

Tourism marketing assignment

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To focus decisions on implementing the strategic objectives of an organization in their market context and specifying complete short-term action plans relevant to the long-term future. To set and communicate specific business targets for managers/strategic business units (Subs) to achieve in agreed time periods. To schedule and co-ordinate websites, booking systems, promotional and other marketing action required to achieve targets and to allocate the resources required as effectively as possible.

To achieve co-ordination and a sense of joint direction between the different departments of an organization, and to communicate and motivate all levels of staff. To monitor and evaluate the results of marketing expenditure and adjust the planned activity as required to meet unforeseen circumstances.

Alternatives to marketing planning: guesswork, hunch, 'gut feel' for the market, simple intuition or vision. 1.1.1. Logical steps in the marketing planning process: Diagnosis: based on the analysis of company databases, supplemented by marketing research as necessary and drawing on available published and unpublished data.

Prognosis: market-research based but future orientated. Diversification into other products and markets may require investment years ahead of estimated revenue flows. Since marketing planning is focused on future revenue achievement, it is necessarily dependent upon skill, judgment, foresight and realism in the prognosis process. S.O.T: Strengths are normally expressed as inherent current advantages, whether by earlier strategic decisions or historic good fortune. Weaknesses, ranging from ageing products in declining markets to surly customer contact staff, must also be clearly identified.

Once identified, they may be subject to management action designed to minimize their impact or to remove them where possible. Opportunities in a marketing context may arise from elements of the business under direct control, such as a particular product or process, or a particular set of staff competencies. They may also arise from shifts in the external environment, which a firm may exploit. By external events such as exchange rate changes, rising oil prices or acts of international terrorism. Stakeholder analysis: stakeholders are an important part of an organization, ensuring its well-being and future prospects.

One of the key stakeholders are shareholders who provide resources for company growth through shareholding or loans. These enable an organization to develop and execute marketing planning effectively. Customers are another important stakeholder group that enable an enterprise to grow and flourish. The local community at visited destinations that either benefits from a particular tourism planning strategy or suffers from it through congestion, pollution or degradation of the land and other resources. In this connection, issues of sustainability are becoming more significant and other stakeholders such as Non-

Governmental Organizations (NGOs) may take an active interest in the effect that an organization's marketing planning may have on a particular environment. Other stakeholders are suppliers, such as hotels for tour operators or local government on behalf of local residents. Marketing objectives and targets: targets express what managers believe can be achieved from a business over a specified time period. To be effective and

actionable in practice, tactical marketing objectives must be: Integrated with long-run corporate goals and strategy.

Precise and quantified in terms of sales volume, sales revenue and, if possible, market share. Specific in terms of what products, which segments, what prices. Specific in terms of the time period in which they are to be achieved. Realistic and aggressive in terms of market trends (revealed by prognosis and SOOT) and in relation to budgets available. Agreed and endorsed by the managers responsible for the programmes of activity designed to achieve results and clearly communicated to staff. Measurable directly or indirectly.

Marketing budget: a dialogue Determines the amount of money that has to be spent in advance of bookings, reservations and purchases in order to secure targeted sales volume and revenue. It represents the sum of the costs of individual marketing-mix elements Judged necessary by marketing managers to achieve specified objectives and targets. There can never be total precision between costs spent up-front and results achieved but this does not alter the principle of allocating money to specific tasks in order to achieve targeted results.

Because the budget is required to achieve volume and revenue objectives through expenditure on a marketing-mix programme, there is a vital feedback or 'dialogue' loop between target setting and marketing management agreement on what can realistically be achieved with affordable budgets essential systematic interaction that takes place in marketing planning between goals, objectives, budgets and programmes.

The proposed objectives reflect business goals and strategy. Support of each identified product/market subgroup on a week-by-week basis.

Action programmers comprise the cosseted mix of marketing activities that are undertaken to influence and motivate buyers to choose targeted volumes of particular products. These include: Internet marketing and booking system costs. Promotional literature and electronic information provision. Advertising. Direct marketing. Sales promotion and merchandising. Public relations. Retail distribution (if relevant) and use of sales-force to service selected channels. Commissions to retailers. Planned price discounts.

Payment to search engines such as Google and selected portals making charges. Monitoring, evaluation and control: how do we know if we arrived? Perhaps the most important reason for insisting on precision in setting objectives is to make it possible to measure results, e. G. : Consumer use of websites and flow of bookings achieved. Other flows of bookings against planned capacity. Enquiries and sales response related to any advertising. Customer awareness of advertising messages measured by research surveys.

Sales response to any price discounts and sales promotions. Sales response to any merchandising efforts by travel agents. Customer satisfaction with product quality measured by customer satisfaction questionnaires. 1 1. 2.

Marketing planning for strategy and tactics: Strategic planning usually focuses mainly on diagnosis, prognosis and the SOOT analysis, and is likely

to look backwards over the trends of several years as well as forward to the extent that projections are sensible.

It is much broader in its approach than tactical planning, and strategic goals are normally not expressed in quantifiable terms. Chapter 12 - Planning marketing campaigns: budgeting and evaluating marketing performance
Marketing campaigns are action programmers A marketing campaign is a planned, integrated action programmer designed to achieve specific marketing objectives and targets, through the deployment of a budget on the promotion and distribution of products over a specified time period.

Campaigns may be aimed directly at consumers, or indirectly through a distribution outwork, or both. The focus of a marketing campaign is a short-run action programmer and several campaigns would normally be necessary to achieve particular strategic objectives. The menu for marketing campaigns in TTT: two main dimensions: 1 . Promotional point of sale and also to provide incentives to purchase (includes promotion to distributors). Such techniques include websites as part of the promotion. 2.

Facilitation of access techniques designed to ' pull' and make it as easy as possible for motivated people to achieve their intended purchase, especially at the point of sale. Here too, access via websites is now a central part of any modern access decision. Marketing campaign budgets: the sum of the costs of the campaign action programmer Judged necessary to achieve the specified objectives and targets set out in the marketing plan. In practice, the most difficult decisions in a marketing manager's year lie in estimating and agreeing the budget.

The budget, usually drawn up on an annual campaign basis for each major product/market in an organization's portfolio, represents money that has to be spent 'up front' or ahead of the targeted volume and sales revenue it is expected to generate. In practice, setting campaign budgets depends on finding answers to three fundamental questions. How much money must be spent in total on a marketing campaign, in order to achieve objectives? How will the total be split between the products and segments included in the campaign?

How will the total be divided between the component parts of the action programmer? Budgeting methods: Affordable method; Percentage of sales revenue method; Competitive parity method (matching competitors' spending); Objective and task method. The first three of these methods are, in fact, quite closely related and rely primarily on historic information (previous budgeting levels), marketing intelligence about competitors' actions and received wisdom about 'industry norms' based on experience. The objective and task method is quite different.

It begins with a specification of what is to be achieved (objective) and proceeds by stating and costing the techniques (tasks) required to achieve it. Performance measurement: evaluation, monitoring and control Good performance measurement provides the vital information for marketing managers to: Respond quickly and effectively if actual sales and other indicators vary significantly from targets. Learn from current experience in ways that will make the subsequent year's campaign targets and budgets more cost-efficient. Adjust strategic objectives in the light of current results.

Integrate marketing decisions with those of other key business functions, especially accounting and finance and operations management. Make the vital marginal adjustments to campaigns, which in high fixed- cost businesses will always have a major impact on profit or loss. Evaluation – defined as the systematic periodic evaluation of achievement of stated objectives. Evaluation is usually an annual process. Monitoring – the systematic assortment of performance on a daily, weekly or monthly basis, which assesses management actions taken continuously in response to the information provided by monitoring.

Innovation, experimentation and test marketing: the opportunities arise in two ways. The first is because customer contact on premises or sites is a normal part of service- delivery operations, and the feedback can be virtually instantaneous. The second way reflects the fact that much of travel and tourism is booked in advance on the basis of information provided. A tour operator can offer a small number of new products or a new destination and monitor the response.

Campaign plan monitoring: Sales variance: sometimes, sales may move far enough ahead of target to make it possible to reduce marketing budgets.

Market share variance: In consumer goods marketing, market share analysis and variance over time are a second basic aspect of marketing monitoring.

Own sales analysis, without knowledge other than general marketing intelligence of competitors' sales, can of course provide misleading information. Customer satisfaction variance: can be achieved by regularly monitoring customer satisfaction, both overall and by product components.

Ratio variance: once the marketing campaign budget is agreed, it is possible to calculate a series of financial comparisons between marketing expenditure and revenue targets, and they can, subsequently, be reviewed against actual revenue achieved (Ratio of total marketing expenditure: total sales revenue, gross contribution, net profit, unit cost of production). The comparisons of current and historic ratios and of ratios between product/market groupings in the total portfolio, yield very useful evaluation data.

It helps to establish growth and decline trends in product life cycles and revenue generation. Chapter 13 - The growth and role of information and communications technology and the rise of the dominant consumer ' CT: deliberately broad term to encompass any technology that helps to gather, store, analyses, communicate and disseminate information. Having accurate and up-to-date information has always been the basis of good decision-making in any business, and computer technology has developed to supply this need.

While computer processing of information is at the heart of the CIT revolution, of equal importance is the development of telecommunications technologies, such as satellite transmission, cell hone networks and Broadband data cables, which have dramatically increased the speed and volume of data that can be transferred. To the widespread use of the Internet for business-to-consumer (BBC) and consumer- to-business (CAB) communication. As this edition is being written, a second generation of web-based applications, known as Web 2. 0, is enabling consumers to communicate with each other (ICC) more easily.

How it used to be before ' CT: Such manual systems were slow, inflexible, liable to failure through human error and very costly in labor employed. They could not cope easily with changes as they occurred, or identify and suggest alternatives if a particular slot was already booked. They required elaborate paperwork support systems, and the physical capacity of such manual systems set limits to the volume of transactions that a business could handle. Data processing: The initial use of CIT in tourism marketing was for data processing.

Using computer databases enables data on customers to be analyzed and used as the basis for segmentation and direct marketing. Management information: the speed of computer data processing has also meant that management information is available almost instantaneously, enabling the fine- inning of marketing and operational decisions as bookings come in. Close monitoring of booking patterns forms the basis of yield management systems in which prices are raised or lowered daily or hourly to encourage bookings on less popular dates or increase the revenue yield from popular ones.

Internal networks: the ability to link or network computers is, therefore, a vital part of the exploitation of data for tourism marketing. The technology was first used for internal ' intranets' linking different parts of the same organization. These have made it possible for large multi-site companies o consolidate their management into fewer offices and to relocate or outsource reservations, enquiries and other functions. The internal computer network has increased the effectiveness of telephone sales staff and made possible the creation of the modern call centre.

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Call centers: use of telephones to service customer enquiries and make reservations and bookings has been a traditional distribution channel for over 75 years. It is now possible to establish call centers almost anywhere in the world, certainly in areas far removed from a businesses headquarters, to take advantage of lower wages and lower communication costs. Call centers are now part of the standard reservation processes for all larger businesses in travel and tourism, appealing particularly to customers who lack confidence to book online or prefer to deal with a human voice.

External networks: including trade partners in computer network was an obvious next step. The airline industry investment in Central Reservation Systems (CARS) to link or connect businesses' inventory directly to intermediaries in the distribution chain was a vital first step in the tourism CIT ' connectivity process. The airline CARS or Global Distribution Systems (GAS) became the major channel linking not only airlines but also hotels, car hire firms and other services with retail travel agents in high streets around the world.

The World Widowed: information once accessible only to travel agents with links to GAS is now available to the general public 24 hours a day, 7 days a week. It has created a global marketplace based entirely on information provision and exchange transactions in which detailed information, for example, on prices and availability, is changing every few seconds. E-businesses: As well as changing the way that existing businesses, IANAL customer, the Internet has also led to the creation of virtual companies that are branded and exist in cyber space but outsource most of their inputs using BIB methods.

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The wave of dot. Com Internet companies that launched themselves in travel in the late 1990s were in many ways virtual marketing companies, providing a platform for the exchange of information and for e-commerce transactions for a wide range of products but producing no products themselves. User generated content: sometimes known as Web 2.0. Today, many prospective travelers will compare the information on these official sites with the views and experiences of other visitors on unofficial sites using blogs and message boards, such as TripAdvisor. 13. . Predicting the future of IT Hardware trends: the physical equipment, the computers, mobile phones, television receivers and monitors etc. Here, the current trends are towards smaller portable devices with the capabilities once only found on larger desktop computers. Laptops are now a standard part of business travelers' luggage. Hand-held devices, such as the Blackberry or iPhone, can be used to make phone calls, access email and the Internet, or download data from corporate computer systems, as well as for playing games and listening to music.

Software trends: the development of software over the last two decades has enabled any computer user to create documents, spreadsheets and databases that would have in the past been the preserve of specialists. Now anyone can create a presentation, a poster, brochure or website using images from their digital camera manipulated by an affordable priced software package. Network trends: it is the ability of networks to connect individuals and organizations that has transformed the way that tourism marketing is practiced. Network trends: the software systems that support and enhance the use of computer networks.

The millions of websites that are now on the Internet would be of very limited use without the search engines that can select the ones that are relevant to the user's current interests. Google has become the dominant 'portal' through which people search for information on travel and holidays as in every other aspect of life. 13. 3. The future of TV: TV has also changed as the traditional terrestrial channels now compete for viewers with satellite and cable networks offering a choice of up to 200 channels, and the alternative use of the TV monitor to watch films on DVD or play computer games.

While advertising on the main channels may now reach fewer viewers, the new digital channels offer opportunities for tourism companies to reach niche markets by placing adverts in travel programmers or related subjects, such as history, the arts, food, music, wildlife and sport. 13. 4. CIT influencing tourism marketing The dominant consumer: the longer-term marketing effects of CIT appear likely to increase the power of the consumer.

The widespread adoption of the Internet and the use of search engines have given people the ability to 'shop around' for bargains he main travel-agency and tour-operator chains. The consumer, it is argued, is now becoming the dominant partner in the marketing exchange and companies have to tailor their products, prices and communications to meet individual needs. 13. 5. Impact of the CIT revolution on the visitor economy The recommendation of services: The increase in consumer choice is resulting in strategic changes in the structure of tourism.

One aspect of the 'knowledge society' is that the majority of potential customers can compare online prices to find bargains in flights, accommodation, car hire and other components of their travel choices. Other actors have also contributed to the evolution of this price-transparent, price-sensitive market in services – the harmonisation of regulations and standards, the removal of barriers to the trade in services and the adoption of the single currency in most of Europe.

The emergence of an experience economy: alternative strategy for tourism businesses and destinations. This strategy is based on the argument that European and other developed countries are moving from a service to an experience Economy in which experience-based products, for example, admissions to recreational events, have outperformed other services and goods in terms of price inflation, employment and gross domestic product (GDP). New opportunities for smaller businesses and niche products: however, the position is rapidly changing.

The remarkably low cost of designing small business websites and the growing willingness of customers to surf the Internet for options is helping even the smallest of businesses to go global. The Internet empowers micro-businesses to make the most of their individuality and enterprise. It offers them access to markets and to a supply of lower-cost business necessities that was previously unthinkable. Destination management systems: such as local-authority tourism departments, have an important role in facilitating the growth of micro-businesses.

3. 6. Barriers to the growth of e-tourism The issue of the security of transactions, which involves the customers giving out their credit card and other personal information over the Internet. This is

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linked to the wider issue of how far consumers will trust a company they know only from its website. Establishing a well-known brand name is as important in Internet business as in more traditional channels of distribution. Another thing that works to the advantage of established brands is that too much choice can be bewildering and stressful. 14. The impact on the marketing mix Product: many travel and tourism products may be customized for each individual and delivered digitally. Dynamic packaging is a travel industry term for a more flexible way of booking a holiday. Instead of offering customers a set package off the page of a tour operator's brochure, travel agents assemble the elements of the holiday to meet the customer's requirements. Pricing: prices become more transparent, as customers can use the Internet to compare prices and search for bargains. In response, companies can adjust prices dynamically in response to fluctuations in demand.

Ferry companies, for example, have moved from brochures setting out a complex tariff of prices for different dates, times and lengths of stay to a web-based booking system similar to those of low-cost airlines. Place or distribution: once a booking has been made, travel tickets and accommodation vouchers or access codes can be downloaded and printed out by the customer, speeding up the process by eliminating the need to send documents by post. Promotion: online promotion has the advantages of being instantaneous, interactive and permission-based.

Traditional advertising has to attract attention and create a memorable impression on someone who is watching TV or reading a newspaper, in the hope they will later remember the brand when visiting a travel agency.

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Instead, a website is there to be consulted when the customer is actively looking for information, with the opportunity to consult Frequently Asked Questions pages, e-mail for more information or make an electronic booking.

14. 2. The website as the centre of the marketing communications mix
Website is now the centre of the marketing communications mix.

It is the place where the product is offered or customized, where the price is set and, increasingly, where the transactions are made and the documents delivered. The rest of the marketing communications activities of the organization should all be aimed at drawing the customer to the website. Clearly, alternative channels need to be provided for those who cannot or do not wish to use the Internet, but these are increasing likely to be in the minority. The uses of a website for marketing: four uses of cyberspace for marketing.

Information Transaction Distribution Communication Companies need first to decide how they design their web presence to achieve their strategic goals. The basic use of a website is as a source of information, a kind of inline advertisement or brochure. Attracting people to the website: the Internet is what is termed a pull rather than push medium – the customer has to find one's website among the thousands of awareness and interest, and give the website address for further information. Display advertising on other websites, in the form of banners or pop-ups, can be used to tempt people to 'click-through' to your site.

Search engine marketing: the most common ways that people use to find information online are search engines, such as Google and Yahoo – use a

bank of computers to ‘crawl’ the Internet looking for sites with words that match those of the enquiry. Search engine marketing is the term given to actions taken by a company to improve the ranking of their website on a search engine. It is also possible to pay the search engine company to ensure that your website is listed on the first page of the search results for your chosen keywords.

What makes an effective website: the main considerations for website design can be summarized in the following questions: Does it have the content that our customers are looking for? – Is the information relevant and up to date? Can users navigate around the site easily to reach what they need? A guideline often used is that it should never take more than three clicks from the homepage to reach the relevant information. Is the page designed to make information and links easy to understand? – Or do design features and animations distract from the content? Will visitors enjoy the site and want to return? Does it ‘speak the same language’ as the users and share their sense of humor? – Does it need to entertain and inform them? What level of interaction is needed? – Should visitors be able to e-mail questions, place orders or make comments on a message board? Managing the customer experience online: a mistake sometimes made by small (and not so small) businesses is to see the creation of a website as a one-off activity, forgetting that it needs to be kept up to date, and that efficient systems for dealing with orders and responding to questions need to be in place.

Analyzing the customers’ online experiences should include consideration of when they need to be in contact with a real person. When given the choice, customers often prefer to avoid face-to-face or voice-to-voice encounters

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with sales staff, because they can take greater control of the buying process using impersonal channels, such as online shopping. 14. 3. The next phase of internet marketing: WEB 2. An alternative source of reassurance can be found in reading the comments or asking the advice of previous customers – user-generated content (Trapdoors): Bolos: while Trapdoors and Thomson sites are owned and developed by the travel industry for commercial purposes, much of the user-generated information and advice to travelers online takes place on sites with no direct links to the industry. Any traveler can get free web space to start his or her own online travel diary, known as a wobble or bolo.