

Destination Management System: Tiscover: Europe

Introduction and Company Development

Tiscover was founded in 1991 through a partnership with the Tirol Tourist Board and has evolved into a leading provider of e-tourism solutions to Destination Marketing Organisations (DMOs) and tourism businesses throughout Europe and Southern Africa. The company is headquartered in Innsbruck, Austria, with wholly-owned subsidiaries in Germany, Italy and the United Kingdom.

It provides in particular Destination Management Systems (DMSs), which have been described as the “IT infrastructure” of a destination (WTO 1999). In this field, Tiscover was world-market leader in 2006 with over 2,000 DMO customers. Over the years, it has expanded from its base in the German-speaking countries of Austria, Germany and Switzerland, to Italy, South Africa and the UK (Table 1).

Table 1: History of Tiscover

1991	Founding of TIS GmbH and official launch in Tirol
1995	TIS moves onto the Internet with TIS@WEB – one of the first travel websites in the world
2000	Founding of Tiscover AG (i.e. PLC) as successor of TIS GmbH
2001	Launch of www.tiscover.com with holiday information on Austria, Germany and Switzerland
2003	Launch of Tiscover Italy
2004	Launch of Tiscover UK and Tiscover South Africa
2005	Winner of contract to power Italy’s national tourism portal (www.italia.it)

The company also powers the individual websites of DMOs including the European Travel Commission (VisitEurope.com), the Austrian National Tourist Office (Austria.info), the State of Bavaria in Germany, the East of England region, and Italy’s Trentino province. As regards tourism businesses, Tiscover supports all types of organisations at a destination, including small independent hotels, guesthouses, B&Bs, restaurants, and attractions.

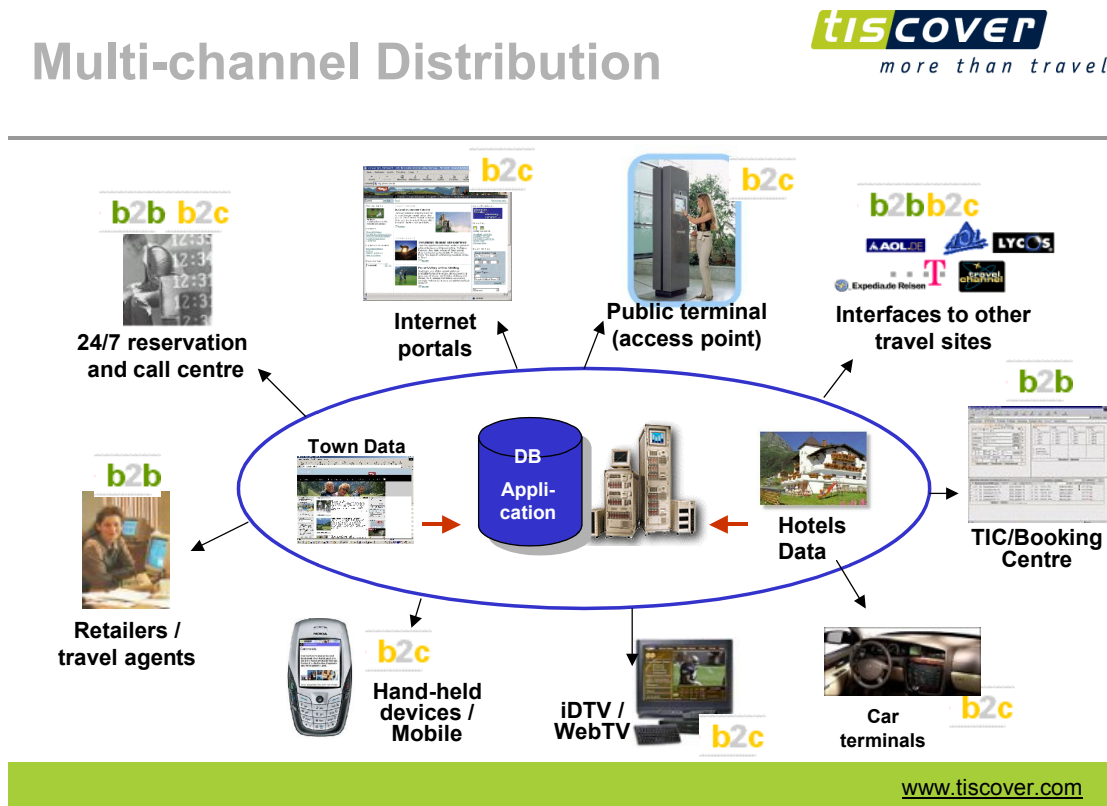
Main Products and Value-Add

There are three key elements to the Tiscover service offering:

1. *DMS solutions*: Tiscover provides DMS solutions to DMOs at national, regional and local levels. The DMS includes a wide range of modules to support a DMO's internal, partner and consumer communication, including accommodation booking, brochure processing, and customer relationship management (CRM).
2. *Web solutions*: At the core of the Tiscover proposition is a Content Management System (CMS), which allows DMOs and tourism suppliers to build websites where they can feature destination content and search facilities for the tourism suppliers in the destination, including accommodation, restaurants, attractions and conference venues. This also enables the DMOs and tourism suppliers to offer site visitors the opportunity to book accommodation online.
3. *eMarketing*: Tiscover has a number of consumer-facing sites including the main Tiscover.com portal as well as the national portals, Tiscover.at, Tiscover.co.uk, Tiscover.de, Tiscover.sa and Tiscover.it. Users can register on the sites, and the company undertakes extensive consumer marketing principally through its online newsletter for which there are in excess of half a million active subscribers.

One of the central value-added propositions of Tiscover is multi-channel distribution; enabling DMOs and accommodation businesses to reach channels they otherwise would not. The principle is based on the data being entered once by the DMO or tourism supplier, and then that information is fed out to a range of channels, including call-centre, websites, kiosks and mobile devices (Figure 1).

Figure 1: Tiscover multi-channel distribution



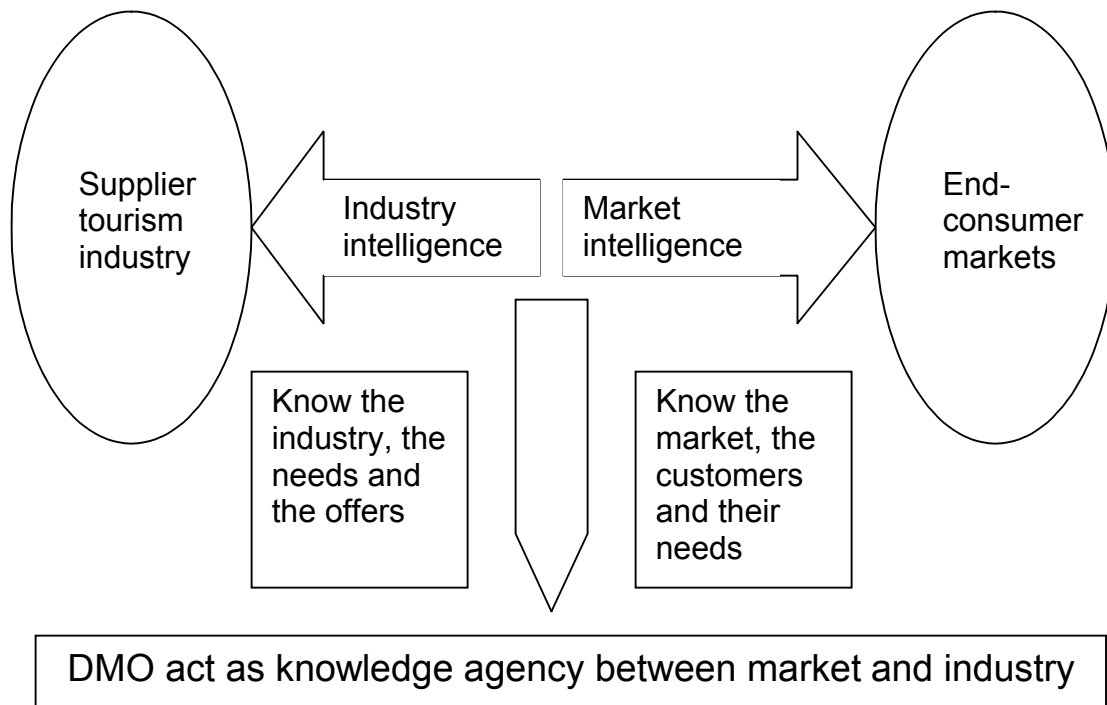
A multi channel tourism distribution strategy is essential in order to reach different market segments and visitors who are at different stages of the customer buying experience (Buhalis 2003). One of the objectives of the East of England Tourist Board’s UNITE e-tourism project is “to provide our tourism businesses with many and varied distribution channels”. Tiscover provides the DMS infrastructure for UNITE and enables a host of micro tourism businesses to access channels they otherwise could not. Taking the case of an accommodation provider in the East of England region, the accommodation’s information is passed to a range of potential booking channels including the East of England Tourist Board site, the local town and county sites, and the channels which are connected through the EnglandNet system.

Similarly Chelmsford, a mid-sized town located in the county of Essex in the East of England region, for which tourism contributes £120 million per annum, is able as a sub regional DMO to access a range of additional channels. Through UNITE they can input data about Chelmsford just once and it appears on a variety of sites, including [visiteastofengland](#), [Tiscover](#) and eventually [visitbritain](#) and [visitengland](#). When Chelmsford signed up to UNITE, the main tourism information centre had just closed and they were considering a variety of ways of filling the information gap. They needed a method to provide up to date good quality information to visitors and local residents. A local sub regional economic partnership made a successful bid to the Essex Economic Partnership for 3 electronic Visitor Information Kiosks. UNITE provided the perfect solution to this in terms of the kiosks' content and a touch screen kiosk was installed in one of the major shopping centres (annual footfall of 10 million customers). Information changed on UNITE is shown instantaneously on the kiosk and all web channels.

Business Model

Tiscover develops and sells technology solutions which facilitate the knowledge broker role of a DMO and which provide an e-business platform on which tourism businesses can attain competitive advantage via the Internet (Figure 2).

Figure 2: DMO as knowledge broker



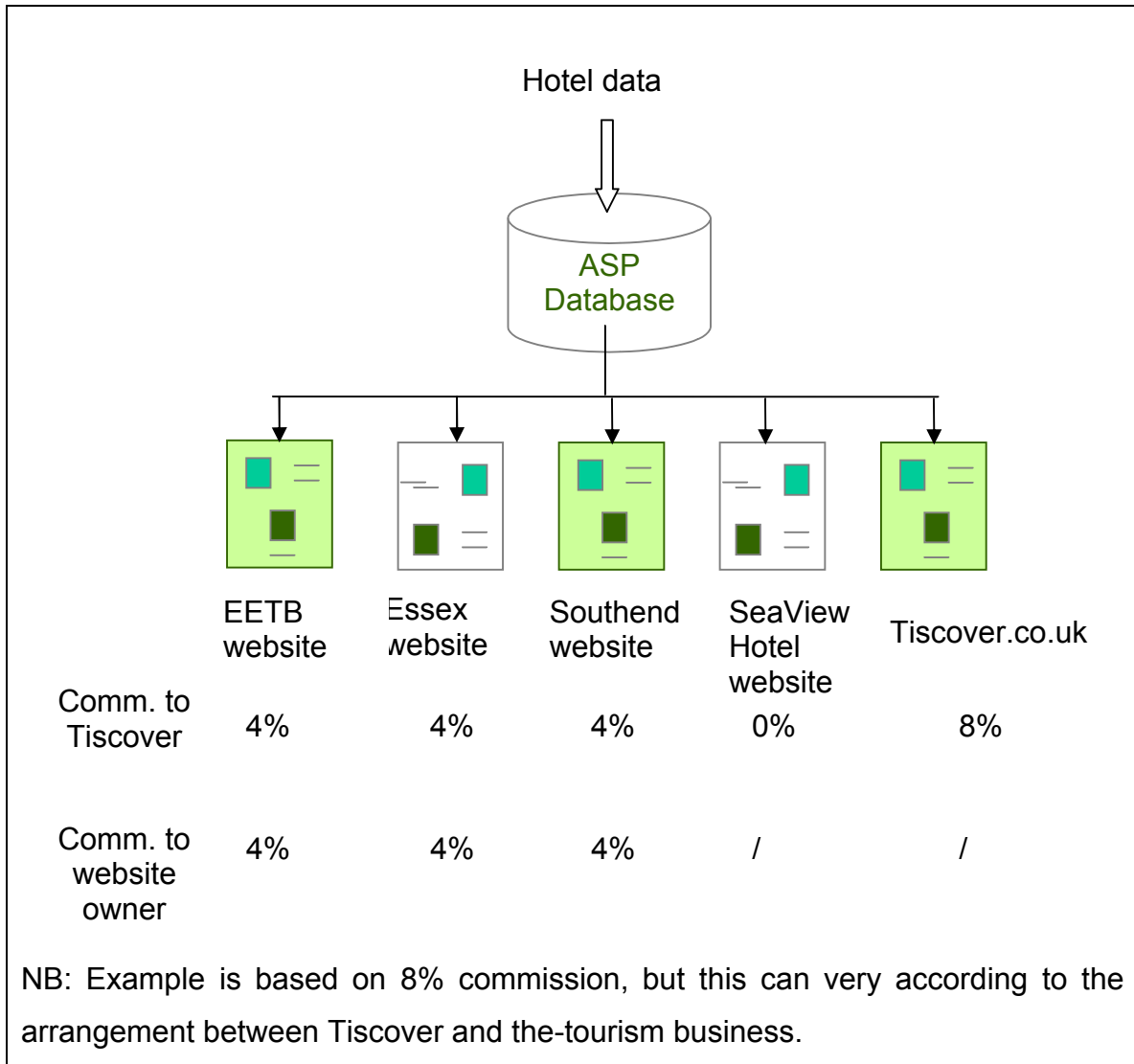
This diagram shows the vision presented for the Austrian National Tourist Office at the ENTER 2005 conference (Oberascher 2005). The knowledge broker role was also identified by Fesenmaier (2005) as being significant if DMOs are to retain their position in the-tourism value chain. The Tiscover technology enables a DMO to present its diverse range of tourism businesses and content on an e-business platform which offers a consistent look and feel. It provides a focal point for working closely with destination stakeholders – the diverse range of tourism businesses and sub-regional DMOs. On the demand side, the Tiscover CRM tool enables the DMO to capture intelligence about the market.

Tiscover's core revenue model is based on an Application Service Provider (ASP) solution aimed at two customer groups – DMOs and tourism suppliers (mainly accommodation businesses). Revenue is earned from the former group in the form of annual licenses which are priced according to different DMO levels – town, city, region or country. The license among others allows a DMO to create

a destination website which is embedded in the Tiscover family of portals, providing it with access to a range of channels. There are optional add-on costs such as tailor-made sites and additional training. Revenue is earned from accommodation businesses in the form of licenses and commission. A hotel, for example, pays Tiscover an annual fee based on the number of bed spaces and also pays a commission on each successful online booking.

The commission model is flexible and follows the principle of wherever value is added to the booking process; a share in commission is attributed, as illustrated in the example below (Figure 3). For example, if a person books the Sea View hotel on the East of England tourist board's website, then the commission payable by the hotel is shared between Tiscover and the East of England tourist board. If the booking is made directly through the hotel's website which it has built using the Tiscover CMS, no commission is payable. Finally, for any bookings made through the Tiscover UK portal (www.tiscover.co.uk), the full commission is payable to Tiscover.

Figure 3: Tiscover commission model



The Tiscover business model is flexible and allows the DMOs to develop a revenue stream. For example, Bournemouth Tourism on the south coast of England contracted Tiscover to provide its e-tourism platform in 2004, which saw online bookings substantially increase from 2003-2004 (Table 2).

Table 2: Visitor figures for Bournemouth Tourism 2003-2004

	April-October 2003	April-October 2004	Diff +/-
Counter	£239,966.37	£132,900.10	-44.62%
Online	£17,784.00	£91,570.49	414.90%
Visitor figures	202,655	181,810	-10.29%
Value per booking	£112.11	£124.78	11.30%

The flexibility of the business model is due to the Tiscover ASP solution, which offers a number of advantages including:

1. DMOs share the hardware costs and support costs with all the other users of the system across all countries.
2. DMOs avoid the costly start-up costs associated with developing a bespoke system in-house. These costs can be notoriously difficult to forecast and control.
3. Each accommodation provider that purchases a license does so directly from Tiscover. This helps to avoid the problems that arise when DMOs invest in a DMS and then, due to budgetary revisions, can no longer maintain it.

Technological and Business Innovation

As a company offering technology-based ASP solutions, it is essential that Tiscover remains abreast of technical developments. There are three examples of how it is doing this:

1. *xHTML*: In 2005, the launch of the Tiscover05 system saw the availability of DMS software in *xHTML* - the standard for presenting websites on mobile devices.

2. *Smart tags*: These allow a DMO or a hotel to assign, through the CMS, special tags for certain keywords. If, for example, the East of England Tourist Board creates an extra webpage featuring a special seasonal promotion in Cambridge, this page can be linked to specific keyword searches. If the user searches for 'Cambridge', then the result is linked directly to the promotional page.
3. *Multimedia CMS interfaces*: These allow the DMO or hotel to upload, via the CMS, multimedia files which can be displayed to the user. These are in place for the forthcoming Italia.it portal.

Key Challenges for the Future

Three important elements have been identified for the success of tourism information systems: "quality of access, quality of content, and ability to customize the whole system" (Proll and Retschitzegger 2000: 182).

There are a number of key technical and business challenges which will impact the future of Tiscover:

- The commission model depends on the availability of bookable content online, and this is an ongoing challenge for Tiscover to work with both DMOs and suppliers and to present the advantages of e-tourism.
- Competition is intense in the online-tourism space with a range of online intermediaries and technology suppliers vying for content to distribute.
- Consumers increasingly demand sophisticated information online, incorporating rich media, in order to help them choose a destination.
- Continue to develop the CMS to allow DMOs and tourism businesses to customise their websites.

The Future of the Company

As a world leader in destination management systems (DMSs), Tiscover's future lies in gaining an increasing number of DMOs and tourism businesses in different countries as customers. At the same time, the company aims to secure an increasing share in online consumer revenues for its DMO and tourism customers. The speed of new technical and consumer trends will continue to keep the company challenged.

References

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Internet Links

- www.tiscover.com
- www.etcnewmedia.com/review/
- www.frontlinecommunication.co.uk/dmoworld/