CUSTOMER VALUE IN TOURISM: HAPPINESS AND WELL-BEING

Berlin, ITB
March 11, 2016
Presentation: Martin Lohmann
Bhutan, Photo: Priscila Camargo Ramalho, Nov. 2015
Do look for Customer Benefit!

- Tourism is a future industry, a sector of opportunities.

- Given the strong competition, customer orientation is key for success.

- Tourists travel to live up their holiday motivation.
ITB Convention values

Examples:

- Digitalization
- Distribution
- Climate Change
- Marketing
- Refugees
- Robots
- Sharing economy
- Social Media
- Sustainability

Hot topics! Very important as facilitators for tourism.
Lohmann: Customer Value in Tourism, ITB 2016

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Aufruf vom 15.2.2016

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Top Pauschalreisen
Do look for Customer Benefit!

- How about taking a closer look at customer benefits in tourism?

- The future of tourism does not depend on free WiFi in hotel rooms or a smart business model of an online travel agency.

- The future is based on customers demanding what tourism can offer!
See the Difference!

- **Marketing Tools**
  How to get in touch with the customer and grab attention?

- **Customers’ selection strategies**
  equal products with same level benefits?
  Then you look at price, convenience or other aspects which are important for the selection process but are not the reason to make a trip.

- **Tourists’ motivation**
  for changing the physical environment for some time
### General Holiday Motives

**Relaxing, resting, being free**
- Get away from everyday life: 66%
- Relaxation, no stress: 63%
- Finding new strength: 61%
- Being free, free time: 51%
- Resting, being lazy: 49%

**Nature and Health**
- Experiencing nature: 54%
- Healthy climate: 44%
- Doing s.th. for my health: 30%
- Light sports activities: 28%
- Getting away from polluted environment: 18%

**Experiencing something new**
- New experiences: 42%
- Plenty of different experiences: 40%
- Being enroute: 39%
- Experiencing foreign countries: 35%
- Culture & learning: 26%

**Sun, fun, people, enjoyment**
- Sun, warm weather: 67%
- Having fun, pleasure: 59%
- Being pampered: 49%
- Together with nice people: 39%
- Doing s.th. for my beauty: 32%
- Meeting new people: 31%
- Being entertained: 26%
- Flirt/Erotic adventure: 13%

**Partner, family**
- Having time for one another: 53%
- Playing with the kids: 18%

**Encounters (in the destination)**
- Contact with locals: 31%
- Revisiting a region/place: 31%

**Risk – being active**
- Discover, taking a risk: 12%
- Actively in sports: 9%

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*Holiday motives, “especially important”, in %. German-speaking residents 14 years and older in Germany, RA 2015*
Reiseanalyse
(Holiday Travel Analysis)
RA Reiseanalyse – Study profile

Reiseanalyse (Travel Analysis) 2016

- Research tool for the demand side of German holiday tourism since 1970.
- Yearly survey
- Covers holiday trips, short breaks, trip preparation and trip behavior as well as tourism related motivations, attitudes and preferences.
- Randomly selected face-to-face sample (some 7,500 respondents) + online survey with n=5,000 respondents with two waves in May and November.
- Non-commercial project, carried out by FUR an independent association of organisations interested in tourism research in Germany.
- Partners include tourism marketing organisations of destinations on different levels (from regional to international), tour operators, carriers, media, etc.
Selected first results of the 46th Reiseanalyse for ITB 2018

"32% of the population in Germany consider it very important to spend time with their partners and families while on holidays."

www.reiseanalyse.de
See the Difference!

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  How to get in touch with the customer and grab attention?

- **Customers’ selection strategies**
  equal products with same level benefits? Then you look at price, convenience or other aspects which are important for the selection process but are not the reason to make a trip.

- **Tourists’ motivation**
  for changing the physical environment for some time
  Main drivers: get away from everyday hassles and ugly weather + nature + get a rest + being together + nice experiences + fun
Motivation and Effect

**Motivation**
- Needs
- Motives
- Expectations
- +
- Attitudes
  ….

**Behavior**
- Holiday Trip

**Effect**
- Recreation
- Experiences
- Suntan
- Prestige
- Malaria
  ...

Lohmann: Customer Value in Tourism, ITB 2016
Ruhe & Erholung in Südtirol
Sauna, Fitness, Freizeit und Relax

Wer *Entspannung, Erholung vom Alltagsstress* in einer ursprünglichen und natürlichen Umgebung sucht, der ist bei uns, abseits von Lärm und Straßenverkehr, bestens aufgehoben.
An der *höfekapellen sitzen*, den *Panoramablick zu den Dolomiten, die Sonne, die Luft*, und bei*völlen Ruhe*.
YOUR SHORTCUT TO HAPPINESS
„Die Suche nach dem Glück zählt zu den zentralen Fragen des Lebens“
Personal Effects of a Holiday Trip
Motivation and Effect

Motivation: Needs, Motives, Expectations, + Attitudes

Behavior: Holiday Trip

Effect: Learning, Health, Recreation, Happiness, Well-Being
Holiday benefits experienced...

**Recreation**
- I returned from this holiday recreated. (75%)

**Health**
- This holiday had a positive impact on my health. (47%)

**Happiness**
- I experienced moments of pure happiness during this holiday. (44%)

**Well-being**
- This holiday had a positive effect on my emotional well-being. (58%)

Question: “How did your main holiday benefit your well-being? Please tell me which of the following statements apply to you (list of seven possible answers; multiple responses possible). (original question in German) Main holidays in 2014 (54.6 million holidays of five days or more), in % German-speaking population aged 14 or over, RA 2015 face-to-face
The Problem: Do Tourists Find Happiness?

Why should we know?

- (Western) Tourists hope to find good feelings in their holiday.
- Tourism industry / destinations offer such positive emotions and promises effects (e.g. recreation, better health, happiness) ≈ customer value of holiday travel
- Effects of holiday trips necessary to research.
- A better understanding can help with
  - Product development/communication in tourism – responsibility for effect
  - Consumer protection
  - Social “engineering” of travel products
  - …better effects of travel, e.g. more and happier tourists
Different Concepts of Happiness (1)

Happiness as an **Attitude**:
- A cognitive-affective evaluation of an object (like – dislike).
- With happiness the “object” is the perceived personal situation, which is measured like satisfaction, e. g. “life satisfaction”.

Diagram:
- Content
- Emotion
- Attitude
Different Concepts of Happiness (2)

- Happiness as an enduring spiritual state (harmony, peace...), contentment
Different Concepts of Happiness (3)

Happiness as an Emotion:
- A personal and actual feeling (arising; here & now); a “golden moment”.
- Does not refer to an external object, however may be initially triggered/caused by external objects.
- Barely a cognitive component.
Emotions are perishable

Christian Morgenstern: Glück ist wie Blütenduft

Glück ist wie Blütenduft,
der dir vorüber fliegt…
Du ahnest dunkel Ungeheures,
dem keine Worte dienen –
schließest die Augen,
wirst das Haupt zurück –
und, ach!
vorüber ist‘s.
Holiday trips offer a stage for happiness

Higher probability of experiencing happiness inducing factors:
- Being outdoors ➔ Physical stimuli like sun, rain, wind
- Activities like hiking, swimming…
- Nature
- Self selected social contacts

- Breaking the limits
  (of what is “usually done”, of everyday routines)

Positive emotions may trigger upward spirals towards emotional well-being.
(Frederickson & Joiner, 2002)
Research questions for „Golden Moments“ during Holiday Trips

- Do holiday tourists experience golden moments of happiness during their trips?
  Including: How many tourists do so? Associated with which travel characteristics? Socio demographic factors? etc.
  [Quantitative study - aim: knowing volume & structure & probabilities]

- What is the nature of these golden moments experienced?
  [Qualitative study - aim: understanding golden moments]
Tourists’ „Golden Moments“ Quantitative Results

- Yes, tourists report having experienced golden moments.
- Happiness in all demographic groups and in all tourist behavior segments.
- But not everybody and not with every trip (“only” 44%).
- Higher share of golden moments e.g. with
  - Younger age (< 40 years)
  - In long-haul destinations (63%)
  - longer duration of trips
  - a high level of activities
- The more you do, the longer you travel, and with an inspiring travel companion, the higher the probability of golden moments.
- Experiencing happiness seems to be independent from travel satisfaction.
What is the nature of these golden moments experienced?

Different small-scale qualitative studies (semi-structured interviews) with tourists done in several European countries.

Results offer ideas on
- what constitutes happy moments, phenomenology)
- the feelings associated,
- the situations in which happiness occurs etc.
Tourists’ „Golden Moments“ qualitative (2)

Some insights:

- Tourists can describe “golden moments”.
- They report different types of golden moments.
- Golden moments often arise in rather specific situations, e.g. when admiring natural beauty (a waterfall), but there is no fixed relationship (not everybody experiences happiness at the waterfall, and not every time). Thus, there must be additional factors

Categories of „golden moments“ (examples):

- Success ("Self effectiveness")
- Remembering
- Something new
- Spiritual experiences
- Freedom ("Self determination"), ease
- Harmony, calm, relax
- Familiarity
- Nature
- Togetherness (friends, family)
Total Success Vacation
Total Success
= well-being + happiness, + very high satisfaction + recreation
Total Success
= well-being + happiness, + very high satisfaction + recreation

Low Success
4%

No well-being + no happiness, + medium or low satisfaction + no recreation

Total Success
20%

Well-being + happiness, + very high satisfaction + recreation

Main holidays in 2014 (54.6 million holidays of five days or more), in %
German-speaking population aged 14 or over, RA 2015 face-to-face
Recreated + Well-being + Happiness + Satisfaction

- **20% Total success:**
  20% of all German holiday travelers report “total success”, i.e. they reported recreation, and psychological well-being, and having experienced moments of happiness, and very high satisfaction.

- **4% showed “low success”,** i.e. no recreation, no well-being, no moments of happiness and medium or low satisfaction.

- Any differences in trip characteristics or personal situation associated with being in one of these groups?
Trip characteristics?

Any relation* between trip characteristics and holiday success?:

- **Total success:**
  Higher probability with higher spending [1,000 Euro + per person and trip] (47% / 40% of all travelers)

- **Low success:**
  Higher probability e.g. with
  - first time visitors in a destination (50%/39%),
  - duration 12 days or less (59%/45%);
  - lower spending [less than 700 Euro per person and trip] (56%/39%);
  - VFR holiday (17%/10%)

* Differences compared to the total of all travelers, minimum 5% points
Socio-demographics?

Any relation* between socio-demographic factors and holiday success?:

- Differences are scarce and on a low level! No clear differences with gender, income, education…

* Differences compared to the total of all travelers, minimum 5% points
Motives vs. Total/Low Effect Holiday Trips

Urlaubsreisende 2014
Quelle: RA 2015 face-to-face

Basis: Urlaubsreisende 2014
Quelle: RA 2015 face-to-face
Motives vs. Total/Low Effect Holiday Trips

Basis: Urlaubsreisende 2014
Quelle: RA 2015 face-to-face
You want it all? Total success holiday trip?

- Spend time!
- Spend money!

No stinginess!
Geiz ist nicht geil.
Lessons learnt
Vacation Freedom

- Being a tourist = freedom
- The opportunity to act according to your dreams
- Positive effects depend on how tourists make use of this freedom
- In charge of your own happiness

Jeder Tourist ist seines Glückes Schmied

Chacun est l’artisan de son bonheur

Every man is the architect of his own fortune
Happiness

- Experiencing golden Moments of happiness is a personal thing, depending on stimulus, situational context factors (e.g. physical, social), and personal factors
- Golden moments
  - Are a pleasant experience and of subjective value, even when not followed by a positive effect on another dimension.
  - May create a basis for longer lasting effects of holidays (holiday satisfaction, recreation, …..)
Some Conclusions

- Tourism industry and academics should pay more attention to the effects of holiday travel, as these effects determine the final customer value of the tourist product.
- A better understanding can help with
  - Product development/
  - Communication in tourism –
  - Consumer protection/responsibility for effect
  - Social “engineering” of travel products
  - …better effects of travel, e.g. more and happier tourists
- Tourism industry can help with
  - Better match between product and customer (assessment)
  - Consider the most basic travel motivation of your customers: Ensure recreation, time to rest…
  - Raise awareness for all the beautiful things to experience instead of communicating prices and free wifi.
Thank you.
The Reiseanalyse offers...

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RA Reiseanalyse – Study profile

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Looking for more?

- [www.reiseanalyse.de](http://www.reiseanalyse.de)
- Publication I: RA 2015 Summary (in English)
- Publication II: German Holiday Travel Trends 2025 („The Reiseanalyse Trend Study“) (in English or German)
- Reiseanalyse 2016: The whole deal 😊
This paper has been prepared for the ITB Berlin Convention, ITB Marketing and Distribution Day, on March 11, 2016.

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Martin and his colleagues at NIT are part of the Reiseanalyse team since many years. They take care of the RA both as scientific advisor and as operating agency for all the activities necessary to run the yearly survey.

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