

**55<sup>th</sup> EOQ Congress**  
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Budapest, Hungary - June 20-23, 2011

"Navigating Global Quality in a New Era"



**June 22, 2011 (Wednesday) 55th EOQ Congress**

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**CONCURRENT SESSIONS**  
**KEMPINSKI HOTEL CORVINUS**

**Wednesday 8:30 – 12:30**  
**Erzsébet tér 7-8, Budapest V.**

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**SALON REGIOMONTANUS**

**Wednesday 11:00 – 12:30**

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## **24.2. REFOCUSING QUALITY TO ENHANCE SERVICE TO CUSTOMERS II. QUALITY IN TOURISM**

**Session Chair: Roland K. Jahnke, Deutsche Post, Germany**

### **11.40 Acting as Broker and Agent of Tourism Services**

*Franziska Buser, Business Development & Quality Management, Switzerland Travel Centre, Switzerland*

**Buser, Franziska (Switzerland)**

Head of Business Development and Quality Management at the Switzerland Travel Centre, Zürich, project leader engaged in Implementation Management Systems. She is Lecturer of Project Management and Systems Design at the Institute for Tourism and Leisure Research, University of Applied Sciences in Chur, Switzerland. Earlier she worked at Daniel Fischer & Partner providing tourism consultation in marketing and management. She earned a Quality System Manager certificate at SAQ Qualicon. Her hobbies are skiing, skating and dancing.

**EOQ Congress Budapest, June 20 – 23, 2011**

**Refocusing Quality to enhance Service to Customers: Quality in Tourism.**

Franziska Buser, STC Switzerland Travel Centre AG, Zürich/Switzerland

**Acting as Broker and Agent of Tourism Services**

*How to improve quality with limited influence on the customer process?*

This is the crucial question of players, which are heavily dependent on partners as well as on market places.

Service provider of tourism services face double challenges: in the **distribution** they are **dependent** on market place providers. In the **procurement** they can hardly control the quality of the service provided after the selling process. Service **quality dimensions** such as tangibles, reliability, responsiveness, assurance and empathy are **not in their hand**.

The way of the **business logic** and the motor behind will be provided. Furthermore, findings of quality impacts will be outlined.

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## Swiss Tourism Industry

*“No other sector of the economy is growing so rapidly at the global level.”*

The **Swiss tourism industry** is the **third strongest export** sector in Switzerland and generates about 5% of Swiss export revenues (Federal Statistical Office 2010).

According to forecasts by the UN World Tourism Organization (WTO) the **world tourist arrivals** annually **increase by five percent** in the medium term. International tourism is the **world's largest export earner** and an important factor in the balance of payments of many countries.

The industry experiences a strong upward trend in online bookings: 34% of respondents book their holidays and trips individually on the web (ELVIA travel behavior of 2009).

The facts underline the **high relevance** of today's and tomorrow's **tourism industry**.

*“200 years celebration: first ascent of the Jungfrau “Top-of-Europe””*

**Tourism in Switzerland began with** British mountaineers **climbing** the main peaks of the Bernese Alps such as the Jungfrau in 1811 (3rd August).

Improvements in road building, the advent of steam ships and the expansion of the rail network laid the groundwork which enabled the early tourist industry to develop in the 19th century. The protagonists grasped how to exploit the new opportunities and use them for their own ends. One of these was the Englishman **Thomas Cook**. His first conducted tour of Switzerland in **1863** marked the **beginning of organized tourism** in Switzerland.

## STC Switzerland Travel Centre

*“Spectacular mountain panoramas, alpine peaks glittering with snow, gushing waterfalls in hidden valleys or a cruise in a paddle-steamer over the blue water of a picturesque lake?”*

STC Switzerland Travel Centre, a company of the **Swiss Federal Railways SBB**, **Switzerland Tourism** and a number of private regional railways, offers a wide range of tourism services.

As 'Switzerland Tourism's official holiday broker', Switzerland Travel Centre operates offices in **Zurich**, **London** and **Stuttgart** and employs around 80 people.

STC acts as a broker and agent of tourism services. The service portfolio consists of **2'000 hotels**, which is half of all the hotels in Switzerland. Furthermore we offer all specific **rail offers for tourists**. There especially touristic trains such as the Glacier Express or the Bernina Express.

To distribute the service STC relies on a broad sales network. The main **online platforms** are [myswitzerland.com](http://myswitzerland.com) and [sbb.ch / travel](http://sbb.ch/travel). In addition, the own online booking system is used by over 300 **partners** worldwide. With this means STC reaches its target groups such as **individual and group travelers** as well as **tour operators**.

STC operates own **Service Centres**. In six languages over 200,000 contacts per year with potential Swiss tourists can be processed.

## Broker and Agent of Tourism Services

*“Brokers play an important role in the value chain since they have a strong influence on the supply chain through their choice of suppliers.”*

STC is operating **in two different roles**: ones as a broker and ones as an agent.

STC is a **broker** of tourism services. A broker is defined as a party that arranges transactions between a buyer and a seller, and gets a commission when a service is sold.

STC acts in other cases as a seller itself. Here STC Switzerland Travel Centre is an **agent** who acts on behalf of a principal.

The two roles have a major impact on the **different contract outline**. Especially the legal responsibilities vary.

*“If STC acts as a broker, then STC is not a party to the contract and the providers own contract and travel conditions apply.”*

As a broker or agent of tourism services STC faces double challenges. The quality control of the suppliers as well as of the distributor is not in its hand.

To simplify the business logic and to clarify the terms the following outline was set:

The **suppliers** are service providers which sell their services via STC. The table shows two main service providers and the corresponding services:

Service Provider	Hotel	Train company
Service	Hotel stay	Train ride

The **distributers** are partners which provide their market places as a selling platform to STC. The table shows to two partners and the corresponding market places.

Partner	Swiss Tourism	Swiss Railway
Market Place	Website	Travel Office

The attractiveness of STC in the market depends on the positive influence of the different actors. The better suppliers STC can attract the better market places it gets. The better distributers it gets the better suppliers it becomes. Therefore STC is in a constant optimizing process on both ends of the value chain. This positive influence reflects the **business logic** of STC.

## Quality of Tourism Services

*“Quality cannot be controlled: it must be produced”.*

Tourism services have unique service characteristics. First of all, the perceptions of guests are very different. This can lead to a lack of consistency, which is a major source of customer disappointment.

Five major characteristics are shown in the following table:

<b>Intangibility</b>	Tourism services can't be “touched” before the purchase
<b>Simultaneity</b>	Tourism services are produced and consumed simultaneously
<b>Inseparability</b>	Tourism services can't be separated from the service providers
<b>Variability</b>	Tourism services are highly variable
<b>Perishability</b>	Tourism services can't be stored for later sale or use

Tourism Services are high contact services, as people interact with people at virtually every stage of the way. Tourism services are very people-oriented services, and the service people are plenty and have high contact with the consumers.

Service **quality dimensions** such as tangibles, reliability, responsiveness, assurance and empathy are not in the agent's hand.

Due to this basic circumstance major quality impacts can be found in:

Company management, resource management, contract verification and supplier selection.

## Conclusion

The outline underlines, that to improve quality with the limited influence on the customer process can be done in limited sectors. Within this **limited sectors** priorities are set on tools, which can influence different of this sectors.

One example is the **internal suggestion system**. An effective idea pool on the own intranet site as well as specific improvement circles are set in the company culture.

Furthermore the direct feedback of the market gives us a good indicator how the business logic wheel works. One of our **key performance indicators** is the percentage of complaints in comparison to the number of contacts per month, which is measured and controlled steadily.