

# TOURISM MARKETING

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## Unit 5

Topics covered:

Distribution channels for tourism

Promotional Mix

Sales Promotion Techniques

Issues and Challenges in Tourism Marketing

# DISTRIBUTION CHANNELS FOR TOURISM

- A distribution channel is the way that your services get to your customer, and how they pay for it. It can either be a direct transaction (for example, through your website), or involve third party resellers.
- For tour operators, there are 5 third-party distribution channels that can't (or at least shouldn't) be ignored.
  1. **OTAs (Online Travel Agencies)** : Online travel agencies will list your tour or activity on their site and allow their users to search for and click through to book with you. Usually this is through a pay-per-click format. Make sure that they have what they need to promote your business in a good light.
  2. **Government Websites** : Destination-focused government websites are a good channel to leverage. For tours and activities, you will usually be required to meet certain criteria. For example, Destination NSW requires that you offer regular organised excursions with scheduled departures, a personal guide or host and commentary.

**3. VICs (Visitor Information Centres) :** VICs will organise accommodation, tour, and transport bookings for visitors. Because travellers often go to these centres to seek information on what to do at a particular destination, it would be wise to contact your local VIC and see how you can partner with them.

Some VICs don't ask for commission for bookings that they send to you, while others have a pricing structure to list on their site. It really depends on the VIC.

**4. Daily Deal Websites :** Vouchers and coupons are the perfect channel for filling your capacity during slower periods. A daily deal site can boost awareness of your business without spending thousands on marketing. It's also a good way to upsell by selling extras along with your deal. Just remember to set a logical limit to the number of coupons sold, and not to offer a discount that is too high.

**5. Concierge Services :** Concierges at hotels assist their guests with tasks that will help them get the most out of the destination. This means they make reservations for restaurants, spas, transport, events, tours and activities. Drop off your brochures at nearby hotels and convince your concierge that it's a good idea to resell you.

# PROMOTIONAL MIX

## **Definition:**

The Promotion Mix refers to the blend of several promotional tools used by the business to create, maintain and increase the demand for goods and services. The fourth element of the 4 P's of Marketing Mix is the promotion; that focuses on creating the awareness and persuading the customers to initiate the purchase.

The several tools that facilitate the promotion objective of a firm are collectively known as the Promotion Mix.

The Promotion Mix is the integration of Advertising, Personal Selling, Sales Promotion, Public Relations and Direct Marketing.

## Elements of Promotion Mix



# SALES PROMOTION TECHNIQUES

Sales promotion is an important tool of promotion which supplements personal selling and advertising efforts.

**According to American Marketing Association**, “Sales promotion includes those marketing activities, other than personal selling, advertising, and publicity, that stimulate consumer purchasing and dealer effectiveness, such as displays, shows and expositions, demonstration, and various non-recurrent selling efforts not in the ordinary routine.”

## **Objectives of Sales Promotion:**

The basic purpose of sales promotion is to increase the sales of a product by creating demand.

Sales promotion has a capability to complement and supplement the advertising functions of the marketing.

It helps marketers to realize a variety of objectives. These objectives are for both marketers and traders.

# TECHNIQUES

**1. Distribution of Samples:** Many big businessmen distribute free samples of their products to the selected people in order to popularise their products. Distribution of samples is popular in case of books, drugs, cosmetics, perfumes and other similar products. As the distribution of samples is very costly, this system is confined to those products of small value which have often repeated sales.

**2. Rebate or Price-Off Offer:** In order to increase sale, many producers introduce price off offer to the customers. Under this, the product is offered at a price lower than the normal price. For example, during off season (winter), ceiling fans, coolers and refrigerators may be offered at 20 to 30% off price.

Rebate offer is given for a limited period only, for example, Coca cola offered 2 litre bottle at Rs. 35 only during winter 2009.

**3. Partial Refund:** A firm may use the strategy of refunding a part of the price paid by the customer on the production of some proof of purchase of its product. For instance, the buyer of two cakes of a branded soap may be refunded Rs. 5 on returning the empty packages to the dealer.

**4. Discount Coupons:** A discount coupon is a certificate that entitles its holder to a specified saving on the purchase of a specified product. Coupons may be issued by the manufacturers either directly by mail through sales-force or through the dealers. The coupons are also issued through newspapers and magazines. The holders of coupons can go to the retailers and get the product at a cheaper price.

**5. Exchange Offer:** It means exchange of an old product with the new one after payment of the exchange price fixed by the manufacturer. Such offers are very common these days in case of electric irons, TVs, refrigerators, scooters, gas stoves, washing machines, etc.



# ISSUES AND CHALLENGES IN TOURISM MARKETING

**1. Accommodations :** Hotels, resorts, and vacation communities catering to small, niche groups need channels to market themselves accordingly.

For example, *Travel and Leisure* top-rated Maui resort Hotel Wailea offers an oasis from beach-crowded hotels. As an adult-only resort, the hotel needed to focus on catering to a niche, adult-only crowd eager for a kid-free environment. The hotel also wanted to find ways to engage guests and create an independent spirit to help brand the resort. This presented a challenge since Hawaii is typically known for family vacationing.

**2. Transportation :** Airlines aren't exactly known for a focus on passenger comfort - in fact, their profitability has largely been at the peril of passenger comfort.

But when revenues are determined by how many flights and seats they can fill, adding more seats is often the answer to increasing profits.

Airlines have a challenge of finding tourism marketing solutions to earn new customers while finding new ways to create comfort and enhance the passenger experience.

**3. Retail Travel Agents :** Today's travellers have endless options for researching, planning, and booking travel from online booking engines to travel blogs. And although reports show Millennials are relying on travel agents in record numbers, there is still an issue of wading through the endless choices among both travel agents, as well as online resources. Millennials are seeking experiential travel that transforms the way they take a vacation, making it difficult for agents to convey those experiences.

- **4. Tour Operators :** More users aren't just looking to on-site WiFi and amenities in their transportation options; they want the customer experience to start online. According to an interview with James River Transportation in *LCT Magazine*, only 5% of their charter bus tour and operation sales came from the Internet 10 years ago. But at the moment, 60% of their reservations requests are either quotes that get converted or requested through online sales, which is an enormous increase.

**THE END**