A dedicated scenario was written to test the following process: check-in, payment of taxes, purchase of an activity and check-out. Students were hired to test the app. Two reseachers observed the usability test. The test was video recorded (see Fig. 1).



Fig. 1 – Usability test of the app

Furthermore, since the staff of the SPR was totally new, a theater-based reenactment was organized to train the process of the SPR (e.g. check-in, check-out or information about the destination). Again, a scenario was written, students were hired to play the customer's role, the test were observed and video-recorded.

To coordinate all the actors of this Soft Opening, a service blueprint, who follows the standard customer journey (i.e. inspiration, booking, travel, stay, return, after-sales service) was developed. Two weeks before the Soft Opening, all the touristic partners were invited to a preparation meeting. During this meeting, the Service Blueprint was presented. Normally, during a Soft Opening, customers tests everything. However, if a service or a facility was not available during the Soft Opening, it was mentioned during this meeting and not tested. As example, the lifts, the parking and the reception desk of the SPR were not in function during the Soft Opening.

## **4.2. Soft Opening**

On 23 and 24 November 2017, a Soft Opening has been organized at the SWISSPEAK RESORTS (SPR) in Vercorin to test all the services of the residence (parking, reception, apartment, wine bar, etc.) as well as the services offered by the partners. 12 partners of the destination (restaurants, cable car company, paragliding school, mountain guide, sport shop and local guide) as well as the staff of the resorts (concierges, housekeepers and waiters) took part at this at-scale test.

The following services were tested during these two days: transport, signalisation of the destination, services of the residence (reception, Wifi, wine bar, etc.), infrastructure of the residence (apartment, gaming room, parking etc.), information system of SPR (application & front desk system), activities and services proposed by the partners. To play the customer's roles, students in tourism (Bachelor degree) were hired. These 30 students studied Service Design during one semester. The participation of this Soft Opening was part of their education in Service Design.



*Fig. 2 – 30 students were involved during the Soft Opening of the SPR*

Customers were divided into small groups. Each group received a dedicated scenario to ensure that all services provided by the integrated destination was tested. The majority of them had to use the application for smartphone to book or buy touristic services. Some had to use the phone or to ask the reception staff. In case of problems, customers had to find help by the SPR staff.

During the Soft Opening, customers, as well as observers, had an audit formular. On this document, they had to mention all the problems encountered. At the end of the Soft Opening, customers had to fill a service enquiry.

### **4.3. Results**

All the tests conducted gave to the management of the SPR numerous insights to improve the overall quality of the integrated destination. A lot of problems were detected before the arrival of the first customers and services were improved for the opening. An extrem case was detected, during the Soft Opening the management remarked that a service was completely inaccessible through the app and had to remove it. It certainly avoid a lot of frustrations and customers complaints. Furthermore, this Soft Opening gave confidence to the SPR management and to all partners that the app functioned. Last but not least, the orchestration of the integrated destination was implemented. Even if there were some mistakes, each actor began to play with the other.

### **5. Discussion**

This paper presents the integration of a touristic destination. In this case, a new actor, SWISSPEAK RESORT, build a residence in Vercorin, in the Swiss Alps. The business model of SPR is based on the concept of integrated destination. To support this concept, a smartphone application was developed. It is the materialization of a marketplace were all services provided by the partners of the destination were available. On this app, customers find information about services and can buy them.

On the score, the concept sounds well. However, as for orchestra where all musicians have to rehearse together before the public performance, all the partners of the integrated destination have to play together before the first tourists arrive. In hospitality management, there is a great tradition of Soft Opening. Before the opening, people are hired to test the hotel or the restaurant. However, few literature related to this concept exists. Thus, for the development of this methodology, inspiration came from the health sector were High Fidelity Simulation are well documented. Furthermore, Service Operation Management is used to structure the Soft Opening. Especially, Service Blueprint is used to orchastrate the whole customer journey and the role of each partner of the integrated destination. Service Blueprint also permits to assess the quality of each touchpoint of the customer journey through a customer satisfaction analysis.

The concept of integrated destination transform the way local tourism players interact with customers. The success of these integrated destinations depends on the capacity of local actors (service providers, shops, etc.) to cooperate efficiently as well as to create and offer tourist services and products that meet the demand of residents. Furthermore, digitalization bring new opportunities for touristic destination to create an integrated touristic experience. The development of a marketplace is one example. At the end, an improvement of the overall touristic experience should be reach. Even if the concept of integrated destination is well disseminated all over the world, it seems that the operationalization of the concept is not well documented. This newly developed methodology has the ambition to fill this gap.



*Development of a methodology based on Service Design Tools to organize a High Fidelity Simulation as a Soft Opening of an Integrated Destination Based On A Smartphone Application – A Case-Study In the Swiss Alps*

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