

Tourism marketing mix essay



**ASSIGN
BUSTER**

The Travel and Tourism industry is still one of the largest single businesses in world commerce and its importance is widely recognized. The tourism industry is now one of the largest sectors earning foreign exchange. In the face of many benefits, many countries have started assigning due weight age to the tourism industry in their national development agenda. Tourism is an industry that operates on a massively broad scale: it embraces activities ranging from the smallest sea-side hotel; to air-lines, multi-national hotel chains and major international tour operators. Originally, non-traditional industries such as tourism emerged as a solution to strike a balance between ecology and industry

Tourism is one of the world's fastest growing industries at present and holds the status of the world's no. 1 industry. Spending on tourism amounts to 5%-10% of total consumer, spending in a year worldwide. The industry creates a job every 2.4 seconds with every one of those direct jobs creating another 11 indirect ones. The tourism industry as a whole is presently estimated to earn over US\$ 3.5 trillion worldwide. India's share of the total market is a pittance at 0.51%. The non-tourist countries like Malaysia and Indonesia get much more tourists than India. India's share of the total market is a pittance at 0.51%. The non-tourist countries like Malaysia and Indonesia get much more tourists than India.

MARKETING MIX OF TOURISM INDUSTRY

PRODUCT

Product is the combination of tangible and intangible elements. The tourism product, which is mainly the destination, can only be experienced. The views of the location travel to the destination, the accommodation and facility as

well as the entertainment at the destination all form the tourism product. Thus it is a composite product combination of attraction, facilities and transportation. Each of these components has its own significance in the product mix and in the absence of even single components, the product mix is incomplete.

PRICE

Pricing in tourism is a complex process. Pricing includes the prices of other services like Air travel, Bus, Railways, Hotels, etc. All are included in tourism package. Pricing also depends on the Geographic location of the destination. Pricing also depends on Seasonality. Seasonality is the most important factor in pricing. To match demand and supply tourist managers try to get either discount. E. g. Taj is the tourist attraction in India. Pricing is also based on competitors pricing. Pricing is also subject to government regulations. E. g. Air price changes tourism package also changes, if Hotel charges change then also tourism package changes.

Pricing of the tourist product is a complex matter because of its composite nature. Geographical location of the destination affects the pricing decision. At the same time, seasonality factor and varying demand cannot be overruled. The objective of pricing in any other firms is to fetch a target market share, to prevent competition, and to take care of the price elasticity of demand.

A very important way, in which the travel and tourism business responded to their highly complex pricing circumstances, is to operate at two levels. The first level is corresponds with the marketing strategy, which concerns with

the product positioning, value for the money, long run return on investments etc. The second level corresponds to the marketing operations or tactics where the prices are manipulated to match the current demand and competition.

PLACE

Different distribution strategies can be selected for Tourism marketing.

Tourism as a product is distributed as a travel. Internet is also used widely.

There is an also small agent spread all over the town who plays a role of place. Large travel companies like Thomas Cook, Cox & Kings, SOTC, etc they act as a wholesalers and these wholesalers also act as a retailer.

The tourism marketer may not have adequate choice of the tourist center, because in most of the case the tourist destinations many be natural, historical attraction. But, infrastructure facilities, transportation, communication are important for the development of the tourist center. The major decision that the tourism marketer takes regarding distribution is relating to the channel of choice and channel members. The uniqueness of tourism industry is predominant position of intermediaries. The two major functions performed by the distribution system in tourism marketing are:

To extend the number of points of sales or access, away form the location at which services are performed or delivered

To facilitate the purchase of service in advance

Different distribution strategies may be selected to reflect the company's overall objectives. The middleman may be tour operators, who buy tourism

products in bulk and make them available to travel agents who are retailers. The range of tourist products, which are bought by the tour operators are airline seats, hotel accommodation, bus for local sight seeing, etc. they may also sell directly to customers. The latest mode of reaching the tourist is through Internet. Ticket booking can also be done through the Internet and payment is made with credit card.

PROMOTION

Creation of awareness has a far-reaching impact. The tourist organizations bear the responsibility of informing, persuading and sensing the potential tourists in a right fashion. The marketers need to use the various components of promotion optimally so that they succeed in increasing the number of habitual users. Promotion helps in maximizing the duration of stay, frequency of visit by offering new tourist products in the same country to areas, which have remained untapped or partially tapped. The various dimensions of tourism promotion are as follows:

Advertising: Advertisement gives important information to the actual and potential tourists. Its coverage is wide. Advertising is aimed at the public to create awareness of the travel offers available on a resort and its attractions to influence their business decisions. Intangibility can be compensated with the help of visual exposure of scenes and events. We can project hotel bedrooms, well-arranged restaurants and cafeterias, swimming pools etc.

Publicity: It focuses attention on strengthening the public relations measures by developing a rapport with media people and getting their personalized support in publicizing the business. It helps in projecting the positive image

of tourist organizations since the prospects trust on the news items publicized by the media people. The publicity program include regular publicity stories and photographs to the newspapers, travel editors, contact with magazines on stories etc. advertising is a part of publicity.

Sales promotions: Sales promotion measures are the short-term activities seeking to boost sales at peak demand periods to ensure that the firms obtain its market share and are used to help launch a new product or support an ailing or modified one. The tool of sales promotions is designed to appeal particularly to those customers who are price-sensitive. There are a number of techniques to promote sale and the tourist professional need to use them in the face of their requirements vis-a-vis the emerging trends in the business. Eg. In the tourism industry, a travel company offers give-aways to their clients, such as flight bags, wallets for tickets, Foreign Exchange (Forex) and covers of passport. The hotels offer a number of facilities like shoe shine clothes, first aid sewing kits, shower caps and shampoo. Further, the VIP clients also get fruits and flowers in their rooms.

Word-of-mouth Promotion: Most communication about tourism takes place by word-of-mouth information, which in a true sense is word-of-recommendation. In the tourism industry it is found that the word-of-mouth promoters play the role of a hidden sales force, which help the process of selling. The high magnitude of effectiveness of this tool of promotion is due to high credibility of the channel, especially in the eyes of the potential tourists. The sensitivity of this tool makes it clear that tourist organizations need to concentrate on the quality of services they promise and offer. The

marketers or the tourist organizations need to keep their eyes open, identify the vocal persons or the opinion leaders and take a special care of them so that they keep on moving the process of stimulating and creating demand.

Personal Selling: Personal Selling is based on the personal skill of an individual. The travel and hotel business depend considerably on the personal selling. The development of travel and tourism has been possible due to well-educated and trained sales personnel. The development of tourism business has been influenced by the services rendered by the travel agents and travel guides since they work as information carriers. Personal selling is the personal presentation of a tangible product or intangible services or ideas to the customers. It is important to mention that in the tourism industry, the personnel who attend tourists form an essential ingredient of the product, such as sales personnel are found responsible for dealing with customers behind the counter, the resort representatives cater to the need of tourists when they reach the destination etc. all of them play a vital role in ensuring that the tourism products satisfy the tourists. The phrase- the customer is always right applies specifically to the tourism industry. No reduction in price would compensate for impolite and indecent travel guide, a solvent waiter and a surly or a haughty coach driver. These facts are testimony to the proposition that the travel business is linked with the performance and behavior of sales personnel or travel staff.

Telemarketing: It is a method of selling in which a professionally sound telemarketer markets the business. The quality of technology and the communicative ability of the telemarketers determine the magnitude of success of this component. In tourism, the travel agents, offices of airways,

receptionist, and secretaries work efficiently if the telephonic services are not up to the mark. Also recruiting a person considered to be professionally sound, personally-committed sales personnel having an in-built creativity, innovation and imagination is very important.

Exhibitions: The participants include state and national tourism promotion boards, travel agents and tour operators, airlines, car rentals, cruise liners, holiday financiers, technology providers, hotels and resorts, education institutions in the field of hospitality and tourism. Over the years the participation of foreign tourism promotion boards like the Dubai Tourism and the Mauritius Tourism, etc has increased in order to aggressively promote their respective countries.

PEOPLE

It plays a most important part in tourism. In people local people are very important, that how they treat tourist. The travel agents, guides, staff of travel companies, sales staff, etc they are the people. Travel Company also like Railways, Air, etc. is included in people. Normally a tourist assures a tourism quality like hotels, Travel Company.

The personnel who attend to the needs of the tourists form an essential ingredient in tourism marketing. The sales personnel are responsible for dealing with the customer behind the counter. The airline and transportation crew interact with customers while traveling. The resort or hotel representatives enter to the needs of the tourist when they reach the destination.

The tourist guides, who interact with the customers at the tourist location, all form the people element in tourism marketing. These contract persons must be trained on interpersonal skills as well as knowledge of the product. In the tourism industry the travel agents and the travel guides are the two most important people who speak a lot about the industry. Hence it is imperative that they have to be at their best at all times. Travel guides especially, are expected to have a lot of patience, good sense of humor, tact to transform the occasional tourists into habitual ones, thorough knowledge of the places, linguistic skills etc.

PROCESS

The operation process of the tourism firm will depend on the size of the tourism firm. The sequential steps involved in the delivery of the tourist products are:

Provision of travel information: The information regarding the travel is provided at a convenient location where the potential tourist seeks clarification about his proposed tour.

Preparation of itinerates: It is a composition of series of operations that are required to plan a tour.

Liaison with providers of services: Before any form of travel is sold over the counter to a customer; contracts have to be entered with the providers of various services including transportation companies, hotel accommodation, coaches for local sightseeing etc.

Planning and costing tours: Once the contracts and arrangements are entered into, then the task of planning and costing the tour, this will depend on the tour selected as well as individual requirements.

Ticketing: The computerized reservation system has in recent years revolutionized the reservation system for both rail and air travel.

Provision of foreign currency and insurance: In case of foreign travel the final task provide foreign currency as well as insurance

PHYSICAL EVIDENCE

The tourist attraction, which is an expensive for the customer must be tangibilised with the help of tangible items like, comfortable seats while traveling, layout, and design of the resort, natural service scope, etc. the sign posts that indicate directions, route maps, information regarding rules and regulations of the tourist spot and the sign regarding the public utilities like toilets, telephone booth also form a part of the physical evidence.

Printed matters such as brochures also play an important role in the development of tourism. As the product, in tourism is intangible. There is a need to describe fully the product, which is done by providing an elaborate brochure, which shows how different elements of the programmes are carefully planned to include all necessary information to make holiday establishes expectation of quality value for money, product image and status, which must be matched when the product is delivered.

PEST ANALYSIS

Environmental influences can be analyzed by using the PEST analysis.

POLITICAL

The political factors are the main driving force of the industry. The Indian tourism industry is built on the backbone of Government support and the industry cannot sustain itself without it. The various archaeological sites and the places of historical importance, the roads and the railways are all in the hands of the Government. All the support services like the hotel industry, the airlines industry and the tourist operators to name some are heavily dependent on the support and the cooperation of the Government.

The major reason as to why tourists visit India is for the vast and rich heritage that our country has. That is under the control of the Government, through the Archaeological Survey of India. Any policy change that comes into force can have dramatic effect on the way the industry players perform. For example, the Government charges high rates of taxes on the luxury and the star category hotels and this has always been a cause of disagreement between the hotel associations and the Government. There are many areas where the growth of tourism has not been rapid or has seen dramatic fall because the political environment has not been conducive. Examples are the North East for the former and Kashmir for the latter. The neglect of the Government in developing the North-East has led to a situation where there is practically no tourism in the seven states.

Similarly, the political turmoil in the state of Kashmir and now in Gujarat has caused a virtual decimation of the flourishing tourism industry. However, there has been a change in many of the policies of the Government with regard to the tourism industry. The hotel industry has been getting many

incentives and many State Governments are encouraging the growth of major hotels in their states.

ECONOMIC

The tourism industry not unlike the other industries grows with the increase in the spending of the people. The more the people spend the more the industry grows. The spending power of the people has been increasing in the country and all over the world. Since we are concentrating on the international tourists, the large increase in the spending power in most developed countries has left a large amount of idle cash in their hands. This has led to a tourism boom the world over and India has been no exception. There have been more people coming into the country with more cash than ever before. This has led to an increase in the demand for better hotels. People who previously used to come to the country on a shoestring budget and hunt around for the cheapest accommodation can now afford to go in for luxury hotels. This has led to an increase in the number of hotels in the country. However, an increase in spending does not only limit itself to accommodation. The increase in the spending is also evident in the increase in the number of people traveling by air. Even the number domestic tourists traveling by air has dramatically gone up.

SOCIAL

Tourism was always looked upon as something that led to the destruction of the social fabric of a place. The more the amount of outside people coming into a place, the more the perceived risk of that place losing its identity. A good example is Goa. From the late 60's to the early 80's when the Hippy culture was at its height, Goa was a haven for such hippies. Here they came

in thousands and changed the whole culture of the state. This had a ripple effect on the country. People became cautious, especially of the international tourists. Whenever a certain place became famous, the example of Goa was cited to discourage the inflow of international tourists.

However some places such as Kerala and Rajasthan have been able to strike a balance between their own culture and the demands of the international tourists and have profited handsomely in the bargain. People are now adopting themselves to the fact that tourism pays and it can be a major source of income for them.

In addition, tourism as a form of recreation has really caught on. People themselves have started traveling and are willing to travel to a place that is out of the way and exotic. While traditionally traveling on a holiday meant going to a hill station or a beach, now people are willing to go in for adventure tourism and also visit places that might be exotic and cannot really be called hospitable. For example, now places like Leh and Lakshwadeep are mentioned in the same breath as Goa or Kashmir.

TECHNOLOGY

Although technology does not seem to be a major influence at first glance, it plays a major part in the promotion of a place. Better communication facilities are one of the first prerequisites for growth in the inflow of tourists. This has been made possible with technology. Improved technology in the field of communication at cheaper costs has resulted in many remote and inaccessible areas of the country getting connected to the rest of the world. This connectivity has made these places visible to the world. Better

communication means access to media. And that is very important if any place wants to be on the world tourist map. Similarly better transportation facilities have led to a dramatic increase in the number of tourists visiting any particular place. The presence of an airport and the availability of frequent flights are a great convenience to any traveler.

TOURISM COMPANY: SITA ONLINE TOURISM CORPORATION(SOTC)

Established in 1949 with just five employees at an office in Cawasji Hormusji Street, Mumbai, it has grown to become one of India's largest travel companies. By the year 1968, the Company had moved to a much bigger office at Mint Road and was also counted as one of the top ten travel agents in Mumbai, with a turnover touching Rs 25 million.

A major turning point came in 1976 when SOTC handled its first group tour to the US during the bicentennial celebrations. Within three years, SOTC had taken about 500 passengers to Europe, the US, Singapore and Japan. In 1981, came another breakthrough when SOTC Package Tours began active advertising, with the first ad hitting the newspapers. Between the years 1983 and 1995, SOTC grew by leaps and bounds. It moved to new premises at Church gate, Mumbai, installed the first computer for sales and operations, and went through a management metamorphosis with a complete restructuring of the business into autonomous Strategic Business Units (Subs) with a state-of-the-art call centre. SOTC has been fulfilling the travel needs of Indians for over five decades now. It continues to seek out new and exciting destinations to offer to outbound travelers

SOTC's outbound business operations broadly encompass Packaged Group Tours for Indians and Individual Holidays. SOTC World Famous Tours caters to those who seek comfort in group travel. It is widely acknowledged to be the most successful package tour brand in India. Recognizing the importance of language markets, SOTC also pioneered tours conducted in Marathi and Gujarati under the SOTC brand extensions: SOTC BhramanMandal and SOTC GurjarVishwadarshan.

MARKETING MIX

PRODUCT

SOTC offers a variety of tours which includes tours for families with kids, tours for senior citizens, theme vacations like beaches and also special packages for pure vegetarian and jains. Some of its products are as follows:-

SOTC World Famous Tours

SOTC World Famous Tours is the flagship brand of SOTC, which pioneered the designing and marketing of escorted tours for cosmopolitan travelers in India. SOTC World Famous Tours has escorted over 3, 00, 000 travelers across the globe for more than 30 years, to various destinations including Europe, Australia, New Zealand, USA, Africa, Mauritius, South Asia, and the Far East Being a 100% subsidiary of Kuoni Travel Holding, Switzerland - one of the world's largest travel companies SOTC leverages the advantage of the buying power and travel services to provide customers value for- money packages. SOTC has built a reputation that it lives up to its promise to take Indians around the world, while making them feels completely at home, no matter where they are.

SOTC BhramanMandal

In 2002, SOTC BhramanMandal was launched exclusively for Maharashtra, to cater to their specific needs and requirements. SOTC BhramanMandal offers ' All-inclusive' exciting package tour options to Europe, Far East, Australia and New Zealand. While designing the tours, every single need of the Maharashtra is kept in mind - their culture, eating habits and likes and dislikes. Prominent features of SOTC Bhraman Mandal Europe and Australia tours are the Predeparture meeting, Travel Kit and an experienced Marathi speaking Tour Manager who accompanies them all the way from Mumbai to the destination and back. Within just five years of existence, SOTC Bhraman Mandal has become a household name amongst the Maharashtra.

SOTC Gurjar Vishwadarshan

SOTC Gurjar Vishwadarshan was launched especially for Gujarati community residing in India, to cater to their needs of having a Pure Indian Vegetarian Meal with a Gujarati flavor, Gujarati speaking tour manager at your service right from India to India and traveling with the finest Gujarati families makes your holiday the most memorable and comfortable one. Gurjar Vishwadarshan launched in the year 2004 received an overwhelming response from the Gujarati's staying all over India. Since then it has been scaling heights year after year today in its 4th year of existence it has become a household name for Gujarati's and is fondly remembered by Gujarati holiday goers, this has been possible because of all of those fellow Gujarati's who chose to travel with us. With the new positioning of our brand " Expect More" in Gujarati which means " Apeksha Thi Vadhare" we assure our patrons that every time they can just expect more with SOTC. Gurjar

Vishwadarshan is one of the business units of SOTC. SOTC has pioneered its position in the packaged tour segment with its unparalleled expertise devised over last 50 years.

SOTC Do-it-Yourself Holidays

SOTC Do-it-Yourself Holidays caters exclusively to the needs and requirements of the discerning Free Individual Traveler. It offers a wide range of customized holidays that allows individual travelers the freedom to define their preferences of the destination, length of stay and pace of travel . Following high-quality standards, SOTC Do-it- Yourself Holidays have ensured accommodation at some of the world's finest hotels allowing for proximity to city centre attractions such as shopping malls, pubs, cafes, restaurants and scenic delights. An individual traveler on SOTC Do-it-Yourself Holidays has the option to explore all the attractions of a single city. Or focus on all key cities of a particular country. They can even combine two to eight countries in their holiday, depending on their tastes, time and budget.

SOTC Holidays of India

SOTC Holidays of India has something for every kind of traveler - be it families, youth, students, honeymooners, groups or individuals. SOTC Holidays of India offers packages that cover every conceivable tour requirement - whether it is an extended vacation with the family, a paragliding spree with friends or simply a rejuvenating weekend break. SOTC Holidays of India offers an opportunity to visit and explore all the splendors of India through various categories of holiday packages. SOTC Holidays of India has categorized all holiday packages into Standard, First and Deluxe Class categories. It also offers a wide range of customized holidays thereby

giving individual travelers the complete freedom and flexibility to define their preference of the destination, length of stay and pace of travel

SOTC Holidays of India offers packages that cover every conceivable tour requirement; whether it is an extended vacation with the family, a paragliding spree with friends or simply a rejuvenating weekend break SOTC Holidays of India offers you an opportunity to visit and explore all the splendors of India through various categories of holiday packages:-

Classic Holidays of India are time tested popular attractions like Kashmir, Himachal, Rajasthan and Kerala those have proved their ability to completely satisfy the traveler

Fun-filled Beach Holidays offers not just sun and sand but also cool lagoons, clear waters, corals, reefs and beach resorts.

Hill Stations & Quick Getaways offer a break through a multitude of retreats at a short distance from home.

Spiritual Retreats to Rediscover Your Soul provide excursions to various spiritual and hallowed sites.

Components of Tours as a Product

Sr. No.

BENEFIT

MEANING

WITH RESPECT TO THE TRAVEL AND TOURISM INDUSTRY

1

CORE BENEFIT

The fundamental benefit or service that the customer is buying.

Traveling.

2

BASIC PRODUCT

Basic, functional attributes.

Ticketing, hotel reservation.

3

EXPECTED PRODUCT

Set of attributes/conditions the buyer normally expects.

Customer friendliness, good food.

4

AUGMENTED PRODUCT

That meets the customers desires beyond expectations.

Prompt services, comfortable and convenient trip, spectacular sights, and music.

5

POTENTIAL PRODUCT

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The possible evolution to distinguish the offer.

Totally customized tour packages, A grade service at every stage.

PRICE

SOTC offers price sensitive tours like cost saver and premium tours which can be afforded by all classes. In SOTC the tours are customized that is if customer can't afford the premium holiday he will be given the same tour but the cost will be reduced by offering him a deluxe hotel instead of a five star hotel or by offering him a non ac bus instead of a ac coach.

PLACE

Different distribution strategies are selected for Tours marketing by SOTC. There are also small agents (who have taken franchise of SOTC) spread all over the town/country who also play a role of place. SOTC act as wholesalers and also act as a retailer. The latest mode of reaching the customers is through Internet that is SOTC has its own website from where information on the tours can be procured, direct booking can be done for which the payment can be made through the credit card. SOTC also has its own offices from where booking can be done.

PROMOTION

SOTC uses electronic, print and all sorts of media as tourism is a highly promoted industry. SOTC gives printed ads in The Times of India mentioning the special tours in it with the special prices offered by them. Brochures are another form of communication provided by SOTC to stimulate customers and motivate them to buy. They are used to demonstrate in pictures and words the images and positioning of the product and the organizations.

PEOPLE

SITA enjoys loyalty of its 2, 00, 000 Indian customers.

PHYSICAL EVIDENCE

SOTC provides its customers with a detailed brochure of the tour they have selected, a list of things to be done before going for a holiday e. g. cooking gas switch to be turned off etc and if the customer is going for foreign tour then a list of basic words like hello, water etc in the foreign country's language which will make it easy for the customer, this establishes value for money, product image and status, which must be matched when the product is delivered.

RURAL TOURISM

Rural tourism focuses on participating in a rural lifestyle. It can be a variant of ecotourism. Any village can be a tourist attraction, and many villagers are very hospitable. Agriculture is becoming highly mechanized and therefore requires less manual labor. This is causing economic pressure on some villages, leading to an exodus of young people to urban areas. There is however, a segment of urban population that is interested to visit the rural areas and understand their perspective. This segment has been rapidly growing in the past decade and has led to Rural tourism becoming a good business prospect. Rural tourism allows the creation of an alternative source of income in the non-agricultural sector for rural dwellers. The added income from rural tourism can contribute to the revival of lost folk art and handicrafts. It is an ideal and natural method of rural and urban economic exchange.

Scheme of Rural Tourism

Tourism growth potential can be harnessed as a strategy for Rural Development. The development of a strong platform around the concept of Rural Tourism is definitely useful for a country like India, where almost 74% of the population resides in its 7 million villages. Across the world the trends of industrialization and development have had an urban centric approach. Alongside, the stresses of Urban lifestyles have led to a “ counter urbanization” syndrome. This has led to growing interest in the rural areas. At the same time this trend of urbanization has led to falling income levels, lesser job opportunities in the total areas leading to an urbanization syndrome in the rural areas. Rural Tourism is one of the few activities which can provide a solution to these problems. Besides, there are other factors which are shifting the trend towards rural tourism like increasing levels of awareness, growing interest in heritage and culture and improved accessibility, and environmental consciousness. In the developed countries, this has resulted in a new style of tourism of visiting village settings to experience and live a relaxed and healthy life