

Tourism market in dubai tourism essay



**ASSIGN
BUSTER**

Our mission is to provide tour plans for Business Tour, Normal Tours and UAE Company planning to send their employees for a trip, we hope to target tourist coming to Dubai for holidays as well as expatriates and locals living in Dubai.

Our target market includes locals, tourist, working class, international visitors, corporate employees and newly married couples. We will design different packages to target our market segments based on demographic segmentation. We have segmented our market on the basis of Income Segmentation as described by Kotler, P. and Armstrong, G. (2008).

Tourism Market in Dubai:

The present credit crunch has also affected Dubai tourist industry, and it's been observed that people tend to cut vacations the most as it is a leisure item. Given the current credit crunch it is noted that tourist who tend to travel to Dubai for holidays fall in high end tourism, which is less likely to be affected by any sort of economic recession. Hence Arabian tours Income segmentation of the market will allow us to create packages for the high end tourist. (" Economic Sectors", 2009) The economic sectors of Dubai in the form of a pie chart are shown in Figure 1.

dubai-economy. png

Figure – Economic Sectors: Dubai

Arabian tours will target business tours, especially corporate packages for companies planning to send their employees for a holiday. Hamilton, S. (2008) notes that the tourism industry accounts for 20% of Dubai's GDP and

notes that Dubai has also become a venue for international conferences, seminars, festivals, exhibitions both on regional and international level, attracting even more tourist to Dubai. Further explains that traditional Arab hospitality, delightful winter climate, sophisticated infrastructure and crime free environment are the factors which will keep attracting tourist to Dubai in the future. Dubai government is dedicated to make tourism the major market of Dubai, hence focusing on building tourism industry. There are more than 255 hotels in Dubai and still more are under-construction, which will attract tourist in Dubai and will expand the market for Arabian Tours in the future. (“ UAE’s Consumer Market”, 2011) According to the pie chart provided by department of tourism and commerce marketing, Dubai the following figure 2 shows the guests received by Dubai Hotel Establishment by Nationality in January to June, 2010.

Guest Dubai. png

Figure – Guests Received by Dubai Hotel Establishment by Nationality (Jan-Jun 2010)

The above graph shows that the geographic location of Dubai also creates the demand for Arabian tours in Dubai, attracting tourist from UK, EU, USA, India, Iran, China, Russia, GCC and Other Countries of the world. Dubai is also the economic hub of the Middle East and attracts expatriates of multinational companies, which is also the target market for Arabian tours and clearly explains the growth potential of tourism in Dubai and an opportunity for Arabian Tours.

Competition:

Arabian Tours face a fierce competition in the market as the government continues to spend in tourism, some of the competitors are:

Arabian Horizons Tours

Dubai Tourism & Safari

Tour Experts UAE

Arabian Adventures

Travel in Dubai

Emir Tours

Alpha Tours

Tour Dubai

Hormuz Tourism

Dubai Desert Safari

Arabian tours will have a continuously developing strategy to bench-mark all the competitors in the market to gain competitive advantage. We will offer tour packages for all high end as well as low end tourist. Customer Satisfaction will be the core of the services provided at Arabian Tours enabling us to differentiate our tour packages from our competitors. We will reach special negotiations with Burj Al Arab and other hotels and resorts to offer the best packages for the tourist. We will also offer luxury pickups from

Dubai Airport in a Rolce Royce to differentiate our services from our competitors.

“ A competitor analysis is the first step the firm takes to be able to predict the extent and nature of its rivalry with each competitor” as stated by Hokisson, R. E., Hitt, M. A., Ireland, R. D. & Harrison, J. S. (2008). Arabian tours will conduct a thorough competitor analysis of all the marketing activities, promotions and tour packages offered by its competitors.

A detailed industry analysis will be conducted to analyze all the new entrants, buyers, suppliers, competitors and substitutes as explained by Walker, G. (2004). Arabian Tours will conduct competitor analysis by assessing competitor’s objectives, strategies, strengths and weaknesses, and reaction patterns. Benchmarking will be at the core of Arabian Tours competitive strategy and the research team of Arabian Tours will always keep itself engaged in gathering information about competitor’s marketing mix, and also if the competitor is satisfied with their current marketing mix, and how the competitor might react to something launched by Arabian Tours. To assess the competitor’s strengths and weaknesses secondary data about the competitors will be collected, which will then be used to assess the competitor’s reactions.

Arabian Tours will have an active research team engaged in marketing and competitor research. The findings of the research work will be used to develop competitive strength of Arabian Tours, as noted by Luther, W. M. (2011) “ competitive strength is one of the most important factors that determines whether you will enjoy profitability, and surprisingly, one that

many entrepreneurs don't even take into account, further states that actually it's the competition rather than the customer that determines your revenues, market share and profit".

SWOT Analysis:

Technology(Strength):

Technology plays a vital role in today's world, Arabian Tours website will be launched providing the customers access to all the companies promotions and packages. Customers will be able to book a holiday tour by visiting the company website or by calling one of our representatives. Internet travelling is growing on a fast pace, our company website will be a complete tour solution for the entire tourist worldwide. We will use search engine optimization creating links of our websites on different websites attracting tourist globally to our website. Arabian Tours will have a robust CRM program in place to increase customer satisfaction.

Social Media will also be used to spread the word about our company and the services offered, our holiday packages will be advertised using social media, print media and electronic media. We will also use billboards around the city to advertise the promotions and tour packages offered by Arabian Tour. Arabian Tours website will be visible in all the search engines, we will also post blogs, emails and eNewsletters to the target market.

Socio-Political Environment:

Since January, 2008 the world saw the worst financial crisis that has also affected Dubai tourist industry. Given the current financial crisis it is noted

that tourist who tend to travel to Dubai for holidays fall in high end tourism, which is less likely to be affected by any sort of economic recession.

Arabian Tours will have a special policy on identifying and eliminating human rights risk from its operations, and it is the primary responsibility of the enterprise to respect human rights in all of the company's practices.

Corruption and bribery have a negative impact on any business, Dubai offers a crime and corruption free environment for all the businesses which will help us to fight any corrupt practices. Arabian tours will design internal mechanism to prevent, detect and remediate corrupt practices.

Climate Change is one of the biggest risk faced by the world today, global water supplies are diminishing, while climate change is one of the biggest risks of 21st century, it also presents opportunities for Arabian Tours to expand its business and come up with special holiday tours in Summers.

Threats and Opportunities:

Arabian Tours has to face a lot of competition by its competitors because Dubai is a tourist spot and more and more tourist companies are entering the market. This allows an easy entry of Arabian Tours in the tourism industry but at the same time Arabian Tours has to benchmark these competitors to gain competitive advantage.

All our services will be customer oriented which provides us an opportunity to gain competitive advantage in the tourism industry of Dubai. Dubai government has policies to promote tourism which is an opportunity Arabian Tours can avail and enter the market without any restrictions. The whole

world looks at Dubai as a holiday spot which attracts more tourists to Dubai every year, which is also an opportunity for Arabian Tours to attract international tourist.

Objectives

To become the industry leader in providing tour packages for Dubai.

Providing tour packages to all people visiting Dubai as well as expatriates and locals living in Dubai.

To become the leader in providing luxurious tour packages.

Setting industry standards for tours in Dubai.

Providing Customer driven preferences for tour planning.

Strategies

To become the industry leader we will advertise to masses as well as target market the niche market of tourism which are the high end tourist.

We will acquire luxurious vehicles, helicopters and Cessna planes to become the luxurious tour provider. We will provide our customers with an experience which they won't forget and give them something to remember and take memories back with them when they leave Dubai. Our international correspondence office will be open 24hours providing information on our tour packages and all the luxurious options which tourist could add to their tour.

ACTION PLAN/MARKETING MIX

PRODUCT:

We have planned to offer the following services:

<https://assignbuster.com/tourism-market-in-dubai-tourism-essay/>

Desert Safari

Morning Desert Safari

Evening Desert Safari

Overnight Dubai Desert Safari

Desert Safari by Hummer (Luxurious Tour)

Hatta Mountain Safari

Cruise Packages

Cruise and Fish in The Gulf (Dolphin and Seals Show)

Cruise and Dine Dubai

Wild Wadi Tour

Big Bus Dubai Tour

Tour all the shopping malls and famous tourist spots in Dubai

Fly over Dubai

Helicopter tour of Dubai (sight seeing Dubai)

Cessna Plane tour of Dubai (Sight seeing Dubai)

Tour Packages for newly married couples

Romantic Cruise

Honey Moon package with a stay at Burj Al Arab and reception on helicopter from Dubai airport

Business Tour

Site Seeing Dubai in a Helicopter

Cessna fly over Dubai

Corporate Packages

Holiday package for company employees (international/national)

PRICE:

Our tour packages are focused to provide luxury tour to our customers while offering competitive prices.

PROMOTION PLAN

We will be using following promotion methods:

Print Media

Electronic Media

Billboards

Steamers

Social Media

Online Website

To compete in the market we will also use both above the line and below the line marketing strategies. Social Media advertisement will be used to reach all the target markets to reach all the people visiting to Dubai and expatriates as well as locals living in Dubai.

PLACEMENT/DISTRIBUTION METHODS

We will have our Head office on sheikh zayed road with branches in famous spots of Dubai, i. e. Airport, Deira, Bur Dubai (One Head Office and Three Branches). Our customers will be able to contact us online as well and the website will provide all the information on the available tours and customers will be able to book a tour from anywhere in the world.

Our sales team will be given customer oriented training, enabling them to provide customer satisfaction to the tourist. Staff training will include:

Sales Team Training

Management Trainee Program

Selling at the airport sales training

SALES PROJECTIONS FOR FIVE YEARS:

The following table shows the sales projection for Arabian Tours for 5 years, (“ Dubai Tourism appeal up”, 2012) reports that, Dubai ranks among the top 10 tourist destinations worldwide and the emirate is expected to attract 8.8 million international visitors in 2012 with spending estimated at around 8.8 billion, index released by global credit card company MasterCard.

Table – Arabian Tours 5 years Sales Projections

SALES PROJECTIONS FOR FIVE YEARS

Year 1

Year 2

Year 3

Year 4

Year 5

Optimistic

50K

60K

70K

80K

90K

Pessimistic

30K

40K

50K

60K

70K

Realistic

40K

50K

60K

70K

80K

Table one shows the five year sales projection for Arabian Tours, serving bench mark 1000 tourist a week.