

10. Tourism promotion

Learning objectives

At the end of this chapter the reader will be able to:

- Identify the unique challenges of marketing tourism.
- Discuss the importance of the steps involved in the development of a marketing plan.
- Be able to define and correctly use the following terms: marketing product, orientation, marketing orientation, profit margin, brand loyalty, marketing strategy grid, unique selling proposition/point, life span, geographic selectivity, cost-per-contact, cooperative advertising, selling orientation, intermediaries, channel of distribution, cognitive dissonance, promotional theme, noise level, pass-along rate, market selectivity, timing flexibility.

Introduction

Marketing is the sum total of the activities involved in getting products and services from producer to customer. This means ensuring that the right product is developed at the right price and promoted through the right places to produce a satisfied customer at a profit for the producer. In the case of tourism, a producer might be a destination, an airline, or a hotel, for example.

Marketing challenges

The marketing of tourism is different from marketing in the manufacturing industries because of the special characteristics of tourism.

- Tourist supply cannot be easily changed to meet changing tastes. This puts increased pressure on planners to make the right development and marketing decisions.
- Tourist demand is highly elastic. This means that changes in tourist income will produce a proportionately larger change in the demand for tourism.
- Tourist services are consumed on the spot. There is no opportunity to maintain an inventory of goods to compensate for soft periods of demand. There is constant pressure to sell every room, every seat, and every ticket every day because the sale that is lost today is lost forever.
- The tourist product is an amalgam of services—a plane seat, a hotel room, restaurant meals, sightseeing tours, etc. Lack of service in any one of these areas can ruin the entire vacation experience for the tourist. Any one producer lacks control over tourist satisfaction for the entire vacation.

Orientation. In addition to being a series of activities, marketing is also a way of looking at a business—namely through the eyes of the tourist. Historically, tourism marketing has been product oriented. The focus of the marketing effort was to provide the best beaches, the best rooms, etc, and to assume that, because these were the "best", tourists would automatically visit. This "product orientation" focuses on providing a "better" (as defined by the producer) product. Where there is more demand than supply, such an orientation might work.

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However, when supply (of destinations, airline, hotels) is greater than demand, the focus tends to switch to a selling orientation—where the emphasis is on convincing tourists to visit a particular destination. The trouble here is that the focus is on the needs of the producer to sell rather than on the needs of the tourist to buy.

A marketing orientation focuses on the tourist: "What does the tourist want? Can I provide it?" This orientation, or way of looking at the business, sees the vacation through the eyes of the tourist.



Exhibit 81: Product orientation—because the mountains are here, people will come. (Courtesy New Zealand Tourist & Publicity Office.)

Decisions regarding what to provide (product), what to charge (price), how to advertise our message (promotion), and how to communicate with the tourist (place) are taken with the tourist firmly in mind.

In tourism we are dealing with a "living product", a destination. While the focus of our efforts must be on satisfying the tourist, the physical, social, and cultural environment of the destination must be protected. Destinations that satisfy tourist needs to the exclusion of their own soon end up having lost the very thing that made them attractive in the first place. The task for the marketer is to satisfy the needs of the tourist while protecting the integrity of the destination.

Previous chapters have covered product and pricing issues within the context of the development of tourism. This chapter will focus on promoting tourist destinations and services, and the two chapters that follow will zero in on the fourth "p"—place, or, as it is referred to in tourism, the channels of distribution.

Developing the promotional plan

Promotion consists of the activities undertaken to increase sales.

There are various steps in the development of a promotional plan. These are:

- Select target audience.
- Determine objectives.
- Develop an appropriate message.
- Select the promotional mix.
- Set a budget.
- Evaluate the campaign.

These steps remain the same whether a destination, a company, or a specific tour is being promoted.

While the last step is that of evaluation, it should be noted that the campaign should be evaluated at each stage of the process. The reason a promotion might fail can be because the wrong segment of the market was chosen, the objectives were inappropriate, insufficient budget was given to do the job, the wrong message was sent through the wrong media, or the right message was sent but through the wrong media. The only way to keep the promotion on-track is to evaluate it at each stage.

Select target audience

Tourism marketing involves the extensive use of intermediaries (people or companies who operate in the channels of distribution between the producer and the tourist). A promotional campaign often needs to be aimed at both the tourist and one or more intermediaries.

For example, an airline sells its seats through retail travel agents as well as directly to the public. Any campaign to sell seats to a specific destination would be aimed at the potential tourist as well as the travel agent. A destination might advertise directly to the general public. It would also put together packages to sell the destination. These packages would be assembled with the help of tour wholesalers and sold through retail travel agents. The promotional campaign by the destination is at least three campaigns: encourage the wholesaler to package the destination, encourage the retailer to sell it, and encourage the tourist to buy the package.

The development of a marketing orientation involves targeting a message to meet the needs and wants of the audience. Yet, within tourism, the producer, the intermediaries, and ultimately the tourist have different needs and wants. The producer wants tourists, repeat business, a high return on investment, low selling costs, and maximum attention given by those in the channel of distribution to the products and services being promoted. The wholesaler is concerned with high volume of business, high profit margins (the difference between sales price and cost), reliable producers, packages offering low risk and little novelty, and products that will motivate retailers to sell them. (There is, of course, a market for unusual packages that appeal to a smaller, more sophisticated audience. However, wholesalers make their profit by selling volume. The way to do this is to produce products that have a better chance of appealing to the mass market.)

The retailer also seeks high sales volume and margins, wants to see a regular stream of innovative products to offer clients, and is concerned with the reliability of both wholesaler and producer. British vacationers relate horror stories about booking a package through a travel agent and arriving at the destination only to find their hotel has not yet been completed. Upon their return home, it was the travel agent who faced angry customers.

Tourists are looking for vacations to excite or to soothe. They want a lot of information about what they are buying; a variety of experiences, constantly updated to choose from, help in deciding where to go, how to get there, where to stay, what to do, etc. They want to be treated as individuals by hospitable people who are knowledgeable about the various choices and can book their vacation choice with a minimum of time and effort.

It can be seen that, for the same product (say a vacation package to Tahiti), a completely different promotional campaign would be necessary for the tourist and the retailer.

Determine objectives

The objectives of promotion are to inform, to persuade, and/or to remind. They come into play at different stages of the tourist's buying process. To get the tourist to buy and to buy again, successful promotional campaigns must:

- get the tourist's attention

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- develop an understanding about the benefits being offered
- create positive attitudes about what is being promoted
- develop tourist preferences for what is being sold
- get the tourist to buy
- convince the tourist to return

It is extremely unlikely that one campaign can achieve all of these things. The important point, however, is that a tourist moves through (or must be moved through) these stages prior to making a purchase decision. Tourists can be at different stages in this buying process. For example, London, England is a fairly well-known tourist attraction. While a potential visitor might not have visited London, enough may be known about it from watching travel programs, reading articles, and talking to friends and relatives that the tourist has a positive attitude about vacationing there. The objective, then, is to create a preference for London as a destination and get the potential visitor to buy a vacation there. Further messages can work on getting the tourist to return.

Less is known about India as a travel destination. Promotional efforts have to interest the tourist in India, create understanding about the benefits of visiting India, and put forth positive attitudes about India before moving onto the other stages of the buying process. For a new destination the efforts to get the tourist to buy will be longer and more time-consuming.

Attention/comprehension. At these stages the objective is to inform. This means, during the attention stage, exposing the message to as many of the right kinds of people as possible. Specific objectives can be set in terms of numbers of people to be reached within a specified period of time. The goal might be to have our message seen by 5,000 golf enthusiasts within the next month. Most media have excellent records of the reach (number of readers or viewers in particular categories) of their newspaper, magazine, television, or radio station and can give these figures.

It is one thing to have our message in a place where it can be seen. It is quite another to have it noticed and remembered. Thus, at the comprehension stage the objective can be stated in terms of message retention. We need to know what percentage of the target audience remembered the important parts of the message. This can be measured through recall instruments.



Exhibit 82: Aberdeen Harbor, Hong Kong.

Informing people about the destination.

(Courtesy Hong Kong Tourist Association.)

Attitude/preference/action. The next stage of the buying process involves persuasion. The promoter is seeking to create or strengthen existing positive attitudes or to change negative attitudes about a destination, airline etc. This can be measured by means of before-and-after surveys of the audience. Before the campaign, for example, attitudes toward an airline can be measured on a "positive-negative" scale. The campaign is run and a similar survey taken to determine whether or not the campaign was effective. The same is true at the preference stage. The objective here is to convince the target group that what is being promoted has attractions or services superior to those of others. A before-and-after survey can, again, demonstrate how effective the campaign was.

At the action stage the objective is to encourage purchases. This can be measured through increased bookings or sales.

Adoption. At the adoption stage, tourists have developed what is known as "brand loyalty". For example, the next time they fly, they will use Continental Airlines; whenever they are out of town they will stay at the hotel chain, Holiday Inn.

Promotion does not end with the sale. Even after the tourist has made a purchase, advertising is necessary for two reasons; to combat "cognitive dissonance" and to encourage repeat business. Cognitive dissonance refers to the feelings of anxiety felt after a decision is made to buy. It is a feeling that, perhaps, the choice made was not the right one. It is similar to that felt in a restaurant after having ordered prime rib and seeing a juicy chicken at the next table. The more expensive and important the purchase the more the anxiety. Consequently, it is necessary to further convince customers that they made the right decision. This might take the form of a note congratulating the customer on the purchase or advertisements with enough information in them so that vacationers can convince themselves that the right decision was made.

It is less time-consuming and less expensive to convince customers to buy again (if they were satisfied the first time) than to convince new customers to make the purchase. "Reminder" advertising seeks to encourage repeat sales. The incidence of repeat purchasers is an indication of how successful we are in satisfying the customers and convincing them to return.

Which stage? It is vital that appropriate objectives be set. To people who know little about New Zealand as a travel destination, a campaign aimed at "the hard sell" will be fruitless. Once target markets have been identified, their "place" in the buying process can be determined by means of some simple research.

- Have they heard of New Zealand?
- What are New Zealand's major tourist attractions?
- What are their attitudes toward New Zealand as a tourist destination?
- Given a list of possible destinations, where would they rank New Zealand?
- How likely are they to visit New Zealand next year?

Such a survey will indicate the appropriate objectives to stress in a promotional campaign.

Marketing grid. Another method for determining appropriate objectives is suggested by Ronald A Nykiel in his book *Marketing in the Hospitality Industry*.²⁶ Nykiel uses a marketing strategy grid to identify appropriate campaign objectives. The grid is depicted in Table 1. The grid shows the relative strengths of the market and the competitive position of a destination or firm.

26 Ronald A. Nykiel, *Marketing in the Hospitality Industry* (New York: Van Nostrand Reinhold Company, 1983), pp. 51-59.

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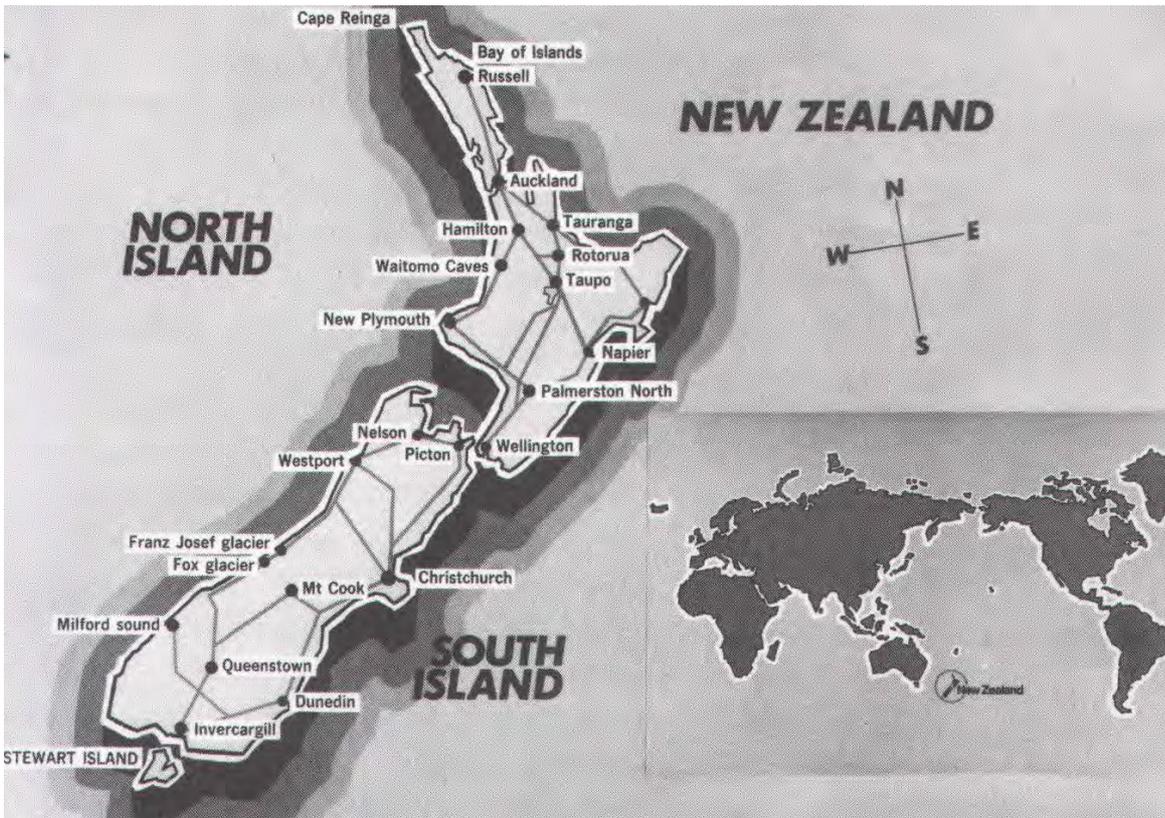


Exhibit 83: New Zealand's major attractions. (Courtesy New Zealand Tourist & Publicity Office.)

The position on the horizontal axis is an indication of how strong or viable a particular segment of the market is. The vertical axis is a measure of how we compare with our competition in vying for that segment of the market. To what extent do we have a strong competitive advantage in attracting that segment of the market?

Given an honest, albeit subjective, appraisal, an X can be placed in one of the nine squares. For example, if "convention-goers" is seen as a strong market segment, but we are perceived as in a weak competitive position for the segment of the market, an X would be placed in box seven.

Table 1: Marketing strategy grid

Market potential				
Strong	Moderate	Weak		
1	2	3	Strong	Competitive position
4	5	6	Moderate	
7	8	9	Weak	

In general, numbers 1, 2, and 4 are seen as favorable positions and occur when one or both factors are strong and neither factor is below the moderate level; 3, 5, and 7 are seen as less favorable, and occur when one factor is weak, and one is strong, or both are moderate; and 7, 8, and 9 are seen as unfavorable positions to be in and occur when one or both factors are weak and neither is above the moderate level.

Different objectives are suggested for each of the squares:

- *Strong market-strong product.* Protect this position through special programs designed to recognize the importance of this market segment; increase prices to maximize profits; add or upgrade services to remain competitively ahead.
- *Moderate market-strong product.* Attempt to increase market share through competitive pricing.
- *Weak market-strong product.* Promote to more segments of the market with multiple pricing strategies and a variety of service offerings; strong emphasis on cost control.
- *Strong market-moderate product.* Price slightly below the competition; stress "value for money"; advertise as acceptable replacement for competition.
- *Moderate market-moderate product.* Utilize specialized promotions to increase the market segments attracted; attract market share through competitive pricing.
- *Weak market-moderate product.* Expand the number of market segments attracted.
- *Strong market-weak product.* Upgrade the product and then increase prices.
- *Moderate market-weak product.* Build market share through special rates.
- *Weak market-weak product.* Sell or turn to alternate business.

Both the market and the competitive situations are constantly changing. As such, the marketing grid can also be used to determine which way the market and the competitive situations are moving in order that objectives can be formulated based on likely future situations.

Develop appropriate message

The promotional theme comes from a comparison of the analyses of the product, the market, and the competition. An analysis of the market will tell, among other things, what the market wants—what is important to the people in that market. For British vacationers it may be sunshine and beaches; for Germans it may be friendly, local people. By taking the factors important to the potential tourists and comparing ourselves to the competition, a campaign theme can be developed. The theme should consist of factors that are important to the market segment being sought and where we do a better job than the competition. In marketing, this is referred to as the unique selling proposition or, more simply, the unique selling point.

Perception vs reality. A complicating factor arises when we consider how we are perceived by the market on the factors the market considers important. People act on their perceptions of a situation rather than on the reality of the situation itself. Suppose, for example, that historical sites are important to the market. The United States has a number of interesting historical sites. Mesa Verde National Park in Colorado has more than 200 dwelling rooms and 23 sacred kivas (ceremonial structures) in Indian cliff dwellings dating back to the first century BCE. However, if the market perceives that the United States lacks historical sites, people will not visit.

A comparison of image versus the actual situation is displayed in Table 2. Box 1 represents a situation where, on a factor that is important to the tourists being attracted, their image of the company or destination is positive and, in actuality, we are positive (For example, friendly people are important to the tourists; they think we have friendly

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people compared to the competition and we do.). This, then, becomes our message—our campaign theme. In effect, we say: "Friendly people are important to you; we do a better job than does our competition in this regard."

Box 2 illustrates a situation where the image is negative but the actual is positive. Friendly people are important; we do have friendly people but tourists do not perceive our locals as being friendly. The message is essentially the same, but we will have to work harder and longer to change this image. Perhaps advertisements can be developed that show letters written by the local people inviting tourists to visit.

Boxes 3 and 4 indicate problems for the destination. In box 3, tourists believe the locals are friendly toward tourists but in actuality they are not.

Table 2: Developing the campaign theme

Tourist image			
Positive	Negative		
1	2	Positive	Actual situation
3	4	Negative	

Tourists could be attracted but, as soon as they arrive, they will realize that their perceptions were wrong. They will not return and will spread negative word-of-mouth advertising to others. In box 4, tourists do not believe that the locals are friendly and, in fact, they are correct! In both cases the "product" must be changed before the situation can be improved. Perhaps some educational seminars can be put into place to show the local people how important tourism is; surveys can be initiated and meetings held to discover why locals do not like tourists and to use this to address their concerns.

Select the promotional mix

Many methods can be used to get our message across. The most widely used method in travel and tourism is advertising—both to the consumer and the trade, personal selling, publicity or public relations, and promotional literature and merchandising, such as posters and window displays.

Each has advantages and disadvantages in terms of cost, selectivity, and ability to convey the message.

Newspapers. Newspapers are relatively inexpensive, both on a total cost and cost-per-contact, the cost of reaching one person, basis. Newspapers offer geographic selectivity and high frequency (most are dailies). Coverage is good in that approximately 80 per cent of the US adult population reads at least one newspaper a day.



Exhibit 84: Are the locals friendly? (Courtesy Australian Tourist Commission.)

The lead time required to schedule an ad (flexibility) is low, and most papers have specific travel sections on Sunday.

Market selectivity, however, is low. In addition, newspapers have a high "noise level"—the amount of stimuli competing for the reader's attention—while the life span and pass-along rate are both low. Although there have been recent improvements in the quality of color photographs in newspapers, the quality is still rather poor.

Magazines. Magazines have a much higher total cost and cost-per-contact than do newspapers. They also have fairly long lead times for advertising. However, because of their specialized nature, magazines are highly market selective while regional editions offer some geographic selectivity. Life span and pass-along rates are both above average; print and graphic quality are excellent, and, through coupons or inserts, magazines have direct-response capabilities.

Direct mail. While the total cost of a direct-mail campaign tends to be rather high, the cost-per-contact varies considerably depending upon the quality of the mailing list and the quality and quantity of the materials used. For example, geographic mailing lists containing the names of readers of *Golf Magazine* or those of affluent travelers can be purchased.

Both market and geographic selectivity are the highest of all media. Both the life span and the noise level are low, as is timing flexibility owing to the need for production lead times.

Television. Television is an excellent medium for promoting tourism because it can utilize sight, sound, and movement. It is very expensive although the cost-per-contact may be low. The noise level is very high because people usually watch television with other people. To a certain extent it is possible to be geographically selective. However, the level of credibility or trust is low and timing flexibility is below average.

Radio. Radio offers the advantages of low cost and high timing flexibility. It is highly selective geographically and offers above-average market selectivity. Its credibility and noise level are similar to that of television. In addition, unlike newspaper or magazine advertisements, radio (and television) ads cannot be referred to afterwards. Because of this, and the fact that listeners are usually doing something else while listening to the radio, ads must be heard over and over again if they are to have an impact on potential tourists.

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Outdoor signs. There are two types of outdoor signs—billboards and transit signs. Billboards are placed along highways and at places where there is a high concentration of people. Transit signs are to be found on the sides of vehicles, such as buses.

Outdoor signs offer good geographic selectivity and low cost. However, they are limited in the amount of information that can be taken in by passing motorists. Additionally, there are increased restrictions on their use owing to laws regulating their placement.

To be most effective the message should be short, have high visual impact, and should be repeated.

Community attractions literature. Community attractions literature, often called collateral material, consists of brochures, pamphlets, maps, and directories. They can be promotional, informational, and directional. Brochures should contain the following information:²⁷

- identification of the facility, including the logo;
- descriptive facts on the facility;
- directions on how to get there;
- a map with commutation times;
- address and phone number;
- person to contact for more information;
- amenities within the facility;
- nearby attractions and items of interest to the visitor;
- transportation information.

The cover is the most important part of the brochure. Most people read only the headline in an advertisement or the cover of a brochure. To get the reader into your message, the cover must attract attention. The cover should contain:

- the name and location;
- the selling message;
- a consumer benefit;
- an identification of the target audience.

Next to the cover photo, captions are the best-read part of the brochure. Make sure that captions sell the personality and the unique features of the facility or destination.

People like to see other people. In the photographs, include pictures of guests enjoying themselves. The exception to this rule is food. Readers prefer seeing close-up pictures of the finished dish.

Directory advertising. There are over 5,000 different reference directories ranging from the Yellow Pages to specialized listings. Operators or destinations often undertake directory advertising because "everyone else does it". The decision to be listed or not should be based on an analysis of the business brought in from the listing compared to the cost involved.

Travel videos. The recent increase in the number of households with VCRs (videocassette recorder) has offered a new opportunity for promoting tourism, the travel video. Some destinations will, for a small refundable deposit, send a video to interested customers. The video, viewed in the comfort of one's home, can be an effective sales tool. Promotional pieces can be repeated, and the noise level is low because the potential tourist has requested

²⁷ Ibid. p. 130.

the video. While the initial cost is high, the combination of color, sound, and movement makes for an effective sales technique.

Public relations. Public relations (PR) is usually thought of as free advertising in that the company or destination does not pay for it. Yet there is a cost. To be effective, a PR campaign must be well planned and executed. Public relations should have objectives, ways to reach these objectives, target markets, timetables, and evaluative techniques to measure the results; That costs money.

Public relations consists of the efforts involved in creating a positive image for the company or destination in its dealings with its publics—visitors, the local community and businesses, the media, and suppliers.



Exhibit 85: Providing photographs like these is an example of public relations. (Courtesy Hong Kong Tourist Association.)

Included in PR activities are such things as press releases, press conferences, appearances on radio and television shows, and familiarization trips for travel agents or travel writers. In the case of the latter, travel writers are given subsidized or free travel to a facility or destination in the hope that positive travel articles will result. In the case of travel agents, the hope is that the agent will be better able to sell the destination because of increased familiarity with it.

Films. The cost of travel films is very high. As a result, their use is limited to large companies, cities, states, and countries.

Trade shows. There are two types of trade shows—those open to members of the trade and those open to the general public. In domestic and international travel trade shows, destinations and companies buy booth space and meet with wholesalers or retail travel agents in an attempt to sign business deals. This can be an excellent way to meet many travel trade people in one place over a few days.

Shows open to the public tend to be geographically regional. They offer the opportunity to see many potential tourists in the same short period of time. Little, if any, sales are consummated on the spot, but it is a way of getting the sales message out by way of film, video, and brochures to a large number of people.

Cooperative advertising. Advertisements that are jointly sponsored are known as cooperative, or co-op, advertising. Tour operators, for example, may provide the advertisement to a retail travel agency, which adds its

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name to the ad. The cost of producing and running the ad is shared by the two companies. Other suppliers, such as airlines and destinations, may offer the same type of deal.

Set a budget

At this stage of the promotional plan it is appropriate to develop a budget. The objectives have been set, a theme determined, and the media selected. Based upon what has to be done and how it will be done, the amount of money necessary to get it done can be determined.

In a number of cases, industry averages are used to approximate how much should be spent or to compare the spending of one facility or destination with that of its peers. The problem here is that figures used are the average for businesses or destinations that have been around for a long time and have built up a reputation and significant trade compared to others that are seeking to enter the marketplace. In the latter case, a larger budget would be necessary. Thus, while averages are useful as an approximate guide, each operation must build its own budget based on what it seeks to accomplish, its objectives, and how it seeks to accomplish them, the promotional mix.

Evaluate the campaign

It cannot be stressed enough how important it is to evaluate the campaign at each stage of the way. It is a step that is often overlooked. A company may spend thousands of dollars on a campaign only to discover little or no increase in visitors or sales. Something obviously went wrong, but what? No one can say for sure unless the promotional effort is evaluated at each step of the way. It may be that the wrong audience was targeted—did we reach the people we really want to attract? It may be that the wrong objectives were set—did we aim too high, too low? Was the theme appropriate to the objectives—did we succeed in changing people's attitudes about the destination? Did we choose the right media where our message would be seen and understood? Did we budget enough to ensure the success of the message?

Study questions

- Why is the marketing of tourism different from marketing in the manufacturing industries?
- What are the differences among a product, selling, and marketing orientation?
- List the steps in the development of a promotional plan.
- The promotional campaign by the destination is at least three campaigns. What are they?
- Compare and contrast the different needs and wants of tourism producers, wholesalers, retailers, and tourists.
- What are the various stages in the tourist's buying process and what are the promotional objectives at each stage?
- How does the position of a destination on a marketing strategy grid influence its promotional objective?
- What should the promotional theme consist of?
- How does the perception of the market regarding a destination compared to the actual situation influence the destination?
- Contrast the characteristics of the various forms of promotion.

Discussion questions

- In what ways do the needs of tourists, intermediaries, and producers differ? What kinds of promotional messages, based on needs, would be most effective?
- How do promotional messages differ (a) at different stages of the tourist's buying process and (b) relative to the strength of the market segment and the competitive position of the destination?
- How does a tourist's perception of a destination affect the destination's promotional message?
- Compare and contrast the advantages and disadvantages of using the various advertising media.