

Mix of travel and tourism organisation



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Marketing is the business of promoting a product or a service, to gain consumer interest. Marketing is all about discovering what the consumer wants. Marketing is an attempt to increase the awareness of the product or service, and to make as many sales of the product or service as possible, the product must satisfy the need or want of a certain individual.

Kotler states that “ Marketing is the human activity directed at satisfying human needs and wants through an exchange process” – Blackboard.

Marketing is all about promoting the product, to the right type of consumer, such as a toy would be marketed preferably to a child. To correctly promote a toy to a child, the company who is promoting the product, would usually use bright colours, and words to make the product seem like a “ must have”. The colours would attract the child’s attention, and then make the child want that product, regardless of whether it’s a need.

An example of the travel and tourism industry, EasyJet uses bright orange, because this grabs the attention of the consumer. Bright orange is displayed everywhere, on their website, staff uniforms, brochures, and even on sale boards, to make the prices of travel more attractive.

This applies with adults; colour has a major part in promoting the product, because it draws the consumer to the product being marketed. If a car was to be marketed, the company marketing the product, would use colour to grab it’s audience, and then it would describe the product, stating it’s functions, the speed, how much fuel it would consume, the fact if it is environmentally friendly and many other factors. The consumer would then

think that this product is amazing, and they automatically want one if it's to their taste.

Pass Two: Review the factors influencing marketing decisions using examples from different travel and tourism organisations.

There are four main factors that influence the travel and tourism industry. We know them as P. E. S. T. Standing for, Political, Economical, Socio-Cultural and Technological factors. These factors play a huge role in the travel and tourism industry. Below I will give you a brief definition of what each of the factors mean.

Political: The political factor is all to do with the government. It's how government decisions can have an impact on many industries, including the Travel and Tourism industry. Political Factors can include increases in taxes and costs, such as if the government decides an airline company should pay more tax towards the government, then this ultimately will affect the consumer in the long run, because if taxes increase, the cost of the product or service will also increase. Another example of a political factor could be the government policy of flights being restricted from departing at late hours of the night and morning, due to noise pollution affecting the nearby residents. Another example of a political factor was 9/11. The terrorist attacks that shocked the world. The attacks stopped the entire travel and tourism industry completely. All aircraft were grounded in the United States, and in the United Kingdom. This affected airline companies and cost them a lot of money, due to delays and cancellations. 9/11 made people feel terrified to travel by air, and didn't feel it was safe to take that risk. 9/11 was

a political message to the United States, others see the attacks basically as pure terrorism. But the people who committed the attacks probably believed they were doing this for a just reason. Whereas the rest of the world, including me, took this as pure terrorism, that affected almost every sector of the travel and tourism industry. Airlines lost billions of pounds to this incident, and made consumers scared to travel for a reasonable amount of time. 9/11 can also fall under the sector of the Socio-Cultural factor.

Economical Factors: Economical factors can affect the airline and travel and tourism industry hugely. Inflation can be a result of this, where the cost of living increases, but wages do not. My example of this can be fuel prices. If fuel prices increase for airlines, because of overseas organisations who provide the airline fuel, then this will affect the consumers price to fly, because the airline company will charge more for that flight. If the price of fuel increases, when a holiday or flight has been booked, some airlines promise there will be no fuel surcharge, which will mean the consumer will not have to pay more, if fuel prices do increase, but some airlines impose a fuel surcharge to cover the extensive new cost of the flight.

Socio-Cultural: Social issues can include such issues of age, health and safety. Due to people living longer, holiday demands for the older generation are beginning to increase. With the cruise sector in the travel and tourism industry increasing, as it's the most popular choice for the older generation. Health issues can also affect travel companies, because if everybody falls ill, they won't be well enough to travel, meaning a decrease in profit for airline industries and tour operators. Again, 9/11 can become part of this factor, as

it affected the travel and tourism industry by making passengers too scared to fly.

Technological: Technological, referring to technology. And this is about how technology can affect the travel and tourism industry. The internet, is used now to promote, advertise and primarily sell a product. Technology just not just refer to the internet though, because it can refer to all forms of technology, such as the television, radio and other media formats, such as advertisement and promotion in cinema theatres, before a movie starts.

Technology is used to promote services in airports, using screens, and display rollers and electronic banners.

Pass Three: Describe the marketing mix of a selected travel and tourism organisation.

The marketing mix is basically one big mixture of all the elements going into the marketing process, otherwise known as “ the four p’s” The marketing mix has the following four elements:

Product

Price

Promotion

Place

Below is a brief description of each of the four p’s:

Product: what is the product? is it physical or is it a service. Are the features of the product something that will satisfy the needs and wants of the consumer. Another important factor is the brand. If it’s a well known

company, that has made the product, the company eye would see this brand as a trusted one. The final important factor of the product is the packaging. For a product to sell at it's best, the packaging should look attractive, be colourful and appealing, and very well presented.

Price: Price is an important part of selling a product. If an item is too expensive, and not very wanted, the company that is making the product will surely fail. However, if it's too cheap, people may think that there is something up with it. There are two types of pricing strategies, I will describe them below.

Price Penetration:

This is basically charging a really low price for the product or service for a short amount of time, to gain consumer interest. This price will eventually begin to crawl higher, but by the time it does, there will be a fair amount of consumers interested in the product, and buying it. This is usually done to undercut any other competition and is a short term strategy.

Price Skimming

This is charging a extremely high price for a new product. The company think because the product is new to the market, they can charge an extremely high price. But consumers won't pay this high price forever, so eventually, the price lowers, and it makes it more affordable to the consumer. This is also a short term strategy.

There are five different methods of pricing too, I will describe a few of them below:

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Cost Plus Pricing: This is basically, the cost to manufacture the product, and the amount of profit that the organisation or company wants to achieve. For example, the product costs, £15. 00 to produce, and the manufacturer wants to make a 100% profit, the end selling price for the product would be £30. 00.

Odds Even Pricing: This is charging for example £1. 99 for a product, instead of £2. 00. £1. 99 makes the product pricing look like a bargain and more attractive to the consumer.

Market Led Pricing: This is basically charging the same price the competition charge on the market.

Promotion: Promotion is vital in order to sell a product correctly. The product must be promoted appropriately, meaning it can sell as many units as possible. Promoting this product in the right area is vital. There is no point in advertising cheap budget airline flights in a primary school, because children won't understand. Sponsorship can play an important part in promotion, where money is handed over to a sponsor company, in return for the sponsor's branding to be on the merchandise, such as clothing for football teams, branding on free gifts, such as pens. The purpose of promotion is to make sure that the consumer is completely aware that the product exists, and to persuade the consumer to buy the product. The aim of promotion is to encourage the consumer/customer to repeat the business, meaning they

keep coming back again and again, to the same brand, which is how a business can establish a quality name for themselves.

Place: Where will the product be sold? Well it has to be sold in the correct area. The area must be a place where the product fits in and stands out. Again, why advertise holiday insurance in a hospital, people would be more worried about whatever is affecting them, than cheap holiday insurance. This is vital that the place is correct. The amount of units sold depends on the place of the product or service. The consumer should be able to locate the product, and read information about it, because if the product is placed in the wrong area, how will anybody find it? The answer to that, is they simply won't. The place is also important, to as where the product will be sold. There are many possible places the product can be sold, in retail stores on the high street, in a catalogue that comes through the letterbox, or on the internet or television with a direct dial number.

How EasyJet Use the Marketing Mix:

I'm going to describe how the airline company; EasyJet uses the marketing mix to promote the products and services that they have to offer.

In travel and tourism products, the low cost airline uses " the marketing mix" to sell their products, hoping to get optimum sales. So below, I shall describe, how the company " EasyJet" uses this strategy to sell their products and services.

EasyJets Marketing Mix Strategy:

Product: EasyJet have a range of products to offer consumers, not just flights, however, flights is its main way of business. But EasyJet offer a whole range of products and services.

Main Products:

Flights

Cruises

Secondary Products:

Airport Parking

Travel Insurance

Car Rental

Airport Transfers

Cheap Accommodation – / Villas and self-catering

Although, EasyJet are known for their cheap low cost budget flights to desirable destinations in Europe, and domestic destinations such as Scotland, Wales and over place in the United Kingdom, they always offer the above services, which a fair few EasyJet customers will opt for, such as, if a family will be travelling to Madrid on their low cost deal, they most likely will opt for the low cost travel insurance too, and perhaps even car rental.

Price: EasyJet is known for its friendly service, and mainly for its low cost flights. But as long as they make the money, that's it. EasyJet can lower their

prices below airlines, because they sell so many units, (Seats) on an aircraft, on a daily basis, at a fair price that anybody can afford. But for domesticated flights, service is very basic, you get what you pay for, and that's the seat.

They can continue charging very low prices for their flights, because they sell other products too, such as baggage allowance, on a chartered or scheduled flight, you get a certain amount of baggage allowance, but with EasyJet, they charge, and no allowance is included. The same with meals. They lower their prices, to make them look so more attractive to the consumer. For example:

British Airways charge £157. 00p from London Heathrow to Madrid, this is a return ticket. – Information from British Airways Website.

EasyJet charge £113. 86p for the same flight from London Heathrow to Madrid on a return ticket. – Information from EasyJet's Website.

EasyJets pricing looks more appealing, because it's more affordable. But for EasyJet to maintain these cheap flight seats, they charge for extras such as baggage allowance and meals. EasyJet also made use of the “ Odds Even Pricing” scheme, by adding the 99p, to make the price look that little bit more attractive, to make it look like a bargain.

Promotion: EasyJet promotes its products in many different ways. EasyJets products are not limited to flights alone, EasyJet sell many other products such as cruises, car hire, and travel insurance. Promoting these products in different ways is essential to ensure that the company can grab as many customers as possible. Means of promotion can include, televised adverts, radio, newspaper, and billboards around the town and cities. Directly inside airports, EasyJet also advertise there, for people who are looking for a cheap

flight, on the day they turn up. Their promotion and advertising schemes vary depending on which product they are promoting. EasyJet use big lettering when advertising their prices, much bigger than any of the other text that can be found. The bigger the price in lettering size, the better, because it will grab the consumers attention, and add their signature colour into the mix, it's an attention grabber.

Place: EasyJet send out their publications and advertising campaigns in the correct area, to ensure that they can gain as many possible customers as possible. EasyJet are a completely web based company, which means EasyJets costs are low, without having to pay the cost of a travel agents building, or travel agent staff. The only staff contact that EasyJets customers have, is ultimately in check-in. And this is soon to enter decline, as EasyJet are about to deploy complete internet check-in and airport computer kiosk check-in, reducing costs further. EasyJet are more likely to advertise on the television, radio, newspaper and internet pop-ups, as well as their direct website.

The above explanations of how EasyJet use the Marketing Mix, and how effective it can be, to enable maximum profit. Promoting and advertising the right way is just as important as making a profit. If a company had a brand new product, but it was too expensive for what it's functional value was, people wouldn't go out to purchase that product, for example, selling a 7 night trip to Spain, all inclusive for say £10, 000 per person, the price of this product is just ridiculously high and nobody would purchase the product. The product has to be sold, at the right price, in the " right place, at the right time, to the right people" – Quote from Blackboard PowerPoint.

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Pass Four: explain how factors have influenced marketing decisions in relation to a selected travel and tourism organization.