



Master Degree Program "Innovation and Management in Tourism"

Salzburg University of Applied Sciences

Innovation Management Project

Bavarian Village Mattsee

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1. Introduction

As a place for Innovative management course project, a small Bavarian village of Mattsee was chosen, surrounded by the lake and with a lot of charm, but with a problem of not using all of its potentials. The main goal of a project is to come up with a solution which would bring more people to the village and introduce them with everything it can offer, from nature to man-made attractions, all with a warm feeling of tradition. During the group discussion it was agreed to connect authenticity with innovation, where the idea of organising traditional events made in a way which includes contemporary elements seemed like a great way to do so. What is essential for it to be successful as an event team. The idea is to establish the event marketing management team that will create and promote events based on the principles of storytelling and gamification to enhance traditions entwined with innovations and revive all seasons tourism in Mattsee. After the event team is established, that will consist of Mr. Emanuel Fiausch, the young open-minded experienced Mattsee resident, who works as a manager of local marketing association; and a new member, professional event manager with sufficient knowledge of utilisation of gamification and storytelling as a marketing tool, the projects can start. Thinking about what would be the most efficient, the boundaries of Mattsee had to be considered first, that were used at the same time as guidelines, where some of them are following: deep-rooted image of Bavarian village, limited investment sources, challenge to combine traditions and innovations, seasonal tourism, high sensitivity and preservation of the environment and changing weather conditions. Besides bringing more people to Mattsee, one of the most important aims was reducing the seasonality; therefore it is suggested to organize three events per year that will include all seasons except Summer, because Mattsee is already popular among tourists during that period. The main idea is to make three events per year- in Spring, Autumn and Winter, which will mix traditional and contemporary elements. By traditional, it is thought about common festivities as Harvest festival in Autumn and Wedding fair in Spring. But what will make it unique and attract more people, including international tourists, is the innovative part, where it is planned to insert the elements of gamification and storytelling. Today's customers are overwhelmed with a wide number of choices in tourism, therefore destinations should come with innovative ideas, products and services in order to attract, retain and exceed customer's expectation. A solid segment of tourists, mainly families, seek a high quality time spending, which will enable them with interaction, new feelings and connection to the others. Games create such emotions (Xu, Weber, and Buhalis) and therefore gamification is considered as a strong instrument for the entertaining events in the village of Mattsee. The use of the games and storytelling through the events aim to create a gameful experience where every participant will be able to express him/herself regardless the age and thus create memorable experience from visiting the village of Mattsee. The reason why the project is considered to be suitable for Mattsee requirements is because it is a minimum viable project due to its excellent practical implementation which will enable to clarify fast and without serious financial costs whether it is suitable for the village of Mattsee or not. Next reason is that minimum changes will be done to the village, especially regarding its nature; even the opposite, the image that it has will be enhanced, in a way that it will enhance the local tourism.

2. Practical examples of events; three seasons stories

The main activities of the event marketing management team will be to create and promote events based on the principles of storytelling and gamification, in order to enhance traditions entwined with innovations and revive all seasons tourism in Mattsee. Thus, each event will be always conducted once per year. The date could vary according to the weather conditions but each event will represent one season: spring, winter and autumn. The summer season was not taken into consideration since the inbound tourism rate of this season is high and the team could use this three months to evaluate the results of the events, make conclusions and estimate the goals. The story of each event will be also different from year to year, but the main concept of the event will stay the same: for the winter season- children's entertainment event, for the autumn season- farmers' harvest festival and for the spring season - the wedding exhibition. The rough examples of such events are represented below.

2.1. Erntedank festival stories

What inspired us to implement as an autumn part of stories for Mattsee project, is the Austrian tale called Erntedank. What it talks about is that there was a rich man that had a successful harvest, but since he worked so hard for everything he had, he didn't want to share it with other people. Then, when he was walking through his village, he saw a poor family that lost everything in fire, sharing a piece of bread and inviting even him to join. When he talked to them and found out how thankful they were just for having sun, water and each other, he invited everyone in his house and they all celebrated the harvest together with a lot of thankfulness.

The event management team is proposed to make an event "Erntedank festival stories" that will incorporate the traditional and the modern. It is imagined as a gathering of locals and tourists (both domestic and international) that will begin with a mass held on the outside, in the name of gratitude for the good harvest, where the story about Erntedank will be implemented. The festival itself will be held in the middle of Bavarian village, where the local farmers, producers and housewives will present their products (anything from harvest fruits to house made goods). In that way the event will attract even more locals because they will be able to introduce and sell their products, earn something and hopefully get a new, permanent customers. In addition to that, the incentives will also include the prizes for the biggest harvest fruits (e.g zucchini contest weighing, pumpkin growing contest), whereas regarding Mattsee authorities, the entrance fee for the products presenters and F&B providers, sponsors and visitors participation fee, will be one of the ways of financing the whole event.

It will be held on second and third weekend of September, with 500- 1000 people for the first time, but of course within time and good organisation it is expected that it will expand. The visitors will enjoy trying local homemade products while wearing traditional clothes,

listening to traditional music played by local tourists, taking part in the guests entertaining competitions, in general feeling the traditional harvest celebration in a unique setting like Mattsee Bavarian village. The innovative and unusual part of the whole project are the elements of storytelling and gamification entwined in the event. For this year, it is planned to do a “Giants dinner concept”. As it is already mentioned, each year it should be a different idea and story incorporated, to make it more interesting and attract more people. Since there will be farmers contests on who has grown the biggest fruits, we plan to have it all “giant”; big tables, big games (e.g. a big chess that is not expensive to build) and other typical harvest festival’s games, including a lot of children games, but in an enlarged version.

2.2. Olaf story

As an example of the event to attract families to Mattsee, we suggest to organize the snow sculptures festival under the open sky. The festival will consist of the opening event where snow sculptures are prepared by the professional artists and followed by three more weekends where families from all over the neighbourhood regions, as well as the tourists, can join for a fun time to create their own masterpieces. The best time for such festival is January, as that month demonstrates the lowest average temperature of -0.8°C throughout a year at Mattsee.

The main target is to add a recognizable event for the winter season which can become a trademark for the winter season at Mattsee. The target group are families with children, therefore, the topic for the sculptures should be cartoon and fairy tales’ characters, to raise maximum interest among children up to 12 years old.

Taking into account that there is a snow sculpture competition which usually takes place on the 10th-15th of January in Ischgl where artists all over the world join for snow sculpture competition, some of them could be arranged to organize the exposition at Mattsee for the first weekend of January. The exposition shouldn’t be too big and expensive as the focus is not to overdo the “exhibition part”, but to engage visitor to join in snow sculptures creation. As one of the incentives for the visitors, a prize for the best snow sculpture of the weekend can be organized.

The exhibition can be accompanied by the costume show and various side activities for children and their parents as playing snowballs in teams, sleigh racing costume or theatrical performances. All activities, including the construction of the own snow sculptures, will be available upon paying a certain participation fee. Food fair and selling memorable souvenirs can be organized for the event to enhance the earnings.

To provide the means for visitors to make the snow sculptures, there should be an area of around 500-1000 square meters organized. In order to ensure that there is enough snow, a snow blower should be rented or purchased.

Overall numbers of participants can be estimated based on the area provided and the budget of the event. The rough estimation is around 400-500 people for the opening event, and 350-450 people for the following weekends.

Based on the desktop research such an event can become a special highlight for Salzburg area and will raise a lot of attention during the winter season at Mattsee, as well as increase the visitors flow to the place.

2.3. Mattsee wedding stories

Mattsee has always been well known as one of the favourite places for weddings. By the number of marriages throughout the year, this small town is highly ranked in the Salzburg state. Over the time, inhabitants of Mattsee became real experts when it comes to weddings. Beautiful castle, church, nice restaurants, romantic hotels – here one can find everything needed for the most special day in life. The place itself already possesses the strong romantic image and in our opinion that image can and should be further developed. The result we would like to achieve in the bottom line is bringing more tourists and in line with that, bringing more profit to the community. As the county of Mattsee claims that they do not lack of tourist visits during the summer, on the other hand they cannot guarantee the same for the other parts of the year. Since the Summer is already working fine for Mattsee and our previously suggested two events take places either in autumn (Erntedank) or in winter (Olaf), we would like to introduce the one that would fit in the spring season.

The third event, which rounds the circle of our proposition of yearly events in Mattsee is named “Mattsee wedding stories”. The major theme of our events will be wedding and everything that accompanies it. Although, it is a fact that there is already large number of traditional wedding fairs all over the world. Logically, it would be hard to compete with them. But the point is that we do not want that. The idea is to make our “wedding fair” special and it is suggested to do so by implementing storytelling and game features to the event.

The initial proposition is to locate the event in the Bavarian village. It should be an open-air event, since the historical data about the weather conditions during the spring in that region shows that there is a great possibility to decide on 2 weekends in spring that will support an outdoor event. Beside the typical wedding fair activities in Mattsee wedding stories concept, such as having exhibitors, presenting and marketing of goods and services needed to facilitate a wedding, etc., our event should incorporate different stories. Each year should be labelled by different story. These different themes should attract tourists, as well as locals, since every event will be different and visitors can expect something new and unseen.

Taking into consideration the current trends on the market, it can only be concluded that the times when customers, visitors or consumers were just passive observers are long ago over. In fact, today, they want to be active participants, to take part in their own experience journey. This brings us to the point where game features are included into the project. Game features allow visitors to emerge to the event as a whole. Games, such as contest for the best fotobox

couple pictures or competitions in interesting workshops are just an example of that. Also, rewards would be included and they would enhance the participant's involvement and satisfaction. The revenues would still be generated mainly by charging a participation fees to the exhibitors. Over the time, charging a symbolic entering fee to the visitors could also be taken into consideration.

3. Analytical tools

3.1. Lean Start-up

The lean start-up idea is how today's companies use continuous innovation to create successful businesses, services or products. Start-ups are not about coming up with a brilliant idea and becoming an overnight success but it is about testing and learning faster than competitors. Most start-ups fail however it is possible to avoid these failures. Lean start-up methodology is a methodology that helps the companies to avoid failures. The reason why a lot of new products or services fail is because they operate based on the conventional approach to management. Traditionally, doing the market research, coming up with a solid strategy and delivering a good product works. But it doesn't work with start-ups because it assumes that a company already knows what the market wants. A moment when this assumption is made, the company is doomed to failure. A company might waste too much time and money on the developing of the product or a service before it realizes there is no market and demand for it. (Hart)

Lean start-up methodology can be applied to almost anything from the product to the management performance. Therefore, the idea of event marketing management team in Mattsee could be tested on the Lean Start-up methodology. The performance of the new team can be measured already after the organisation of the first event. It is important that the authorities of Mattsee can clearly test and validate the idea though.

The Lean start-up methodology is based on the rinse and repeat type of cycle which is called build –measure –learn. It means to build a product or service, measure the customer's reaction and learn if the ideas have been validated or if the adaption is needed. The cycle should be repeated until the customers send a clear signal that the product covers the customer needs. Once the event marketing management team will be organised and complete its first event, it will mean that its performance can be tested, particular failures or drawbacks revealed and adjusted accordingly for the preparation of the next event. This simple method will show tremendous results and will enable the city authorities of Mattsee determine whether the idea with the event marketing management team worth to move through or it should be adjusted in terms of personnel and its knowledge, consider feedback from the customers and calculate the overall profit from the event.

Before the beginning, it is important to consider two or three keys assumptions which will determine the success of the event marketing management team in Mattsee and what is the cheapest and fastest way to test them. Thus, the assumption for the first event might me high

amount of participants, positive customer feedback and financial profit of the stakeholder. Once the test is designed, minimum viable product (MVP) should be build.

Minimum viable product should be developed during short amount of time with minimum financial investment. It just needs the critical features to test to result. The minimum viable product will be one of the planned events, depending on the start of the project. The aim is to reveal the work of the team, ability to cope with the responsibilities, finish the project and do post event reflection. The first event should be organised within short period of time, the office room might be set up in the building of public authority of Mattsee avoiding additional costs for the rent. It might take some time to find a professional employee, but considering the connection of Mattsee with Salzburg University of Applied Sciences it might be easier to find an energetic, enthusiastic young employee which would dedicate her/his effort and knowledge to organize the event and achieve the set goals.

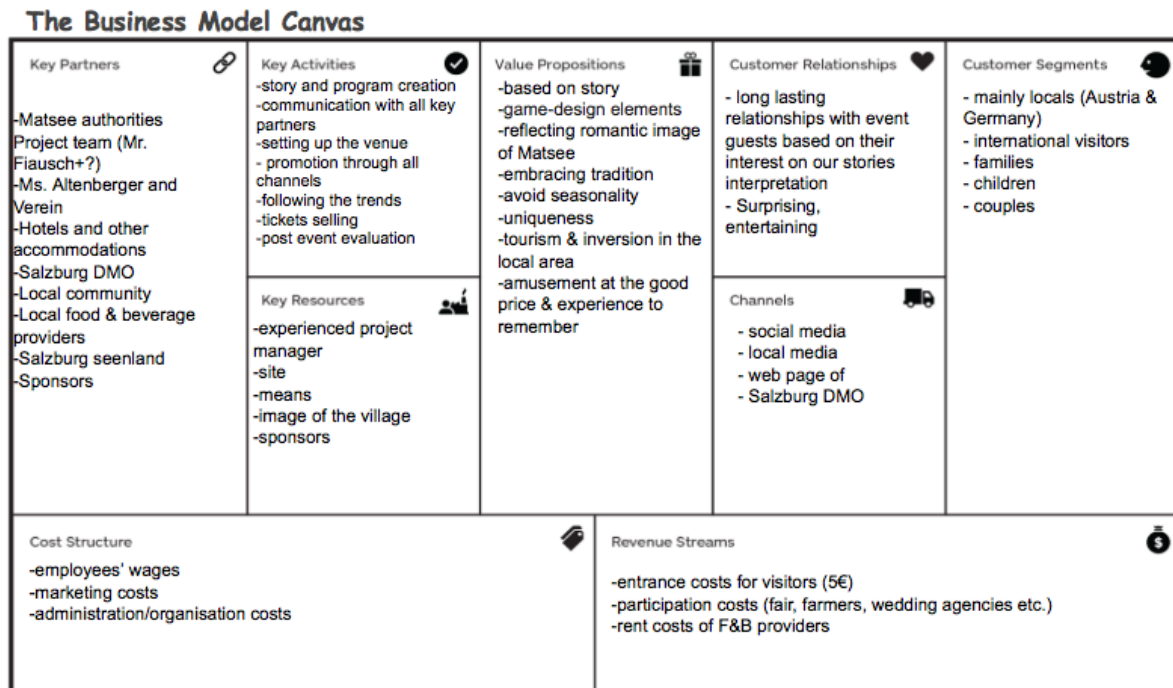
The only role of the MVP is to play its part in the test. After the MVP is created, it is important to measure the customers' reactions. The easiest way to measure the customers' feedback is to approach to the participants during the event and have a very short interview which will give a clear understanding of what the customer would like to improve, what is missing, what they are pleased with. It is important to be clarify about what success and failure should be for a company, because it is going to be much harder to distinguish between the two later.

After making the first event, it is needed assess what has been learnt and done, meaning should the action be pivoted or persevered. If the assumptions are confirmed, the company is off to the races and can focus on refining the product. But if one the key assumptions is proved wrong, a company may have to pivot. Than the idea should be changed or focused on a different customer segment and cycle should be started all over again. A company may have to experiment more than it is expected before it is found what the customers really want. The first event organised by the event marketing management team department will allow to find out whether it's worth another cycle, or to stop and move on to another idea. This means defining a very specific idea to test, and minimum items to measure. The first event will show whether customers actually want or need this type of event, how the innovative management managed the organisation and if it is worth to go.

3.2. Business model canvas

Based on internal and external analysis, we decided to use the Business Model Canvas in order to identify appropriate business and functional level strategies. The Business Model Canvas is a comparative analysis, developed by Alexander Osterwalder, which is implemented by strategic managers to visualize the current situation of business. (Osterwalder and Pigneur) This model provides a holistic overview of the company and helps managers to evaluate and bring innovations to the business. The Business Model Canvas define the internal and external processes and activities of the company, which are categorized into 9 different blocks. Each block represents the key element in the creating of

the product or service. This major elements of the business are related to financial viability, customers and business infrastructure.



3.2.1. Customer segments

To create an efficient business the company has to know its customers, because they are an essential part of company's business model. Effective customer segmentation gives the information about the market in its current and potential needs and enables creating the product or service which meets this needs. Since the event team will be focused on the promotion of the three different events, the customer segment will vary according each event. Moreover, taking into consideration the request of the local authorities our overall customer segment are mainly local tourists (Germans and Austrians), families, children and couples. We also assume that some international tourists will be interested in taking park in the events but they don't belong to our target group.

3.2.2. Value propositions

The value propositions are the combination of quantitative and qualitative products and service provided by the company. We have determined our values according to the preferences of the Mattsee authorities. We have examined the market and decided that we have to provide greater value than our competitors. Since there are many existing events all around the Austria and Germany, we decided to diversify all three events by using the

advantages of such marketing tools as storytelling and gamification. The event management team will create each event based on the story. It was proven that storytelling is used by many event companies as an effective marketing tool as it triggers the emotions while awaking people's imagination. (Pulizzi) Alongside this, the event team will add the game-designed elements to each story as it involves the guest participation and boosts engagement. Another strategic advantage which brings value to the team is usage of formed image of Mattsee. As it already has its romantic atmosphere and attracts the couples from whole Austria to marry there, it brings more value to the Wedding exhibition event, as there is the special value was already launched. Furthermore, Mattsee seemed to be a place where people respect and follow the traditions. Thus, the event management team needs to also concentrate on embracing traditions while creating the events. Due to the fact that the event management team will be concerned with creating, preparing and evaluating the events through the year, it excludes the problem of seasonal tourism of the Matsee. The main gain of the team is to create a unique and amusing event which could connect tourists with locals and bring value to both sides. This inversion between tourism and the local area will bring more value to the events in return.

3.2.3. Channels

In order to deliver our value propositions to customers, we choose IT and local marketing promotion as the best options. The events will be promoted by using social media platforms, as well as the promotion on the web-page of the Salzburg DMO and another connected online channels. We decided so since it is the quickest, most efficient way and it doesn't require big amount of investments. Using IT as a channel gives the team a great opportunity to communicate directly with the customers. It is the easiest way to receive the feedback and recommendations to define the need, solve the problems , add value and personalize the service. In addition to the online promotion, the team should also have its own customer service which could be reached by email or telephone. Because of the network effect in social media it is crucial for the team to have a good awareness among people. Therefore, in the very beginning the "old school" marketing tools such as local media (radio, magazines), leaflets and advertising banners could be also applied to reach the public. It is also important to use the advantages of such ICTs as Instagram and online blocks as it allows to tempt the guests to co-create. Finally, all market channels should be fully integrated and the information on all channels has to be the same.

3.2.4. Customer relationship

In order to create a good reputation, sustainability and financial success, the team has to create very close and long lasting relationship with the guests. Each event should include surprising and entertaining elements. For that reason the customer's relationship policy needs to be based on the interesting interpretation of the story which everyone knows and loves. Thus, the team needs to create the data in order to save and retrieve needed information to collect the feedback and new ideas. In the time of IT, companies can communicate with customers directly by having a blog or Facebook-page. Such communities allow

enhancement of customer's experience, where clients could also share their experiences with others by creating eWOM. Since the co-creation is essential for the success of each event, the team has to respond quickly for guests requests, take in account all advice, react on comments and apply them practically.

3.2.5. Revenue streams

The main revenue sources will be the entrance costs for visitors as well as the participation costs for fair, farmers, wedding agencies, etc. In addition to this, the rent costs of food and beverage providers should be taken in consideration as possible monetary stream.

The diversity of events gives the team the opportunity to divide the revenue streams on the main and additional streams. This competitive advantage allows to cover potential losses in one stream by another. For instance, in case of wedding exhibition, the main income source will be the participation fee for the wedding agencies and wedding inventory providers, whereas in the case of the Harvest festival, it will be the entrances and rent costs. It is important to mention that the entrance costs of all events should be accessible for the public.

3.2.6. Key sources

The experience and the knowledge of the event management team members are considered as the fundamental sources. In order to raise the interest in the events among the tourist and to reach the success, the event management team has to work hard and professional to create the memorable and interesting experience for the each guest. Thus, it is essential that as least one member of the team possesses the sufficient knowledge of usage the storytelling and gamification in marketing and has an experience in the experience designing, project management and event organisation. The team also could use internet to collect information about the competitor and learn from already existing practices. Monitoring of information from social networking platform, online communities and blogs could give the team a clear picture of the market's situation and trends. The crowdsourcing could be also used as a tool in order to involve the guests to co-create and determine their preferences. We also put emphasize on the Bavarian Village as a main source, as the site centre-located and has all conditions for realisation of such kind of events. It is also good connected with other tourists attractions and provides the beautiful view on the lake. In addition to that the lake itself and the image of the Mattsee could be also considered as the sources as they bring additional value to the events. Finally, the team could use the advantage of the public event for the big companies as it is a good promotion for them to be social responsible. So the team could attract different kind of sponsorship from the third-party companies such as for example Red Bull to cover some administrative costs or for other purposes.

3.2.7. Key Activities

Due to the fact that there is a big competition regarding the event market of Austria, the main activities of the team will be, first of all, to promote the event through all available channels and to create the awareness and good public image. The team will be responsible for the story creation and the entertainment program based on this story. All mentioned crucial

marketing elements need to be taken into consideration to increase the competitiveness. Furthermore, the communication with the key stakeholders, for example, partners and sponsors, also belongs to the key tasks of the team. All stages of the event such as preparation, setting up the venue and post event evaluation have to be conducted properly. In addition to that, the team has to maintain all online information sources and keep them up to date so the visitors could constantly feel its presence. Also, the creation of the good reputation and long lasting customer relationship is one of the most important processes in the team activities.

3.2.8. Key partners

In order to create efficient business operations and decline the risk, the team needs to form strong and reliable relationship with all event stakeholders, such as Mattsee authorities and local communities, participants, suppliers (local F&B providers, accommodation, sightseeings etc.), Salzburger Seenland, Salzburg DMO and sponsors. First of all, before each event will take a place, the team has to prepare all required sources for event realisation by conducting negotiations with partners. Furthermore, to build awareness and make a good image of event, the team has to promote it in co-operation with Salzburg DMO, as well as with Salzburger Seenland.

3.2.9. Cost structure

Staff salaries and marketing expenses belong to fixed costs, while the administration and organisational costs will vary from event to event, and have to be counted in advance and separately for each particular event. These costs depend on the event structure and the necessary equipment, according to the story. However, based on our suggestion of implementation of the MVP, the first three events don't require a big amount of the investment.

4. Conclusion

Having the goal to develop an innovative business idea in order to enhance the visitors flow to Mattsee we needed not only to solve the primary issues of seasonability of visits and strong competition from other locations but also to make sure we can preserve all the cultural and natural attractions of the village and the surrounding area. By having this in mind sustainability was in the main focus during our group discussions and therefore the solution shouldn't have had a one time-effect but would rather be long-term oriented.

To be able to attract as many visitors as possible we also had to offer the visitors a unique and authentic combination of traditional and contemporary content packed in the form of the event. Moreover, these events should have been able to recreate themselves from season to season. To reach all these requirements we suggest to create a local event marketing team which will develop events based on the principles of storytelling and gamification to enhance traditions with innovations.

As examples of such events we provide specific business case solutions for each of the seasons except summer, namely, Erntedank festival stories, Olaf story and Mattsee wedding stories for autumn, winter and spring respectively. Implementing these events can be a starting point for the event marketing team at Mattsee which should be carefully tracked by certain analytical tool set. We suggest to organize the managerial set up with regard to lean start-up business idea which implies repeat type of business cycle called build – measure – learn with. While a minimum viable product should become a basis for further improvements. To bring as much added value to the customers as possible we also suggest to use a comparative analysis method called Business Model Canvas as a tool to visualize the current situation of business. It refers to the complex analysis of such items as customer segments, value propositions, channels, customer relationship, revenue streams, key sources/activities/partners and cost structure.

To sum it up, we believe that bringing together a beautiful location, sustainable business model and innovative organizational and managerial set ups will result in the substantial improvement of amount of happy people visiting Mattsee all year long as well as extra profits received by the local community.

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