

# [Pearl tour and travel company marketing essay](https://assignbuster.com/pearl-tour-and-travel-company-marketing-essay/)

The Tourism Industry in Malaysia is an important foreign exchange earner, contributing to Economic Growth, Attracting Investments and Providing Employment. The focus of the Government is to enhance the Country’s position as a leading Foreign Tourist destination, by promoting Domestic tourism, Incoming/Inbound tourism, and outbound tourism. This has provided great opportunities for entrepreneurs, business owners and investors, by supporting the government’s direction.

The Malaysian Government provides many tourism programs such as Malaysia My Second Home Program (MM2H), Student Tourism Program, Education Program, Agro-Tourism Program as well as Sport-Tourism Program. Due to its endless range of attractions and activities that cater for the cosmopolitan shopper, cultural enthusiast, historical buff and nature-lover, Malaysia was listed as one of the top 10 most visited Countries in year 2009.

## 1. 2 OVERVIEW OF THE COMPANY

## 1. 2. 1 HISTORY

Pearl Tours & Travel is a leading tourism provider based in Malaysia. The Company integrates its positioning expertise in both International and Domestic Tourism Industry, by catering to leisure tourism, business tourism and also the ‘ visiting friends & relatives’ (VFR) sector, thereby providing a complete Tourism solution. Pearl Tours serves a variety of Tour & Travel components that include tourist information and guiding services, transportation, attraction, accommodation and catering, travel agents, and tour operators.

Established in 1999 by John D. Smith and two others from the Malaysian Tourism Board, Pearl Tours focused on developing innovative and interesting travel packages. Initially, the company based its products on the Domestic tourism market, where people take

Holidays, short breaks and day trips in their own country. At the same time, the Malaysian Tourist Board recorded a 7. 9 million tourist arrivals into the country.

By focusing its resources on harnessing and expanding Tourism, Pearl Tours spearheaded the rapid development of Domestic Tourism. Taking tourism to its next level, the company, by year 2006, entered the Inbound/Incoming tourism sector, and during that year experienced 17. 6 million tourists entering Malaysia.

Today, Pearl Tours & Travel are working on cutting-edge technology that no one could even imagine a few years back. With more than 100 packages, Pearl Tours continues to lead the way in developing and providing the best travel itineraries, at the best affordable prices, in the industry. The company is changing the way work is done by including productivity and efficiency for market positioning.

The aim of this marketing plan is analysis the current issue of family packages at Pear Tour & Travel. Until recently, these packages were the highest popular service of the company. However, in 2011 it seems that the number of sales of this package has fallen dramatically.

## 1. 2. 2 MARKETING PHILOSOPHY

Pearl Tours follows the product-marketing concept where customers favor packages that offer the best quality service at the most affordable prices. Therefore, the management of Pearl Tours should devote energy and resources to making continuous package improvements. Quality is given the first priority in all aspects of the company. This has enabled the company to win the hearts of its customers, and the support from governments, and also achieve impressive revenues and profit.

## 1. 2. 3 CUSTOMERS

The increase in the number of tourists entering the country gives an opportunity for Pearl Tour and Travel to expand their products on the Inbound and Outbound tourism market. The majority of customers stretch from individual to group travels including family and business trips. Customers all over the world have access to these products except for some of the rural areas. A good promoting and marketing strategy around the world ensures customers know the existence of Pearl Tours. Customer satisfaction being a high priority, feedbacks and queries are given much consideration in-order to make any improvement as recommended bythe customers in the future. Pearl Tours has beyond reasonable uncertainty made a name for itself in the international market and look to surround more regions and widen its services to all corners in its pursuit to become a dominant force in the tourism industry.

## 1. 3 OBJECTIVES

Pearl Tours and Travel intend to attain the following objectives;

## To provide enjoyable trips to countries around the world on time and on budget.

## To attract more customers via new packages like Family tours and Technology tours.

## To attract more e-customers based on e-shop websites and through social networks such as Facebook, Twitter, My space, etc.

## To satisfy the customer needs all the time with good transportations either by air, land or cruise as well as great accommodations.

## To establish the market presence that assures short term and long term profitability, mainly focusing on growth and success.

## To continue supporting the economic growth and tourism in Malaysia.

## 1. 4 PURPOSE AND MISSION

## 1. 4. 1 PURPOSE

The intention of Pearl Tours and Travel is to penetrate the market by providing a complete tourism solution and serving a variety of Tour and Travel components to the customers. Pearls Tours would offer exclusively enjoyable, comfortable and knowledgeable pleasure trips around the world, and make sure that all customers are greatly pleased and delightful with the services provided. Considering the nature of the services and current market condition, there is a need in establishing and maintaining fruitful strategic alliances with all relevant stakeholders; especially hotels and travel agencies to ensure a constant flow of customers at every chance.

## 1. 4. 2 MISSION

## 1. 4. 2. 1 ORGANISATIONAL

The organizational level mission is to build a systematic company by providing a high quality employee who is able to fulfill customer’s need. Pearl Tours need to engage with the right people in the right place and at the right time to create a mutually beneficial relationship. This strong bond can contribute towards healthy competitiveness in the industry. In addition, Pearl Tours search for fair profit which is free from any corruption in order to keep company financially healthy for the short term as well as for long term, and able to reward employees for their work and effort.

## 1. 4. 2. 2 CUSTOMERS

Pearl Tour and Travel aim to create and nurture a healthy, exuberant and enjoyable environment with a good travel packages, including transportation and accommodation to customers’ specification countries around the world. An effective management and marketing, dedicated and experienced staffs, and good networking, will enable customers to get the best and high quality services. As customer satisfaction is a main priority, feedbacks and opinions are greatly appreciated.

## 2. SITUATIONAL ANALYSIS

## 2. 1 CURRENT TARGET MARKET

The current target market of Peal Travel and Tours are:

Families

Students

International tourists

Businessmen and women

Couples

## 2. 2 CURRENT DISTRIBUTION NETWORK

The current distribution networks of this company are direct offices, retailers and online sales.

## 2. 3 CUSTOMERS SURVEY ANALYSIS

To better understand the underlying reasons of reduction in family packages sales, we conduct a questionnaire survey and collect the data from 20 of the company customers. We chose the customers from Trip Advisor website, and emailed them the questionnaire. The questionnaire is available as appendix 1. From 50 people chosen, only 20 replied. The survey sample was 60% male and 40% female. 20% were traveled once with the company packages, 50% two to three times, 20% three to six times, and 10% more than five times. The findings of the survey showed that the main issue of not choosing family packages was low facility for children, such as meal, bedroom.

To further investigate, we used the secondary data from Tripadvisor, where the customers were rated our facilities. The main issues covered in customer comments were medical issues, lack of babysitter facilities and price of packages.

## 2. 4 COMPETITORS ANALYSIS

There are many similar companies in Malaysia, which offer travel and tours services. Among them, we chose two most important competitors; Holidays Sdn Bhd, and Mayflower Sdn Bhd.

## 2. 4. 1 Holiday Tour

Established in 1975, Holiday tour has 3 branches and over 200 employees across Malaysia.

Strengths

Good website design: the design of the website is very good, good colors, nice designs, and user-friendly interactive.

Variety of packages: Holiday tour offers interesting package categorizing for sports, Muslim and cruise and other types of travel.

Skilled employees with high level of information

Weaknesses

High price: the main weakness of Holiday tour is the price of its packages that make it unaffordable for low income families.

## 2. 3. 2 Mayflower

Founded in 1960, Mayflower has 19 offices and 9 retail offices across Malaysia.

Strengths

Moderate price: the main strength of this company is the price of its packages. The variety of packages with different prices has made it the choice of many Malaysian families.

Using social networks for advertisement: Mayflower uses variety of social networks such as Google+, Facebook, and twitter for attracting new customers.

Weaknesses

Website design: the main weakness of company is its website. Low design, bad colors and bad interactive.

Confusing packages: choosing a package from Mayflower can be hard, since the search of the webpage works inefficiently. It offers a long list of confusing packages.

Insufficient information: the website does not offer sufficient information about the tours, such as hotel details and facility details.

## 2. 5 SWOT ANALYSIS

A SWOT analysis has been carried out to identify the Company’s position in the Tourism Industry of Malaysia. Pearl Tour & Travel’s SWOT analysis will also help the company to identify the company’s ability to market the products in the Industry.

## 2. 5. 1 Strengths

Pearl Tours & Travel has well over 10 years of experience in the Tourism Industry.

Pearl Tours is a financially stable firm capable of budgeting a good marketing and promotional campaign.

The Company has highly skilled labor, and also has implemented superior training for the staff to be competitive with the culture & methods of all countries.

Pearl Tours is dominating the Domestic Tourism market in Malaysia, and therefore has a strong image. The Company has a large customer base, and very fine understanding of the customers’ needs.

## 2. 5. 2 Weaknesses

Company’s website design is not suitable for its position in the market. A company as profitable as this should spend more on a well-designed website.

Website searching facilities are not working very well.

## 2. 5. 3 Opportunities

Since Pearl Tours has greatly supported the Malaysian Tourism Board for the Domestic Tourism in Malaysia, the government has permitted a tax exemption for the next 5 years.

A great opportunity for pearl travel company is collaboration with local schools and kindergartens to attract new customers.

The Company has a Global reputation for Tourism in Malaysia. Therefore, it can benefit from its well-known position and make collaborations with international agencies.

## 2. 5. 4 Threats

The Company has to deal with various tourism regulations of various different countries.

Risk of new competitors in the Tourism market as there are predictably heavy profits.

These were the results of the SWOT analysis carried out by Pearl Tours. The SWOT analysisshows that there are more chances for prosperity in the Outbound Tourism Industry.

## 3. MARKETING STRATEGY FOR PEARL TOUR AND TRAVEL

The marketing strategy offered here is based on the current issue in the company: low number of family package sales compared to previous periods. Here we take a look at the strategy objectives, and financial objectives of this plan.

## 3. 1 Strategic Objectives

Attract families with children: one of the main problems

Improve service quality

Gain feedback from customers

## 3. 2 Financial Objectives

Our financial objectives for this plan our as following:

Achieve revenue growth of 10% per year

Increase earnings by 15% annually

Increase net profit margins 20%

Boost annual returns on invested capital from 15% to 20%

A more diversified revenue base

Stable earnings during recessionary periods

## 4. TACTICAL PROGRAMS

Tactical program is one of the important factors that help Pearl Tour & Travel Company to achieve its objectives. Tactical programs consist of five key decisions in target market, product/service, pricing, promotion, and distribution.

## 4. 1. Target market

Target Market is the specific group of customers that a company aims to capture. Target marketing makes the promotion, pricing and distribution of our services easier and more effective. Travel and tourism market is separated into two main categories; business and leisure travel. The market is further separated into domestic and international travel.

We have provided a combination of attractive packages to compete in the market. Each package is strategically planned and targeted the specific target market. Pearl tour &Travel Company located its products on the domestic tourism market. As the growth of the number of the tourists entering the country, our company expanded its products on both inbound and outbound tourism market. The company offers its services in the customer’s home as well as advertising in newspapers and magazines. We target our market with an email campaign that sent to our particular clients. Our target market iscustomer travelling as family.

## 4. 2. Product/ Service: Improving Family Packages

## 4. 2. 1 Plan:

We have examined opinions of travellers about their problems in their trips base on qualitative questionnaire and among many comments in some websites such as Tripadvisor and Facebook. These comments reveal that most of problems are related to special young couples that have kids. This group that are considerable part of travellers often prefer stay at home in their holidays. Babies need to be cared and their parents can’t feel free during trip. Some young couples stated that prefer have a baby later and experience sweet trips without any stress. On the other hand some people believe that journey can positively affect every one even kids or babies. We designed family package for these people to feel free during their holidays.

Professional trained and kind nurses will behired in this plan. These nurses accomplishyoung couples and let travellers to enjoytheir trips inside all members of family. Pearl Tour and Travel Company will usehotels that have playground for kids. Thisnew plan will attract many people whocan’t think to trip according to their kids or suffer from this matter.

## 4. 2. 2 Family packages’ Programs for Kids:

Health Check up system during journey like control of weight, length, etc.

Interesting competitions for kids like kite, painting, etc.

Kids’ meal serving during journey for kids and babies.

Prepare relax environment for parents and their kids.

## 4. 2. 3 Special offer to develop Family package:

Using of artists that are popular for kids during trips like show men, actress, etc.

Keeping relationship with kids after trip via sending some gifts in their birthday.

Connecting with Kindergartens and schools to hold tours for kids with their parents.

## 4. 3 Promotion

Promotion is communicating with the public in an attempt to influence them toward buying your products and/or services. A good promoting and marketing program leads customers all over the world access to the products. For promoting products the major media are advertising, public relation, personal selling and Social Networking. Pearl Tour & Travel Company uses the following ways to promote its programs to its customers:

1. Online service: By using this method we share a great deal of information at very little cost.

Special offers: we send the special offers to our particular clients.

Public service announcements (PSA) s: we use television ads to provide public service announcements.

4. Direct mail: We have made a mailing list of our current and desired customers. Collect their addresses keep the list online and up-to-date and send them some special offers.

5. Newspapers and Magazines ads: By using this way we declare the seasonal trips at a competitive price.

6. Posters and bulletin boards: Posters can be very powerful when placed where people will actually notice them. We place the posters on bulletin boards and other places which people see our new and colorful posters.

7. Web pages: Today, advertising and promotions on the World Wide Web are almost commonplace. Our company uses it to promote its services.

## Advertising via Social Network Websites:

Social network users are increasing every day. In past years Pearl Tour and Travel Companyhas focused on advertising in journals, newspaper and billboards. Althoughadvertising in journals, newspapers andbanners are useful, finding new ways to enhance selling power and decrease selling force is better option. Statistics show that millions of people spend part of their time on social network websites such as Facebook, Twitter, etc. People schedule for their holidays and the fast way is search through Internet. There are many websites in the Internet that try to grab people to use their services. Campaign with many companies against users that can’t choose easily their trustworthy company sounds very difficult. Social network websites are the best market place to attract many customers. Updating blog, comments and posts, offering new packages, promotion and services and informing people will grab many e-customers. Keeping touch with people who are interested in travelling leads to people trust to our company.

Pearl company should focus on Facebook, Twitter and Myspace because statistic shows that most of users are connected to social networks via these websites.

Facebook enables hyper-targeting at massive scale. With over 200 million users, Facebook reaches customers through uniquely powerful demographic and psychographic targeting. Our message is amplified through the trusted referrals of friends and loved ones rather than the bullhorn of indiscriminate one-way communication.

The following tips reveal steps that Pearl Tour and Travel Company needs:

Signing up relevant profile in famous social networks like Facebook, Twitter and Myspace.

Activating page with motive comments and posts.

Making more friends via interaction, relation, etc.

Informing packages’ details.

Offering special plan like family plan, Technology plan, etc.

Persuading other people to give their opinions and suggestions about tour plans.

## 4. 4 Distribution

Movement of goods and services from the source through the distribution channel, right up to the final customer is called Distribution. It is one of the important “ 4 Ps” of marketing (product, promotion, price, placement or distribution). Good distribution results in success of the products and services. Pearl Tour & Travel Company has used direct sales team and also provided services that its customers can book tours and activities online. Our company uses the following ways to distribute its services:

Direct sales team: One or more sales teams that specialize in our services.

Internet: Selling through our own e-commerce website. Most of our clients prefer to buy online. We create an e-commerce website and fulfillment system and sell direct. Also, wewill send email to our particular clients. Moreover we will participate in Social Network Websites such as Facebook, Myspace, etc. to advertise our services.

## 4. 5 Pricing

Pricing plays an important role in any product marketing programs. We have several specific pricing tactics that help us to achieve our objectives. When we place our services in the market, we should be able to compete with other competitors in quality and price of services. Membership and trade discounts resulted in attraction more profitable customer. Pearl Tour & Travel Company has different tactics to attract more customers and increase profits.

Discounting: reducing prices can be a powerful tool to attract more customers.

Penetrating: setting a low price and gaining market share before competitors catch up us. When we grab loyal customers, we will find ways to raise prices later. Pearl Tour & Travel Company tries to find the ways providing the best travel itineraries, at the best affordable price, in the industry. Our company offers the customer favour packages at the best quality service and the most reasonable prices. Also, we pay attention to pricing strategies on off-seasons and non-peak period sales and group business.

## 5. BUDGETS, PERFORMANCE ANALYSIS AND IMPLEMENTATION

## 5. 1 MARKETING BUDGET

Successful marketing requires that sufficient money and personnel time be made available to implement activities comprising the marketing strategy. A marketing budget is a financial plan, which shows the total amount to be spent on marketing during different times of the year and how it is to be allocated among alternative activities. Separate marketing budgets should be developed for each marketing mix strategy. The separate budgets should then be aggregated to develop an overall marketing budget. If the total amount is too great it will be necessary to modify the overall objectives and the target market objectives, narrow down or drop target markets, or adjust marketing mixes. The final budget should be realistic given your objectives.

The marketing budget for Pearls is around 5% to 6% of revenues. Pearl’s marketing director will assume responsibility for everything except the website development budget. All Pearls staff are salaried, so labor hours, other than those included in the directors salary, are not included in the budget. They will, however, play a key role in many of the planned promotional activities. All members are expected to take part in every promotional activity.

Although budgets should be viewed as flexible plans, every effort should be made to adhere to them. Revisions in the budget should only be made after careful consideration of the likely impact of the change on the marketing mix and accomplishment of our objectives.

## 5. 2 FORECAST PERFORMANCE ANALYSIS

Based on last year performance, we forecast a slow initial growth in sales because of the current economic condition. The operating expenses will be relatively high and a bump in our

Sales and revenue generation as we spread our services during expansion. In addition, we found out that collection days are very important. We do not want to let our average collection days get above the client’s actual subscription period under any circumstances. This could cause a serious problem with cash flow, because our working capital situation is chronically tight. However, we recognize that we cannot control this factor easily, because of the relationship we wish to create with our clients.

The performance analysis is based on 5 elements namely break-even analysis, projected profit and loss, projected cash flow, projected balance sheet and business ratios.

## 5. 2. 1 Projected Profit and Loss

Comparing to last year, we expected that our sales will increase 40% this year. We expected more tourists would use our services due to the expansion of our services. For this time being, our net profit margin is relatively good to compete with the other company in our line of business. Thus, we do expect the profit will be more than break-even in this year.

For this year, we are projecting very conservatively regarding cost of sales and gross margin. This is to make sure we have enough cash on hand.

## 5. 2. 2 Break-even Analysis

Pearl Tours and Travel break-even analysis are based on running costs that is costs we shall incur in keeping the business running, including salaries and wages, rent, vehicle and computer maintenance costs, water and electricity, insurance amongst others. Hence many fixed costs shall be included in these costs. Pearls Tours plans to improve its margin by 20% this year. The improved margin will come as the result of economies of scale, strategic alliances, and Pearl’s position as a premier tourism service provider. Pearls will be able to raise prices without affecting demand. Fixed costs may increase slightly over the next two years. Therefore, we will ensure that our sales levels are running comfortably above break- even this year. Monthly break- even point is shown as below

Fig. 3. Monthly break- even point

## 5. 2. 3 Projected Income Statement

As we know, the income statement provides a detailed perspective of our company’s ability to generate adequate sales, produce those sales at a reasonable gross margin, control the expenses associated with the sales and ultimately to produce profit. In analyzing the sales to profit process, it is essential to note how important a small change can be. After we analyzed last year income statement, we expect that every percentage point increase in gross margin or decrease in operating expenses results in an additional RM 50, 000 of profit.

## 5. 2. 4 Projected Balance Sheet

According to the balance sheet, we will know where our company’s money is invested and how that investment is financed. The balance sheet is a picture of financial position at a specific moment in time. As for this year, the balance sheet should be better than last year.

## 5. 2. 5 Financial Ratios

Suppliers, bankers and outside creditors have a wide range of financial ratios at their disposal to assess lending risks. We expected the financial ratios will be better compared to last year.

## 5. 3 IMPLEMENTATION

Many well-designed marketing plans fail because they are poorly executed. Pearls can increase the likelihood of successful implementation by implement the plan based on schedule.

Identify specific tasks, which must be accomplished.

Improve company website/Create online profile system

Design new ads for public media like tv and newspaper, on the internet, social networks, and billboards

Change family packages by adding new facilities, nursery, babysitter, medical help, etc.

Assign people

Web designers

Advertisement team

Nurses, babysitters, medical examiners

Informing employees about new plan

Rationale: justify the need for change

Objectives: explain the objectives and the tasks required

Strategies:

Set Deadline: any plan needs long-term and short-term deadlines. In our case, the final deadline is December 2012. Moreover, each task should have timetable and schedules to be followed.

Adhere as much as possible to the budget.

Regularly monitor and evaluate progress to prevent missing the deadline and objectives.

## 6. ADDITIONAL CONSIDERATION

Tour and travel industry offers a variety of services to the customers. Nowadays countries have different strategies in order to development tourism industry in the global market. For instance Thailand, France and Egypt have considered main budget for tour and travel programs. Countries, which accept more tourists, earn more income. Good relationship among counties leads to develop iterance of tourist. There are three factors, which affect the marketing plan. Those are included: Internal Factors, External Factors, and Research Limitations

## 6. 1. Internal Factors

These all factors are under control of the manager.

Pearl tour and travel company can improve itself by:

6. 1. 1. CRM (Customer relationship management): connecting a good relationship with the customer is one of the important factors in success of a company. It is so important to keep our customer satisfied.

Appendix 1: Survey Questionnaire

## Travel Agency Customer Satisfaction questionnaire:

This questionnaire is designed for study purposes and all the personal information provided will be secured.

Name:                       \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Phone number:   \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Gender:             Male / Female

Age:                  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Occupation:                \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Q1. What kind of trips do you generally undertake?

Local trips for work related purposes

Local trips with family and friends

Trips abroad for work related purposes

Trips abroad with family and friends

Other \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Q2. What is the average duration of trips undertaken?

1-2 days

2-4 days

Up to one week

Up to one month

Differs vastly from trip to trip

Q3. How many trips did you undertake from our company?

One

Two to three

Four to Six

Seven or more

Q4. What was the last trip you took with our travel agency?

From: \_\_\_\_\_\_\_\_ to: \_\_\_\_\_\_\_\_\_\_\_ No. of days: \_\_\_\_\_ Along with: Family / Friends / Spouse

Q5. What is your opinion about our family packages?

Great

Good

Moderate

Not very good

Bad

Q6. What are your expectations from a family package?

Cheap travel

Best experience

Best guidance

Better facilities

Other \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Q7. From the list below, which items you would prefer to include in our family packages?

(Choose up to three)

Nursery

Competitions for children

Group activities

Shows and events

Others: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Q8. How would you rate our travel agency services on a scale of 1 to 10 where 10 is the maximum?

## \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Q9. Provide your recommendations for improvement of our services.

## \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_