



# UNIT-4

## Marketing Management

### Learning Outcomes

**By the end of this unit the learner will be able to:**

- ✓ Discuss the Marketing Strategies in Travel and Tourism
- ✓ Analyse the importance of market research in Tourism

## Unit 4

### Marketing Management

#### Marketing Strategy

Marketing strategies can also be published as a short document. This document can be drafted using the following framework:

- The relationship of the tourism development policies to marketing - a short statement describing their marketing applications.
- International tourism growth - world and regional - showing both the performance of competitors and overall trends.
- Past performance and results, market research findings and their relationship to future perspectives.
- The marketing opportunities offered by the tourism sector - according to the purpose of travel and other market segmentation criteria.
- The current tourism product - strengths, weaknesses, opportunities and threats (SWOT).
- A description of the needed product development and improvement by tourism development area (or state, county, province, or region) - covering: improved access; additional resort areas; hotels, restaurants, shopping and tourism services; the development of cultural, scenic and heritage attractions; and the addition of other attractions such as sporting and recreational facilities.
- A description of any changes in the markets to be pursued. Details of the measures to be taken to achieve these changes. The expected development of tourism giving an indication of the expected volume of tourists and tourism receipts broken down by area/region.
- A promotional programme, developed and approved, covering advertising, sales, representation, public relations, and other promotional activities.
- The approach to sales in each of the principal markets, and the adequacy of distribution and sales networks. This description of the strategy serves as the framework for the marketing plan. The overall approach is illustrated in Figure 4.1.

#### The GTA's Marketing Role

The private sector is extensively involved in all aspects of marketing. Normally, in established destinations, its marketing expenditures far exceed those of the public sector. It is obviously sensible for the public sector to tackle the destination's marketing programme in collaboration. The GTA should retain the responsibility for projecting the overall image of the country's tourism sector. And the GTA itself, in consultation with the private sector, should coordinate marketing policies and strategies. The

GTA also plays a key part in product development. It has important responsibilities in shaping and maintaining the overall tourism product to meet marketing objectives. The promotional role is to position the destination in an overall manner; it differentiates it from competitors. The private sector will then sell it in a variety of ways, through a range of programmes, to a number of different markets. The difference between the public and private sector roles is sometimes dramatized by the statement - ‘We promote the dream, they sell the package.’

A tour operator’s catalogue may be printed in hundreds of thousands, with very clear marketing objectives. It may give a destination several full colour pages, promoting specific packages. However, collaboration between the GTA and the private sector ensures that this kind of promotion fits with the overall marketing strategy. The major tour operators and travel trade interests, the hotel and the airlines are the forces which make a marketing success of a destination. But the GTA helps them. The GTA shows the country in the best light possible, enhancing its appeal as a holiday destination. Image building is a constant process. The GTA and the private sector together may jointly fund some marketing activities. This may be done through a joint marketing committee or board, or may take place on an *ad hoc* basis only. The private sector is more likely to support activities which have visible and specific outcomes. For example, travel agency familiarization trips, travel trade shows and exhibitions and special promotions.



Fig: 4.1 Marketing plan

A GTAs product development and marketing departments may also collaborate on investment promotion. They may develop a promotional strategy covering both domestic and foreign investment.

## Market Research

Market research relies heavily on the management information system and the GTAs research department. There should be a regular flow of tourism statistics. In many countries these are frontier statistics, with the initial data processing undertaken by the immigration authorities often in collaboration with the government's department of statistics. Trends will be identified by the GTA and explained in periodic reports. One should also follow the performance of competing destinations and make comparisons. It is important to note which destinations are doing better than others and why. It is easy to agree to share statistics with other countries, and to exchange data on a monthly basis. Desk research will monitor worldwide trends in tourism. The GTA should receive constant intelligence on the behaviour of the markets, especially about tour operators and major intermediaries selling the destination. A lot of information can be picked up by maintaining frequent contact with the travel trade, and also by studying the trade press. One must also rely on the GTA managers of any representative tourism offices abroad.

## Promotional Activities

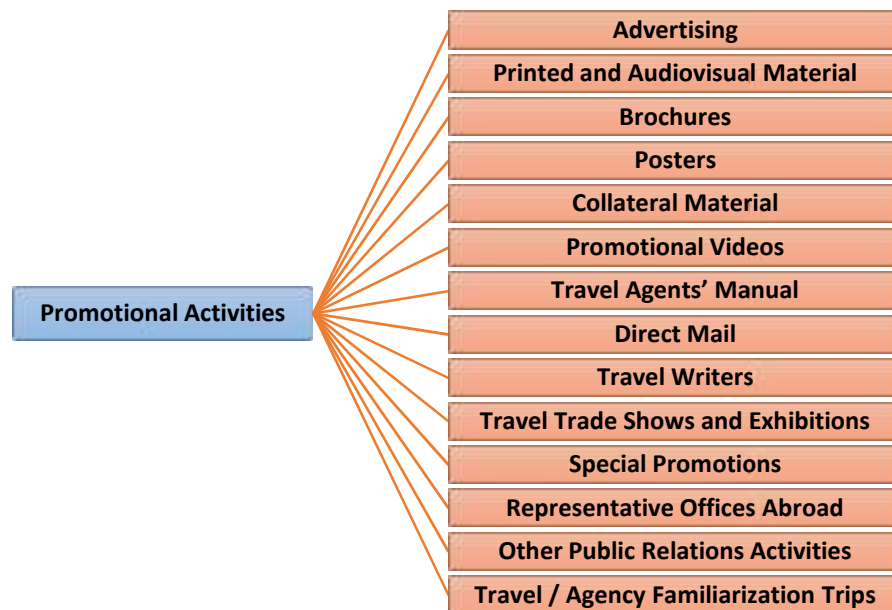


Fig: 4.2

If a high proportion of tourism is sold through tour operators, and a low proportion through independent travel, this will influence the choice of GTA promotional support. Conversely a high proportion of independent travel will require different forms of support. Business travel requires a different approach to promotion. So do health tourism and convention tourism. Domestic tourism will often require a more

active GTA role, using quite different media. For example, bill boards, radio and television, often less likely to be used in international tourism, may be used locally. All promotion must have a clear objective. What is it setting out to achieve? It has to have a clear message. What is it trying to say and to whom? It has to use the right media. Is this how and where to give the message, and will it reach the right people? In the following sections a number of marketing approaches and techniques are discussed: advertising, various printed and audiovisual material, direct mail, travel writing, travel agents' familiarization trips, travel trade shows and exhibitions, special promotions, representative offices abroad, other public relations activities.

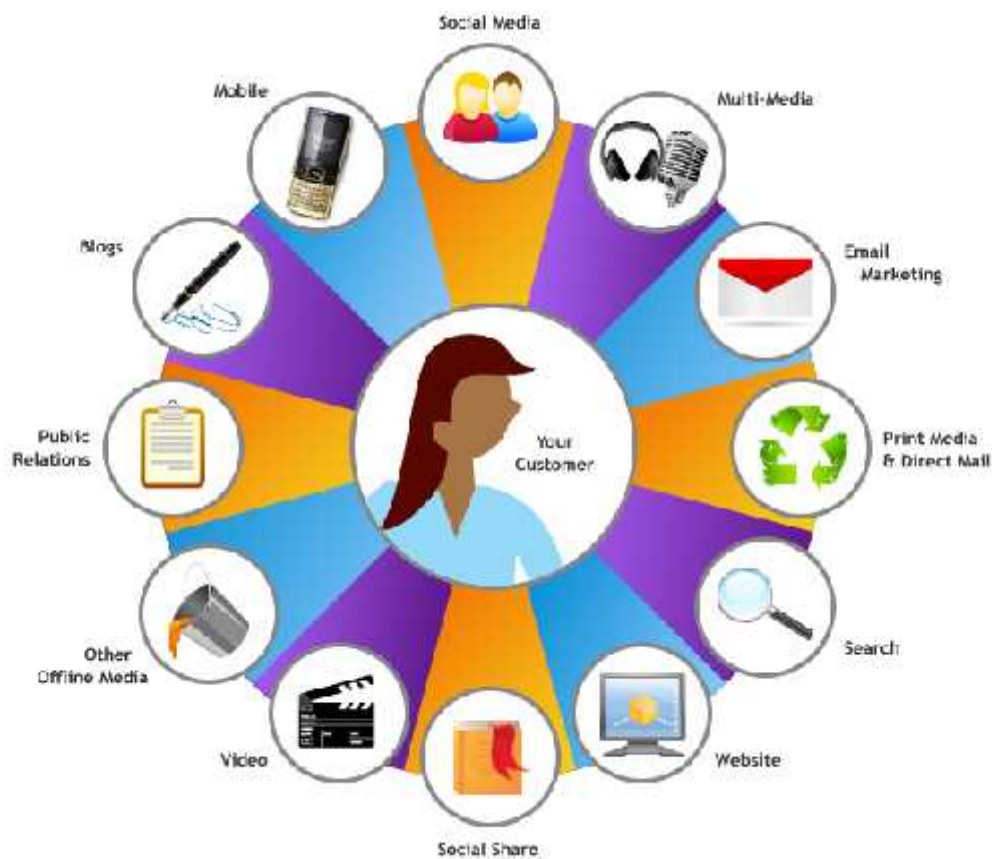


Fig: 4.3

## Advertising

Advertising is any non-personal communication of ideas and messages, usually paid, intended to sell goods or services. It is always advisable to use an advertising agency with previous experience, a good track record in tourism, and a close knowledge of the characteristics of the particular market. It should know the most appropriate media to use and, from previous experience and testing, the effectiveness of different copy, layout, segmentation, frequency and coverage. An agency will prepare the media plan in consultation with the client, and provide marketing justification for the proposals made.

The media's advertising tariffs are discounted to allow for the agency commissions. The agency costs to the client, therefore, may be mostly covered or alternatively negotiated on a fee basis. Any GTA advertising is likely to be mainly image building. It is always important to keep the image of the destination to the forefront. Image building through advertising is **an** expensive proposition since it usually involves prestige newspapers, magazines and possibly television. It will therefore depend on the size of the promotional budget. This will generally depend on the size of the country, its level of development and the scale of the tourism sector. Prestige advertising such as a full page in *Time* magazine or *Newsweek* is commonly used by a number of countries. Such advertisements may also feature the national airline. Whether image building is effective or not is difficult to measure. If a country's tourism **is** successful, and growth rates are maintained, keeping up or doing better than competitors, it is judged to be effective. If tourism drops, then part of the blame is usually attributed to the advertising. There may be no sound basis for either conclusion.

Better methods of research have enabled researchers to establish a closer correlation between advertising and resulting sales. However, this is easier to do for consumer products than for tourism. Small destinations with limited budgets may rely on other ways of strengthening the image; mainly through press coverage – notably travel writers - and public relations in general. However, small destinations are often accused of spreading their budgets too thinly. It is often suggested that they should keep their resources together, concentrate their buying power and still buy a small quantity of image building advertising. This is mostly a question of judgement. Much will depend on how well the destination is doing and how much spare capacity exists. If sales need to be boosted substantially then an approach using high profile advertising may be justified. If a high proportion of tourism consists of independent travel, a GTA may place some advertising in the travel trade press. If there is a large market of business traffic this may also justify some travel trade advertising. A GTA may also link with tour operators and airlines to place some travel trade advertisements linked to a specific promotion or programme. It is unlikely, except with some domestic promotion, for GTAs to advertise alone. They are more likely to act in collaboration with the private sector. Joint marketing initiatives usually include some advertising. Television and radio are more likely to be used to promote domestic tourism. Some destinations, however, have made a point of using both radio and television in their major markets. Television advertising can have wide impact, but it is expensive both in production costs and air time. **A** number of Caribbean destinations use television advertising in North America during their winter season.

### **Printed and Audiovisual Material**

Tourism printed and audiovisual material (principally video) is aimed at information, promotion or education. For example, a brochure is promotional, a city map provides information and a museum leaflet may be mainly educational. However, all three purposes may be combined in a single item of printed material, for example, a brochure which is not only promotional; a city map which can promote tourist attractions and carry advertising; a museum leaflet which can recommend other things to do and

see, and also carry some advertising. People tend not to keep material which is purely promotional. However, if it contains useful information, or educational content for future reference, they may well keep it.

The purpose of any item has to be defined as closely as possible.

- What is the purpose?
- Who is it aimed at?
- To say what?
- With what result?
- Where will people obtain it? Where will it be available?
- Will it be mailed/distributed? If so how?
- How many will be printed?
- How will they be used or distributed?

A lot of promotional material is produced without going through these questions rigorously. Material with a vague purpose is a waste of money. If an item is to be used for mailing, its size and weight are important considerations. Brochures are historically small to facilitate mailing. But a destination brochure may be intended primarily for a display rack. It can be bigger, bolder and more striking.

### **Brochures**

As noted, one should define the exact purpose of the brochure and how it is to be used. This is essential in determining size, layout and design. The brochure should not have too much text or too many photos. Essential information such as maps, addresses, agencies/ reservations, telephone and fax numbers should also be included. Brochures should be concise, crisp, and reflect the style of the destination. How many different types of brochures are produced depends on the destination; for example, one may have a general brochure, a sports brochure, and a cultural appeal brochure. It depends on the composition of the product and the market, including both mainstream and special interest segments. Separate brochures may be produced for certain segments such as diving or trekking. A special brochure might be jointly produced with a tour operator or airline to support a particular programme.

### **Posters**

Posters are a popular and effective means of promotion. If they are good they will be displayed. They must portray strikingly the destination's image. Posters can also be sold to the general public to help defray costs.

### **Collateral Material**

Collateral material includes items such as lighters, pens, credit card wallets, writing cases, postcards, etc. This collateral material carries the GTAs logo and is used for public relations and promotional purposes, usually as giveaways. Again it is has to be of a design and quality compatible with the image.

### **Promotional Videos**

Promotional videos are the most common audiovisual material used. Videos of this type are a major tool in projecting the image of a destination. A video conveys a strong overall message - this is the place, this is what we are, this is what you will find. The video should be about 15 to **20** minutes, not longer, and be fast moving, comprehensive and have immediate impact. It has to hold people's interest from start to finish. For these reasons a video should be professionally produced. It is a good idea to invite bids. This enables an assessment of the creativity and originality of film-makers. It can also verify whether they have correctly interpreted the destination's image. CD-Rom and multimedia applications will have many future possibilities for tourism promotion.

### **Travel Agents' Manual**

This is often called a manual, but it could be called equally well a directory or guide. It is a well produced piece of printed material containing a comprehensive description of the destination. It should include all the inbound tour operators, travel agencies, hotels, restaurants, tourist attractions, sporting and recreational facilities, entertainment facilities and the complete range of tourism services on offer. It provides agents with an important tool. It **is** the destination's visiting card and a valuable source of reference. It provides the necessary information to make bookings and do business with the destination. Although an expensive item to produce, a substantial part of the cost, if not all of it, can be recovered from advertising. Information on rates and tariffs should be printed on a separate sheet to facilitate reprinting and updating.

**A** manual of this kind is for retailers or small independent tour operators as opposed to the large companies. The major tour operators will negotiate their contracts directly, and sell through their own catalogues. It will be of particular value to agents wishing to plan and book independent and small group travel.

### **Direct Mail**

Direct mail is an advertising medium. The costs of postage make it relatively expensive, but it is an effective way of communicating with the travel trade. It is good to link it with the distribution of a regular newsletter or information bulletin. An up-to-date mailing list of tour operators and travel agencies can be held in the MIS. Sub-lists may also include the clubs and associations linked to any special interest markets. For example, diving clubs, golf clubs, historical associations, and cultural groups.

The database will allow mailing lists to be printed for any particular purpose; country, type of agency or organization, and geographical area.

It is not normally appropriate for a GTA to use direct mail for a narrow sales purpose. It uses it for general advertising and public relations; to provide updated information, stay in touch and keep the destination in the forefront of people's minds.

### **Travel Writers**

The market information system should carry the details of the major travel writers of potential importance to the destination. Files should be kept up-to-date, with details of articles published. Some of these writers, on their own initiative, may choose to visit or write about the destination. They may do this independently or through the GTA. The GTA should evaluate any request based on the criteria it has assembled. Apart from this, the GTA should prepare its own list of travel writers as a part of an annual programme. Chosen writers should then be invited to visit and write about the destination. The cost of transport and accommodation at the destination, should be arranged by the GTA. The GTA will coordinate with the private sector on these arrangements. Writers should be invited singly and never in a group. Writers may contact the GTA asking for visits to be facilitated, and accommodation arranged. An editorial letter of introduction or appointment should be requested. The GTA may decide to collaborate if the magazine (circulation and readership) and the proposal appear acceptable. Or it may only offer to arrange a discount and help with a programme. Some types of proposal may not be worthwhile at all. Some magazines may offer editorial space if advertising space is taken. Many work with a formula - so much advertising is worth so much editorial. Some of these arrangements may be worth considering, but one should be cautious. Advertising plus editorial should be seen together as one package. The purpose should be clear and the expenditure well justified. Writers engaged on guide books or travel books should be judged on similar criteria to the above. Are they known? Do they have an editorial letter from the publishers? Is the piece of work worthwhile? If so, the GTA should offer its maximum collaboration. A GTA may take initiative in promoting proposals for particular kinds of guide books or travel books. It should write to publishers, outline proposals and spell out the assistance which it is prepared to offer. The purpose, and exactly why a particular book is needed, should be clearly justified. The number of copies, the readership, the distribution, and the expected impact - all these things need to be studied.

### **Travel / Agency Familiarization Trips**

These trips should continue all the time. It is important to maintain successive waves of travel agency staff passing through and getting to know the destination, Staff with this kind of direct product knowledge plays a key role in sales. Having seen a destination firsthand they will speak about it with more conviction and enthusiasm. The agencies to be invited should be among the biggest producers of business. The tour operators selling a destination can certainly recommend agencies as can the airlines. A GTA, through visitor surveys, and working closely with inbound operators, the airlines and the hotels, can build up its own files. The MIS should maintain files on all agencies, gradually building up a record of

the various supporting networks of retailers. The GTAs representative offices abroad can also provide valuable advice on the agencies to include. The programme while in the destination should be drawn up in collaboration with the private sector. This is one of the tasks which any joint marketing committee or board can undertake. In most destinations, trips will normally be from three to five days in duration. Groups may consist of up to 30 agency personnel and sometimes more. At times a tour operator may dedicate one entire flight, at the beginning of a programme, to agents' familiarization. The agency personnel are shown the hotels and facilities, the tourist attractions and other features of the destination. They lunch and dine in a cross section of restaurants, and see the various entertainments available. They should try out the destination and all that it has to offer.

### **Travel Trade Shows and Exhibitions**

There are many reasons for destinations to be present at travel trade shows and exhibitions:

It is a chance to reinforce the image of the destination - to show clearly what it represents and what it offers. It enables collaboration with the tour operators already selling the destination, creating an opportunity to support their sales efforts.

- It enables some worthwhile public relations activities - receptions, press conferences, interviews, radio.
- It can include television appearances for any accompanying dancers, singers and musicians.
- It can enable some direct sales follow-ups with the travel trade in general.
- It may be instrumental in establishing a first contact with one or more tour operators, with a visit to the destination arranged as a follow-up.

It is usually thought that few new deals are done at trade shows. How much selling is done depends on the inbound operators and hotels accompanying the GTA team. These are the people who can actually sell, put together a variety of new arrangements and packages and negotiate a contract on the spot. In most cases, however, trade shows are used to make first contacts or to follow up old contacts. The stand should be of a standard and quality to reflect the image of the destination. Specialist designers should be used to produce something imaginative and eye catching. It is a good idea to enlist the help of dance and musical groups, and any of the country's outstanding artists and performers already known internationally. It is common for destinations to put on a special night, using a national theme, with dinner and entertainment. If this is done the budget should be adequate. Some activities have to be undertaken merely for the purpose of general image building.

### **Special Promotions**

Special promotions abroad may sometimes be run in conjunction with participation at a travel show. A variety of activities may be planned within the same week: a food and gastronomic festival, fashion shows, folkloric/dance performances, music recitals and pop concerts. This would be part of a short

campaign linked to a theme. One must focus, as always, on the results to be achieved. Effectiveness will depend mostly on the preparation, coverage, timing, support and budget.

### **Representative Offices Abroad**

These offices play **an** important marketing role. They are not there to work for the country's ambassador; to provide local reservations, travel and airport 'meet and greet' services for visiting government officials. They should be completely separate and independent from the local embassy.

**An** office plays an important part in identifying market information. It has to monitor what's happening in the market and make regular reports to the GTA. **An** office will also work on public relations staying in close touch with travel writers, radio producers and other media people. It can also liaise with any local advertising agency employed by the destination.

### **Other Public Relations Activities**

The public relations section of the GTAs marketing department may take responsibility for a number of the areas already discussed. For example, travel agents' familiarization trips and travel writers. However, there are other important public relations activities. **A** damage control system should exist to deal with any sudden and adverse publicity, For example, an earthquake or natural disaster, or civil disturbances, or the murder of a tourist. Rapid action is needed to try and lessen the impact of bad news coverage. It may consist of telephone calls to opinion makers, press releases, press conferences, emergency advertising or any other action depending on the type of occurrence and the market or markets affected. The handling of complaints letters is another important area. Complaints should be followed up and investigated, and a detailed reply prepared for the signature of the GTAs chief executive. There should be close liaison with the regulation and control department, since enterprises may have contravened required minimum standards. Periodically the complaints should be analysed, and put into report form. It may be desirable to organize press conferences from time to time. Led by the chief executive of the GTA, these can be an effective way of communicating with the media. **A** freewheeling question and answer session at the end can create a relaxed and open relationship. It will help to win positive media support for the implementation of plans, and future development of tourism.

## **Measuring Promotional Effectiveness**

Rules of thumb are often cited about how many pieces of promotional material are needed to produce one tourist. There is no general rule. However, there is certainly a correlation in many people's minds between success and the promotional budget. **A** destination achieves

a certain impressive growth rate and part of this success is attributed to the promotion. It is concluded that the promotional budget must have been right. **As** already pointed out, this does not follow. There are rules of thumb about the proportion of tourist revenues that should be spent for promotion. These also tend to be misleading. The promotion needed is that which will achieve the planned results. No

more and no less. Promotion and its form and content are a question of judgement. There are so many variables at work that it is impossible to isolate the exact reasons for a sector's results. The GTAs promotion sets the stage for, and supports, the private sector. It sows the seeds in the market place which the private sector must follow up. This is image building. Once the private sector has followed up, the GTA undertakes other promotional activities which lend support; for example, travel writers, newsletters, travel trade shows, and familiarization trips. A constant flow of feedback through the tour operators, the trade press, surveys, advertising agency studies and the hoteliers, is essential. This provides the basis to evaluate promotional effectiveness. As experience is built up, it becomes evident what works and what does not work, and what might work that has not been tried before. If a GTA stopped spending money on promotion tomorrow, would it make any difference? This is the key question. Private sector promotional effectiveness is often easier to measure. A tour operator's catalogue - the most important promotional tool in tourism - can be partly evaluated through the sales results achieved. However, there are many contributory factors in a person's buying decisions; promotion is just one.

## Marketing Objective and Results

The objectives and results reflect the marketing strategy described at the start of this unit.

### Objective

To review and implement a marketing strategy, identifying the market segments to be attracted, the marketing criteria to guide product development, and including plans and programmes for all related advertising, sales, promotional and public relations activities.

### Result 1

A review of the marketing opportunities and tourism product, the selection of market segments and the implementation of the marketing strategy.

### Result 2

A marketing programme, developed and approved, detailing the promotion, printed material, direct mail, advertising, representation and public relations activities - together with the corresponding budget.

### Marketing Activities

In accordance with the results planned above, the first group of activities addresses the review and implementation of the marketing strategy. The second group tackles the planning and implementation of the promotional programme.

### Result 1 - Marketing Strategy

In its implementation the marketing strategy should include, where possible, targets for each market segment. These may include the number of tourists, length of stay, and (for international tourism) the value in foreign exchange earnings. This breakdown may follow the purposes of travel already listed; leisure, recreation and holidays (mainstream, special interest and any alternative tourism), visiting friends and relatives, business and professional, health treatment, religion/pilgrimages and other. Under each of these markets, the marketing strategy can be finalized and implemented according to the following activities:

- Review market research and intelligence findings (from surveys, desk research and the MIS) dealing with visitor satisfaction, needs, competitor's advantages etc, liaising with the research department. Identify and meet the needs for any further information.
- Prepare a background summary of past tourism performance, identifying trends. Identify the marketing opportunities by country of tourist origin, by market segment, and assess the corresponding appeal and impact of the tourism product in marketing terms.
- Review and develop the marketing mix: product, price, image, promotion, and distribution by province/area/region chosen - location, facilities, services, attractions: strengths, weaknesses, opportunities and threats (SWOT).
- Structure the product - disaggregate by province/area/region.
- Collaborate in the preparation of product development plans, and their implementation.
- Prepare an assessment of each market: profile, nationality, gender, stage of life, social grade, mode of transport/distance travelled.
- Identify any psychographic background - if data are available, and indicate any likely changes taking place.
- Plan the marketing results sought - numbers of tourists, length of stay, and expenditure, by area region.
- Plan and implement the promotional programme (see separate activities).
- Integrate marketing activities with areas other than research and product development; notably, management and organizational development, regulation and control, human resources development and public awareness programmes.

### Result 2 - Promotional Activities

The following activities are needed to develop and implement the promotional programme (Result 2 of the marketing objective):

- Review the whole area of working relationships with retailers and tour operators, and ways of developing the sales network for each market.
- Set up marketing collaboration with the major airlines.

- Assess the image in these selected markets in terms of identity and appeal (negative and positive factors), and the right marketing mix. Consult with the private sector on any joint marketing initiatives and funding, and prepare and agree overall budget arrangements.
- Review the design and production of printed material - brochures, posters, folders and publications, and the production and distribution programme together with corresponding costings.
- Develop a schedule for the production of any audiovisual material.
- Develop mailing lists of both tour operators and retailers, planning the use to be made of direct mail and the production and distribution of a newsletter or similar publication.
- Plan any advertising to be developed and placed - by selected market.
- Develop annual plans working with each representative office abroad, and/or plan any other overseas representation.
- Plan travel agents' familiarization trips, and representation at major trade shows.
- Develop plans to work with travel writers and journalists, proposing who to invite and when.
- Plan and undertake other needed public relations activities.
- Collaborate on investment promotion strategies.
- Develop any special promotions. For example, a Tourism Week, in collaboration with the private sector, aimed at both tourism promotion and public awareness.
- Prepare and agree the marketing budget
- Implement the promotional programme, monitoring closely its effectiveness.

### Further Reading:

- ✓ *Victor T.C. Middleton, Jackie R. Clarke, (2001), Marketing in Travel and Tourism*
- ✓ *J. Alf Bennett, Johan Wilhelm Strydom, (2001), Introduction to Travel and Tourism Marketing*
- ✓ *Mike Morgan, Ashok Ranchhod, (2009), Marketing in Travel and Tourism*