



UNIT-3

Marketing in Travel & Tourism

Learning Outcomes

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

- ✓ Discuss the marketing strategies in travel and tourism
- ✓ Understand the importance of market research in tourism

Unit 3

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A Marketing Strategy

Marketing strategies can be printed in the form of a concise document, prepared using the framework outline below:

- The affiliation between the tourism-developing policies and marketing – a quick statement explaining their applications to marketing;
- Growth of international tourism – global and regional – including global trends and competitor performance;
- Previous accomplishments and results, the findings of market research, and the association with regards to the future outlook;
- The marketing prospects made available by the tourism industry – in relation to the reasons for travel and other market division criteria;
- Existing tourism products – Strengths, Weaknesses, Opportunities and Threats (SWOT);
- An explanation of the required product development and enhancements by the tourism development locations (or state, province, region or county) – covering: better access, more resort areas, restaurants, hotels, tourism services and shopping. The improvement of cultural, scenic and heritage draws and the add-ons of other points of appeals like sporting and recreational facilities;
- An explanation of the alterations in markets to be followed. Detailed plans to be pursued to reach these objectives. The anticipated development of tourism with some idea of the expected numbers of tourists and tourism revenues, according to the area/region;
- An endorsement agenda that has been officially developed covering sales, advertising, public relations, representation and other promoting activities;
- The advance towards sales in every major market and the sufficiency of distribution and sales networks.

This outline of the strategy provides the framework for the marketing plan. The general approach is depicted in Figure 3.1.

The GTA's Marketing Role

The private sector is greatly caught up in each facet of marketing. Usually, in well-known destinations, its marketing expenses are much more than those of the public sector. It only makes sense for the public sector to undertake the destination's marketing programme in partnership. The GTA must maintain the responsibility for portraying the basic image of the country's tourism sector. Also, the GTA itself in

collaboration with the private sector should develop marketing policies and strategies. The GTA has an important role to play in product development. It plays a vital role in shaping and maintaining the overall tourism product to reach marketing goals. Its promotional job is to portray the destination in an overall way; a way that differentiates it for the competition. The private sector will then take over to sell in a wide variety of ways, using a variety of programmes for different markets. The division of the public and private sector duties is, at times, communicated in the statement – “We promote the dream, they sell the package.”

The tour operator’s brochures might be published in quantities of hundreds of thousands, containing very precise marketing objectives. They can feature a destination with many full colour pages, endorsing targeted packages. However, the association between GTA and the private sector makes certain that this type of a picture is in line with the overall marketing strategy. The largest tour operators and travel business interest holders, the airlines, and hotels are the powers that make marketing success out of a destination.

The GTA helps them in the venture. The GTA portrays a country in the best light possible, adding to its attractions as a holiday destination. Building an image requires continuous work. The GTA and the private sector working together can share the costs of some marketing activities. This can be carried out by establishing a joint marketing committee or a board, or it can be done on an ad-hoc basis. The chances are greater that the private sector will support activities with visible and precise outcomes. For instance, the travel agency’s getting acquainted trips, travel trade shows, special promotions and exhibitions.

Figure 3 .1 Marketing plan



The GTA's product development and marketing departments can also work in partnership on investment promotion. They can create a promotional strategy that covers domestic, as well as, foreign investment.

Market Research

Market research depends greatly upon managing information system and the GTAs' research department. There has to be a continuous flow of tourism statistics. In many countries, these are frontier statistics, where the processing of the early data is carried out by the immigration authorities on a regular basis, in partnership with the government's statistics department. The trends are identified by the GTA and described in regular reports. It is necessary to keep an eye on and compare the performance of rival destinations.

A note has to be made of which destinations are performing better than others and why. It is simple enough these days to share statistics with other nations and exchange data on a regular basis. Desk research can monitor worldwide movements in tourism. The GTA should acquire continuous intelligence on market behaviour, especially in regard to tour operators and other main intermediaries selling a destination. A great amount of information can be ascertained by keeping in regular contact with the travel trade and studying the news. Marketers also have to depend on the GTA managers of the representative tourism offices abroad.

Promotional Activities

If a large portion of tourism products are being sold through tour operators and a comparatively low portion through independent travel, this will affect the choice of promotional support by GTA.

Alternatively, the high portion of independent travel will need different types of support. Business travel will need yet another approach to promotion, as will health tourism and convention tourism. Domestic tourism will need a more aggressive GTA role, using a different media outline altogether. For instance, radio, billboards and television are unlikely to be employed in international tourism, but can be used locally.

All promotional activities have to have clear cut objectives. What are the goals? The message has to be clear. What is being said and to whom? The appropriate media has to be employed. Is this the best way and the right place to give the message and will get it to the right people? In the upcoming sections, a variety of marketing tactics and techniques are explained: advertising, audiovisual and various printed materials, travel writing, direct mail, familiarisation trips for travel agents, travel trade shows and exhibitions, special promotions, representative offices abroad and other public relation methodologies.

Advertising

Advertising is the communication of any non-personal messages and ideas, normally paid, and with the purpose of selling goods or services. It is recommended to make use of an advertising agency with prior experience, a good record in tourism and first-hand knowledge of the features of a given market. It should be aware of the most appropriate media to be used and be up to speed on the testing and effectiveness of various types of copy, segmentation, layout, coverage and frequency. The agency will put together a media plan in collaboration with the client, and lay out the marketing strategies for the plans drafted.

The media's advertising costs are discounted to make up for the agency's commissions. Hence, the expenses of the agency to the client can be, for the most part, covered or bargained on a fee basis. GTA advertising is, for the most part, focused on image building. It is always essential to maintain the image of a destination at the forefront. Using advertising to build an image is an expensive prospect, as it typically requires involvement of well-reputed newspapers, magazines and television. As such, it is all determined by the advertising budget. This in turn will be determined by the size of the country, its level of development and the tourism sector's scale/value there. Prestigious advertising, such as a full page spread in *Time* magazine or *Newsweek* will be routinely used by many countries. These types of endorsements can also be highlighted in national airline magazines. Whether image building is effective or not is hard to measure. When tourism is successful and growth rates are steady, at the same level or better than competitors, it is thought to be effective. If it drops, then a portion of the fault is usually put on advertising. There might be no significant basis for either deduction.

Better researching techniques have allowed researchers to note a closer association between sales and advertising. However, this is more easily done with consumer products than tourism. The smaller destinations with restricted budgets can depend on other methods of reinforcing their image; most usually through coverage by press – most notably travel writers – and public relations in general. Smaller destinations are frequently accused distributing their budgets too thinly. It is recommended that they concentrate their resources, focus their buying power and purchase smaller volumes of image building advertising. It is however, a judgement call. A lot will be determined by how well a destination is

performing and the capacity that exists. If sales have to be enhanced significantly, then the high profile advertising approach may be justified. If a lot of the tourism is made up of independent travel, the GTA can place advertisements in the travel trade press. If a significant market of business traffic exists, it too might justify some travel trade endorsements. The GTA can also link with tour operators and airlines to place travel trade advertisements associated with a specific promotion or programme. It is not likely, except in the case of some domestic promotions, that the GTA will advertise by itself. They will more likely work in association with the private sector. Combined marketing initiatives normally include some advertising.

More commonly, television and radio are employed in promoting domestic tourism. A few destinations do nonetheless make an effort to use television and radio in major markets. Television marketing can have wide-reaching effects, but it is expensive in terms of producing and air time. Many Caribbean destinations make use of television endorsements in North America during their winter season.

Printed and Audiovisual Material

The function of printed or visual material (mainly video) in tourism is to inform, promote and educate. For instance, a brochure is created to promote a destination, whereas a city map informs and a museum leaflet can mainly be educational. All three functions can also be combined in a single form of printed material. A brochure can be printed which is not solely promotional; a city map can promote tourist attraction and have advertising; a museum leaflet can feature recommendations for other things to see or do, in addition to carrying advertising. People usually do not hold onto material that is only promotional. But if it has useful information, or educational information deemed useful for future reference, they may keep it.

The function of any such item must be defined as clearly as possible.

- What is the reason for it?
- Towards whom it is aimed?
- What should be said?
- What result is to be achieved?
- Where will people get it from?
- At what localities will it be available?
- Will it be mailed, or distributed? If so, how?
- How many should be printed?
- How will it be used or distributed?

A large proportion of promotional material is generated without ever considering these questions thoughtfully. Materials without a specific function represent a waste of funds. If any material is going to be mailed, then its size and weight are essential considerations. Traditionally, brochures are printed for mailing purposes. However, a destination brochure can be designed for a display rack; in which case, it maybe larger, bolder and more striking.

Brochures

As stated, the exact function and use of the brochure must be defined. This is important for determining its size, design and layout. A brochure must not contain too many photographs or excessive amounts of text. Important information like maps, telephone and fax numbers, agencies/reservations and addresses should be included. Brochures have to be brief, crisp and imitate the style of the destination. The number of varying brochures produced is determined by the destination. For instance, you can have a brochure with general appeal, sports appeal or cultural appeal. It all will be determined by the composition of the product and market, inclusive of mainstream and special interest segments. Individual brochures can be created for specific activities like diving or trekking. A special brochure can be created jointly between a tour operator and an airline to promote a special programme.

Posters

Posters are an effective and efficient method of promotion. If they are first-rate in quality and impact, they can be highly influential. They have to show the image of a destination prominently and can also be put up for sale to the public to help cover their production costs.

Collateral Material

Other promotional items like lighters, pens, writing cases, credit card wallets and postcards are considered collateral materials. This type of materials carries the GTA's logo and is used for public relations and endorsement, typically as giveaways. Once again, it must have an design and level of quality that is compatible with the image.

Promotional Videos

Endorsement videos are the most common audiovisual content used. These types of videos are a major image-projecting tool of any destination. A video communicates a strong total message – this is the location, this is who we are and this is what you will get. It has to be approximately 15 to 20 minutes at the most and must be fast-paced, comprehensive and have an immediate impact. It has to captivate the viewer's interests from beginning to end. Hence, it needs to be professionally produced. It is best to invite bids for these kinds of projects. This gives scope for assessing the creativity and originality of the available film makers. It will also allow for the verification of the destination's correct image interpretation. The internet has already revolutionized the modern approach to distributing video tourism endorsements.

Travel Agent's Manual

While this is frequently known as a manual, it can just as easily be called a guide or a directory. It is a purpose-produced material which includes a complete description of the destination. It must contain all inbound tour operators, hotels, travel agencies, tourist attractions, restaurants, sporting and recreational facilities, entertainment facilities etc., and the total range of tourism services offered. This provides agents with a very important tool - it is a priceless source of reference. It contains the needed

information to make bookings and carry out business with a destination. While a costly item to put together, a significant portion, if not all, may be recovered through advertising. Information regarding rates and tariffs is better printed on a different sheet to allow for ongoing reprinting and updating.

This type of a manual is geared toward retailers and smaller independent tour operators, as opposed to the larger travel establishments. This is because larger companies will bargain their contracts directly and usually sell through their own catalogues. It will, however, be of great value to agents booking independent and smaller travel groups.

Direct Mail

Direct mail is another advertising medium. The postage cost makes it fairly expensive, but it is an efficient method of communication within the travel trade. It is better to connect it with the distribution of a regular newsletter or information bulletin. The updated mailing lists of tour operators and agencies can be kept in the MIS. Sub-lists can be made up of clubs and associations connected to special interest markets. For instance, diving clubs, historical associations, golf clubs and cultural groups. Databases permit mailing lists to be published for any given purpose; country, type of agency or establishment, and geographical area.

It is generally not suitable for GTAs to make use of direct mail for a restricted sales purpose. It is better used for general advertising and PR; to supply revised information, keep in contact and keep the destination at the front of the customer's mind.

Travel Writers

The market information system should take into account the comments of the influential travel writers of possible significance to a destination. Files should be kept up to date, with examples of published articles. Some of the writers may, of their own accord, opt to visit or write about the destination. They may do this through a GTA or independently. The GTA has to appraise any request on the basis of its collected criteria. Other than this, the GTA should come up with its own list of travel writers on an annual basis. The selected writers should be invited to pay a visit to the destination and write about it.

The GTA should take care of the transport and accommodation costs at the destination. To take care of these arrangements, the GTA should coordinate with the private sector. Writers should be invited on an individual basis and never together. Writers may get in touch with the GTA, requesting for visits to be made possible and accommodations set up. An introductory editorial letter or an appointment may be requested. The GTA might decide to cooperate if the magazine (readership and circulation) and the offer appear to be acceptable.

Alternatively, it may only be willing to arrange a discount and help with the agenda. Certain kinds of proposals may not be deemed useful at all. Certain magazines will offer editorial space provided advertising space is taken. Several employ a fixed formula – a certain amount of advertising is balanced with a given amount of editorial. While some of these offers might be worth considering, it is crucial to be careful.

Advertising and editorial space need to be thought of as one unified package. The goal has to be transparent and the expenses warranted. Writers occupied with guide books or travel books have to be judged on criteria parallel to those mentioned above. Are they recognised? Are they carrying an editorial letter from publishers? Is the piece of work meaningful? If yes, the GTA should provide maximum cooperation. GTAs can take the lead in endorsing proposals for specific types of guide books or travel books. It should establish contact with publisher to provide proposal outlines and explicitly state the assistance that it is ready to provide. The function, and precisely why any given book is required, should be justified clearly. The quantity of copies, readership, distribution and the expected impact should all be considered.

Travel and Agency Familiarisation Trips

Familiarisation trips should be seen as an ongoing process. It is vital to keep successive waves of travel agency staff moving through the industry and becoming acquainted with a destination. Staff with this type of first-hand product knowledge play a major role in sales. Having been to a destination, they will be able to talk of it with greater conviction and passion. The agencies that are invited need to be among the largest producers of business. The tour operators selling the destination can provide recommendations for agencies, as can the airlines.

A GTA, by taking visitor surveys, working in collaboration with inbound operators, airlines and hotels can also accumulate their own files. The MIS needs to keep files on all agencies, in order to slowly build a record of the varying supporting networks of retailers. The representative offices of the GTA abroad can also supply beneficial advice on which agencies should be included. The agenda should be produced in partnership with the private sector. This is the type of a task that a joint marketing committee or board and take up. For the majority of destinations, the duration of trips is usually three to five days. Visiting groups can be composed of 30 agency personnel or even more. Sometimes, the tour operator might even dedicate the whole flight, at the programme's start, to getting agents acquainted. The personnel are shown the facilities and hotels, tourist attractions and all other key features of a destination. They have their meals in wide ranging types of restaurants and take note of the entertainment available. They should ideally try out everything a destination has to offer.

Travel Trade Shows and Exhibitions

There are a number of reasons for a destination's presence at travel trade shows and exhibitions:

- It is an opportunity to strengthen the destination's image – to clearly display what it represents and has to offer;
- It allows for cooperation with other tour operators already selling the destination, providing a chance to reinforce sales efforts;
- It allows for productive public relations activities – press conferences, receptions, interviews and radio;

- It may incorporate television appearances with accompanying singers, dancers and musicians;
- It may allow for direct sales check-ups with the general travel trade;
- It can prove to be critical in facilitating first-contact with one or more tour operators, with follow-up destination visits then being arranged.

It is a general conception that many new deals are made at trade shows. The quantity of selling done is entirely dependent on the inbound operators and hotels going with the GTA team. As these are the individuals doing the selling, they may come up with a variety of new arrangements and packages, and carry out the bargaining on location. The stand has to be of a quality and standard that reflects the image of the destination. Designers specializing in the field should be used to create something imaginative and eye-catching. It is also beneficial to get help of musical groups and entertainers, and have the country's best artists or performers to come along for promotional purposes. It is not uncommon for destinations to hold special nights, using national themes combined with dinner and entertainment. If this is to be carried out, there has to be sufficient budgeting for it. Some activities must be carried out for the sole purpose of overall image building.

Special Promotions

Special promotions overseas might, at times, be run in cooperation with travel shows. Different activities can be held in the same week: a food and culinary festival, fashion shows, dance/folklore performances, pop concerts, music recitals and so on. As always, it is a case of being dedicated, committed and focused on the goal of the promotion/event. Success will be determined for the most part on coverage, timing, preparation, support and budget.

Representative Offices Abroad

Offices abroad play a vital role in marketing. Their function is not to work for the ambassador of the country; assisting with local reservations, travel, airport 'meet and greet' services for official government visitors and so on. They have to remain independent and separate from the local embassy.

This office plays a vital role in obtaining market information. It has to keep an eye on what is going on in the market and make frequent reports to the GTA. It will also carry out public relations work, by maintaining close contact with travel writers, radio producers and other people in the media. It can coordinate with local advertising outfits, which are hired by the destination.

Other Public Relations Activities

The GTA's public relations department of the marketing division can take up duties of in a number of areas already examined, like familiarization trips and working with travel writers. There are also some additional key public relation duties. A damage control plan should be ready to handle any sudden and negative publicity. This could include an earthquake, civil disturbance, a natural disaster or even the murder of a tourist. Quick action is required to try to minimize the effect of the negative news coverage.

It can be telephone calls to people who offer public opinions, press conferences, emergency advertising, or any other activity deemed appropriate for the occurrence and the market, or how it is affected.

Dealing with letters of complaints is a very different field. Complaints have to be followed up and probed, and an in-depth answer provided and made ready for the GTA's Chief Executive's signature. There needs to be close cooperation with the regulation and control department, as some establishments might disregard the minimum established standards. Occasionally, complaints should be studied and printed in report form. It may be beneficial to set up press conferences occasionally, headed by the GTA Chief Executive, as these can serve as a productive way to communicate with the media. An unrestricted question-answer session at the end can help to create a relaxing and open environment. It can be useful for winning positive media support for carrying out future plans and further development of tourism.

Measuring Promotional Effectiveness

Rules of thumb are often mentioned regarding how many items of endorsement material are required to bring in one tourist. However, no general rule exists. That said, there is a link in the minds of many people about how successful an endorsement is and the budget. A destination reaches a specific noteworthy rate of growth and this is in-part due to the endorsements. It is believed that the promotional budget amount was correct. As previously mentioned, this is not necessary. There are standard rules about the percentage of tourist revenues that have to be used for endorsements. They are also prone to misinforming. The endorsement required is that which will produce an expected result. *Nothing more or less.*

Endorsements – types and contents are a matter of judgement. There are a great many factors at play, to such an extent that it is impossible to pinpoint the precise reasons for a destination's results. The GTA endorsements prepare the stage and supplement the private sector. It 'sows the seeds' in the market and the private sector needs to then follow through. This is what image building is. Upon the private sector's following-through, the GTA moves on with other promotional programs that provide support; for instance, travel writers, trade shows, newsletters and familiarisation trips.

A nonstop progression of feedback through tour operators, surveys, trade press, advertising agency studies and hotels is a must. It gives the groundwork to be able to assess the effectiveness of promotional activities. As experience is gained, it is better-understood what works and what doesn't, along with what *can* work but has not yet been attempted. Suppose the GTA did not spend money on promotion starting tomorrow...would it matter? This is the main question. The promotional usefulness of the private sector is measured with ease. The tour operator's catalogue – the most essential promotional tourism tool – can, in part, be appraised by the sales results reached. But there are numerous factors contributing to an individual's buying decisions; endorsement is just one.

Marketing Objective and Results

The objectives and results reveal the marketing strategy explained at the beginning of this unit.

Objective

To analyse and execute a marketing strategy, identify the available market segments whose attention is to be gained, determine the marketing standard to help with product development and the plans and programmes for all related endorsements, sales, promotional and public relations activities.

Result 1

Review the marketing prospects and tourism products, the choice of market segments, and implementation of the marketing strategy.

Result 2

A marketing plan, created and sanctioned, with details of printed materials, promotion, advertising, direct mail, representation and public relations activities – including the appropriate budget.

Marketing Activities

According to the results required above, one group of activities deals with the review and implementation of the marketing strategy. Meanwhile, the second group manages the planning and putting into action of the promotional agenda.

Result 1 - Marketing Strategy

When put into action, the marketing strategy must when possible include goals for every market segment. This can take into account the number of tourists, duration of stay and (for international tourism) the foreign exchange earnings value. Such a division can follow the purposes of travel listed already; recreation, leisure and holidays (mainstream, special interest and alternative tourism), a visit to friends and relatives, professional and business trip, religion/pilgrimage and so on. In each of these divisions, the marketing strategy and be concluded and put into action in accordance with the following activities:

- Go over the market research and findings of intelligence (from desk research, surveys and MIS) relating to visitor contentment, needs and competitor advantages etc. Coordinate with the research department. Recognise and fulfill the requirements for additional information;
- Get a background brief ready of previous tourism performance and identify trends. Identify marketing prospects by the country of tourist origin and market segment, gauge the matching appeal and effect of the tourism product by way of marketing value;
- Re-examine and create the marketing mix: price, image, promotion, product and supply by area/province/region chosen-facilities, location, services and attractions: Strengths, Weaknesses, Opportunities and Threats (SWOT);
- Organise the products – separate by province/area/region;
- Work together in the preparation of plans and putting them in action;
- Get an evaluation of every market: profile, gender, nationality, stage of life, type of transport, social grade and distance travelled;

- Pinpoint the psychographic background – if information is available - state any possible changes that are happening;
- Have a plan for the marketing results required – duration of stay, quantity of tourists and expenditure by area/region;
- Design and put into action the promotional program (see separate activities);
- Incorporate marketing activities with areas outside research and product developing; of note would be development of management, regulation and control, development of HR and programs to create public awareness.

Result 2 - Promotional Activities

The below-mentioned activities are required to develop and execute the promotional program (Result 2 of marketing objective):

- Go over all of the working relationships with retailers, tour operators and methods to develop the sales network for each market;
- Establish marketing partnerships with major airlines;
- Evaluate image in chosen markets in relation to identity and appeal (positive, as well as negative points) and the appropriate marketing mix;
- Hold talks with private sector on shared marketing schemes and funding - arrange and settle on a budget;
- Go over and design printed materials – posters, brochures, folders and publications. Also, put together a production and distribution agenda and estimated costs;
- Put together a schedule for producing any audiovisual matter;
- Collect mailing lists of both tour operators and retailers, plan the use of direct mail, publication and delivery of newsletters or comparable materials;
- Arrange any advertising to be adopted and placed – by chosen market;
- Develop yearly plans in cooperation with each representative office overseas and/or arrange other overseas functions;
- Put together travel agents' familiarisation trips and representation at trade shows;
- Make arrangements to work with travel writers and journalists. Make a list of who to invite and when to invite them;
- Put together other required public relations activities;
- Join forces on investment promotion activities;
- Plan any special endorsements. For instance, during a Tourism Week by joining forces with private sector businesses geared towards both tourism promotion and public knowledge;
- Get ready and reach an agreement on marketing budgets;
- Put the promotional program in action and keep a close eye on how effective it is.

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*