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TOURISM MARKETING



➤ **MEANING AND IMPORTANCE**

➤ **EVOLUTION OF MARKETING**

➤ **MARKETING SYSTEM**

➤ **MARKETING FUNCTIONS**

➤ **TOURISM MARKETING**

➤ **TOURISM PRODUCT**

➤ **FEATURES**

➤ **MARKET RESEARCH**

➤ **MARKET SITUATION ANALYSIS**



MEANINGS OF MARKETING

- The activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large".
- The term developed from the original meaning which referred literally to going to market with goods for sale.
- From a sales processing engineering perspective, marketing is "a set of processes that are interconnected and interdependent with other functions of a business aimed at achieving customer interest and satisfaction".

CONCEPT OF MARKETING

- Needs
- Wants
- Demand
- Needs:-something necessary for people to live a healthy, stable and safe life. When needs remain unfulfilled, there is a clear adverse outcome: a dysfunction or death.
- Needs can be objective and physical, such as the need for food, water, and shelter; or subjective and psychological, such as the need to belong to a family or social group and the need for self-esteem.

CONCEPT OF MARKETING

- **Wants:**-something that is desired, wished for or aspired to. Wants are not essential for basic survival and are often shaped by culture or peer-groups.
- *Demand:* when needs and wants are backed by the ability to pay, they have the potential to become economic demands.

MAJOR SEGMENT OF MARKETING

- B2b:business 2 business
- B2c:business 2 consumers
- B2b:-b2b (business-to-business) marketing refers to any marketing strategy or content that is geared towards a business or organization. Any company that sells products or services to other businesses or organizations (vs. Consumers) typically uses B2B marketing strategies.
- B2c:business-to-consumer marketing, or b2c marketing, refers to the tactics and strategies in which a company promotes its products and services to individual people.

IMPORTANCE OF MARKETING

- Marketing helps in transfer, exchange and movement of goods
- Marketing is helpful in raising and maintaining the standard of living of the community
- Marketing creates employment
- Marketing as a source of income and revenue
- Marketing acts as a basis for making decisions
- Marketing acts as a source of new ideas
- Marketing is helpful in development of an economy

EVALUATION OF MARKETING

- The origins of marketing can be found in the process of people's exchange of one good for another.
- Before the industrial revolution, exchanges of goods were limited, as people did not have many items to trade.
- If we attempt to trace the evolution of the approaches of marketing,
- We will find that the concept has undergone a remarkable change from its primitive barter system to the present-
- Day management-oriented approach to marketing.

CONCEPTS OF EVALUATION OF MARKETING

1. BARTER SYSTEM
2. PRODUCTION ORIENTATION
3. SALES ORIENTATION
4. CONSUMER/CUSTOMER ORIENTATION
5. MANAGEMENT ORIENTATION

BARTER SYSTEM

- It may be regarded as the initial beginning of the concept and approach of marketing evolution process.
- Under this system, the goods are exchanged against goods without any other medium of exchange like money.

PRODUCTION ORIENTATION

- This approach was based on the assumption that whatever is produced is accepted by the customers or consumers.
- In other words, the producer instead of being concerned with the consumer preferences concentrates on the production of goods for the purpose of profit realization.
- This approach was the outgrowth of the industrial revolution to produce goods on a mass scale in anticipation of demand.

SALES ORIENTATION

- This approach, in the evolution of marketing, involves a deliberate orientation towards the promotion of sale.
- Various socio-economic factors, like shift from agriculture to industry, development of the means of transport and communications, better living standards of people, competition among the producers to reach out to consumers, etc., Have given birth to this approach.

CONSUMER/CUSTOMER ORIENTATION

- This approach refers to the concept of marketing that is related to the needs of the buyers.
- Under the system, only such products are brought forward in the market, which are capable of satisfying the tastes, preferences, and expectations of the consumers.
- This stage, in the evolution process of marketing, ushered in a major breakthrough in the outlook of the producers towards marketing.

MANAGEMENT ORIENTATION

- This approach or concept can be said to be a natural consequence of increasing attention to the consumer satisfaction.
- Marketing, under this concept, is conceived of as a total management system of interacting business activities designed to plan, promote, and distribute want satisfying products and services to the existing and potential consumers.
- In the present highly competitive and changing world, the marketing factor has become very crucial to all business planning and decision making.

MEANING OF TOURISM MARKETING

- Tourism marketing is a term which is used to refer to that business discipline by which the visitors are attracted to a particular location which can be a state, a city, a particular heritage site or tourist destination spot, a hotel or a convention center anything.
- The location can be anything which has the potential for attracting a tourist who comes to visit a new place.

IMPORTANTS OF TOURISM MARKETING

- Identify the ideal target market.
- Attract new customers and develop loyalty.
- Understand the customer journey.
- Stand out from competitors.
- Hone in on the most effective tactics.

IDENTIFY THE IDEAL TARGET MARKET

- The first step to developing a successful marketing campaign is identifying who the ideal target market.
- Is depending on the experience on offer, the customer will vary.

ATTRACT NEW CUSTOMERS AND DEVELOP LOYALTY

- Once the ideal target market has been identified, a strategy to reach these potential customers must be developed.
- Because customer loyalty is key, a lot of time needs to be devoted to building brand awareness and creating ongoing, interconnected campaigns that both target previous guests, and attract new ones.

UNDERSTAND THE CUSTOMER JOURNEY

- In tourism, the ultimate end goal is the sale of an 'experience' – not a material object.
- This means that the customer journey to making a purchase is rather different and comes with its own set of challenges.
- Understanding this 'journey' that the customer takes before going through with a purchase is critical to a successful marketing campaign.

STAND OUT FROM COMPETITORS

- As the tourism industry becomes more and more competitive, it's important to make sure that your business stands out.
- Highlighting what is unique or different about the business is one of the best ways to achieve this.
- A really good marketing strategy is able to communicate these points effectively to the customers in a way that 'speaks' to them.

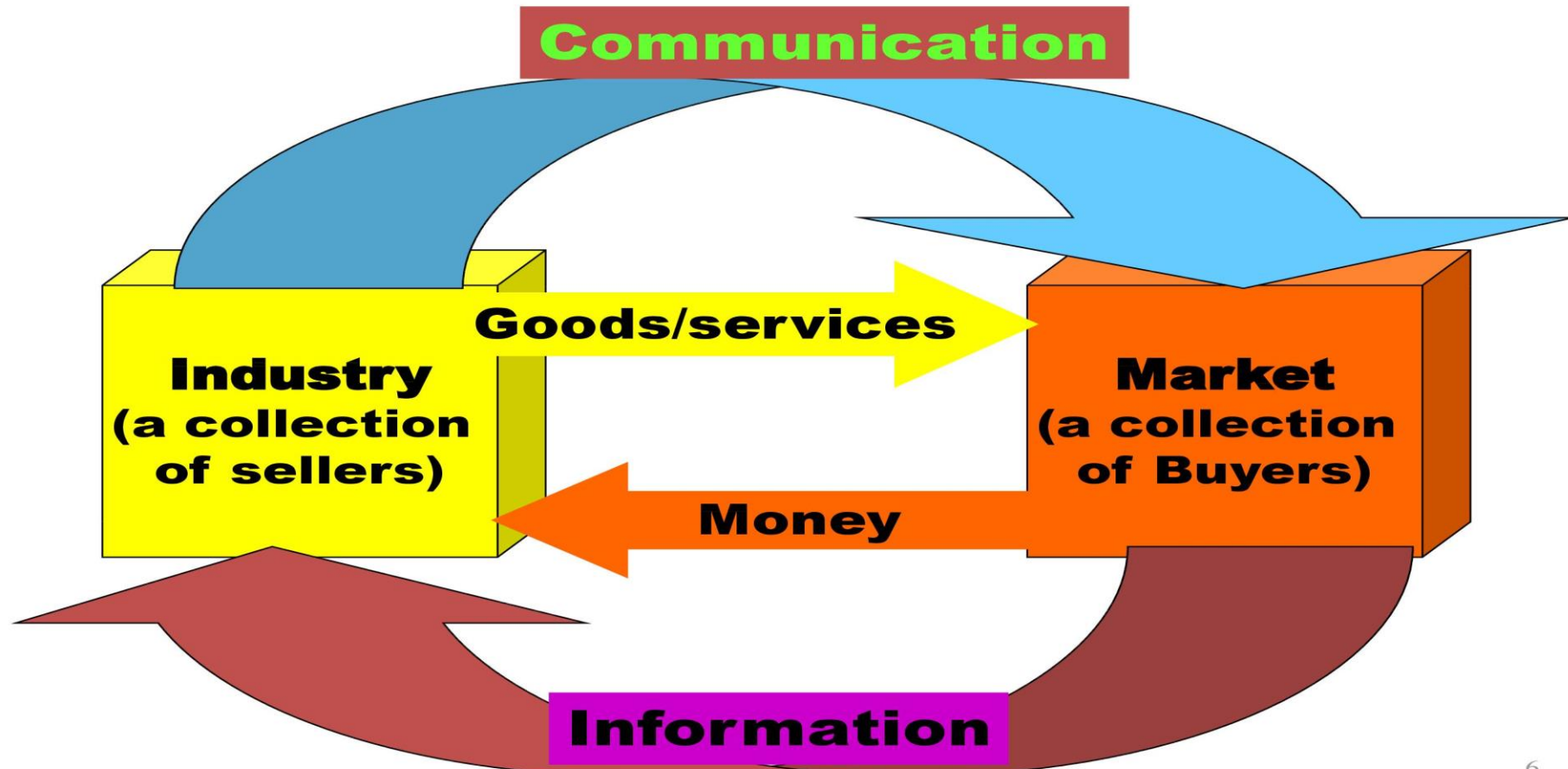
HORN IN ON THE MOST EFFECTIVE TACTICS

- Using research and analytical tools, a marketing strategy allows you to assess which resources are best helping to reach your audience,
- Then focus on those resources to ensure the best ROI possible.
- Having a good marketing strategy in place allows you to feel confident in knowing that all your business's marketing needs are being carefully looked after.

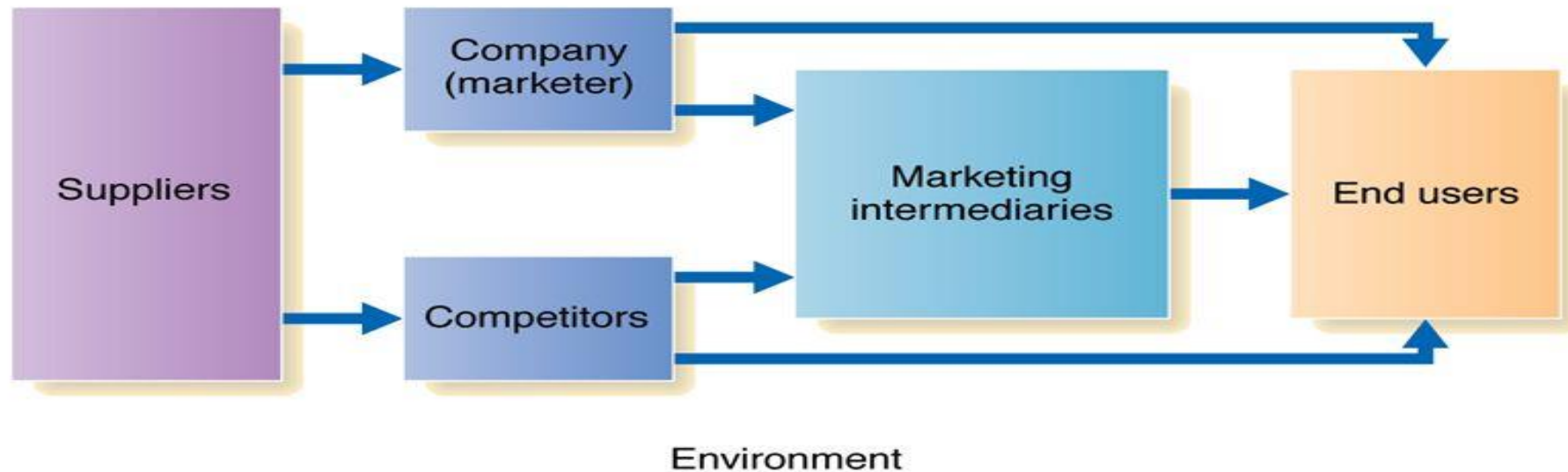
EVOLUTION OF TOURISM MARKETING

- The term 'artificial intelligence' is as amazing and technologically advanced as it sounds.
- We have been hearing it for years in movies and documentaries, but now artificial intelligence is present in the real world and is affecting our everyday lives.
- This extends through to the tourism marketing and the travel and tourism industry in general.
- The development of artificial intelligence in the marketing sector and how travel and tourism businesses need to adjust in order to keep up with the changes.

Simple Marketing System



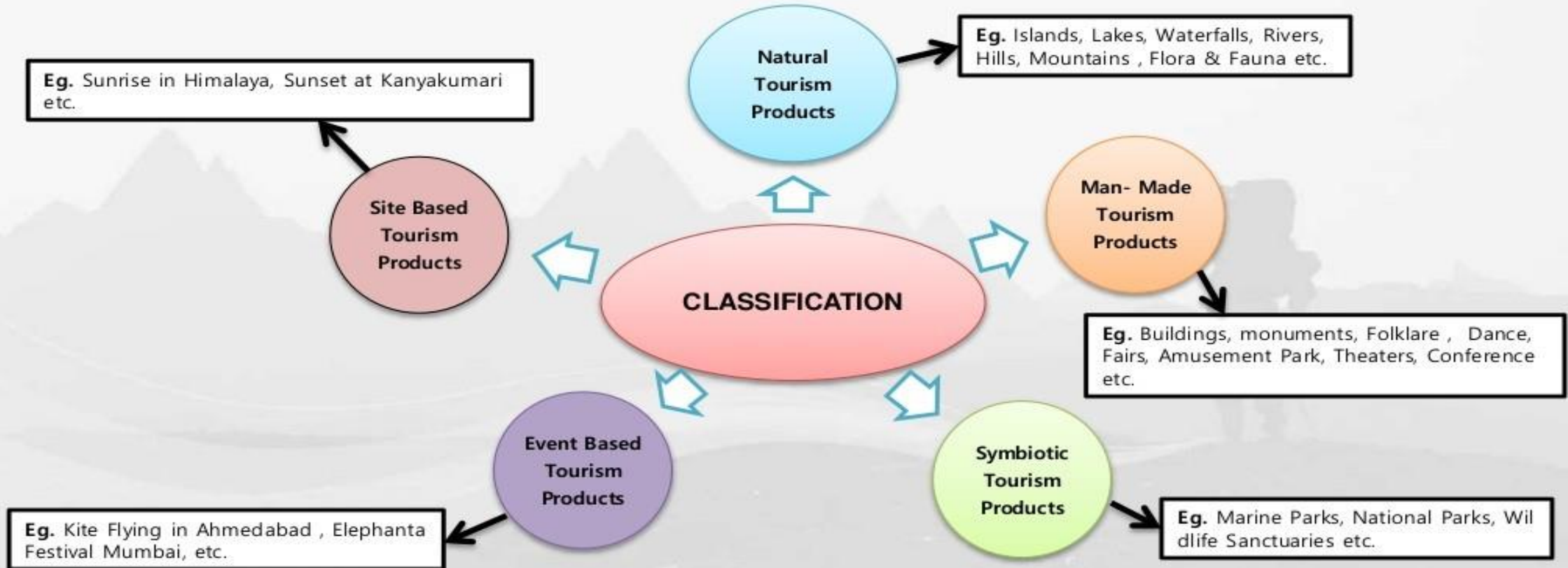
Elements of a Modern Marketing System



MARKETING FUNCTIONS



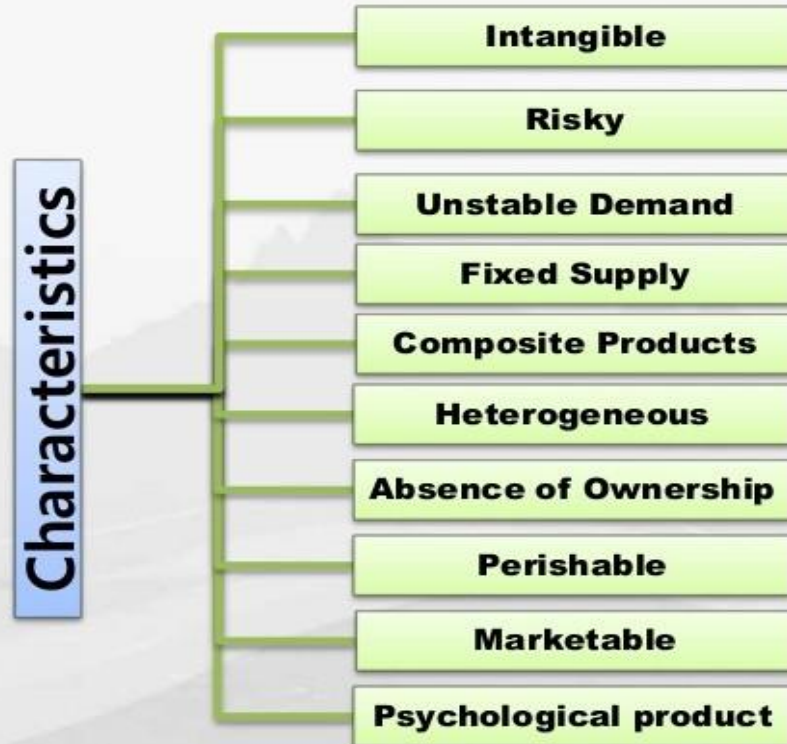
TOURISM PRODUCTS



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Features of Tourism Marketing




TOURISM PRODUCTS



Marketing consists of all those activities necessary to bring a product or service from the manufacturer to the end user. These activities include:

- ▶ The product and or service itself
- ▶ The methods of distribution
- ▶ The methods of pricing
- ▶ The methods of promotion
- ▶ The form of selling
- ▶ The form of advertising

In relation to tourism, marketing is the systematic process by which an organization tries to maximize the satisfaction of tourist demand through research, forecasting and the selection of tourism products and services to meet that demand.

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- ▶ It is a management philosophy which in the light of tourist demand, makes it possible through research, forecasting and selection to place tourism products on the market in line with the organization's purpose for the greatest benefit.
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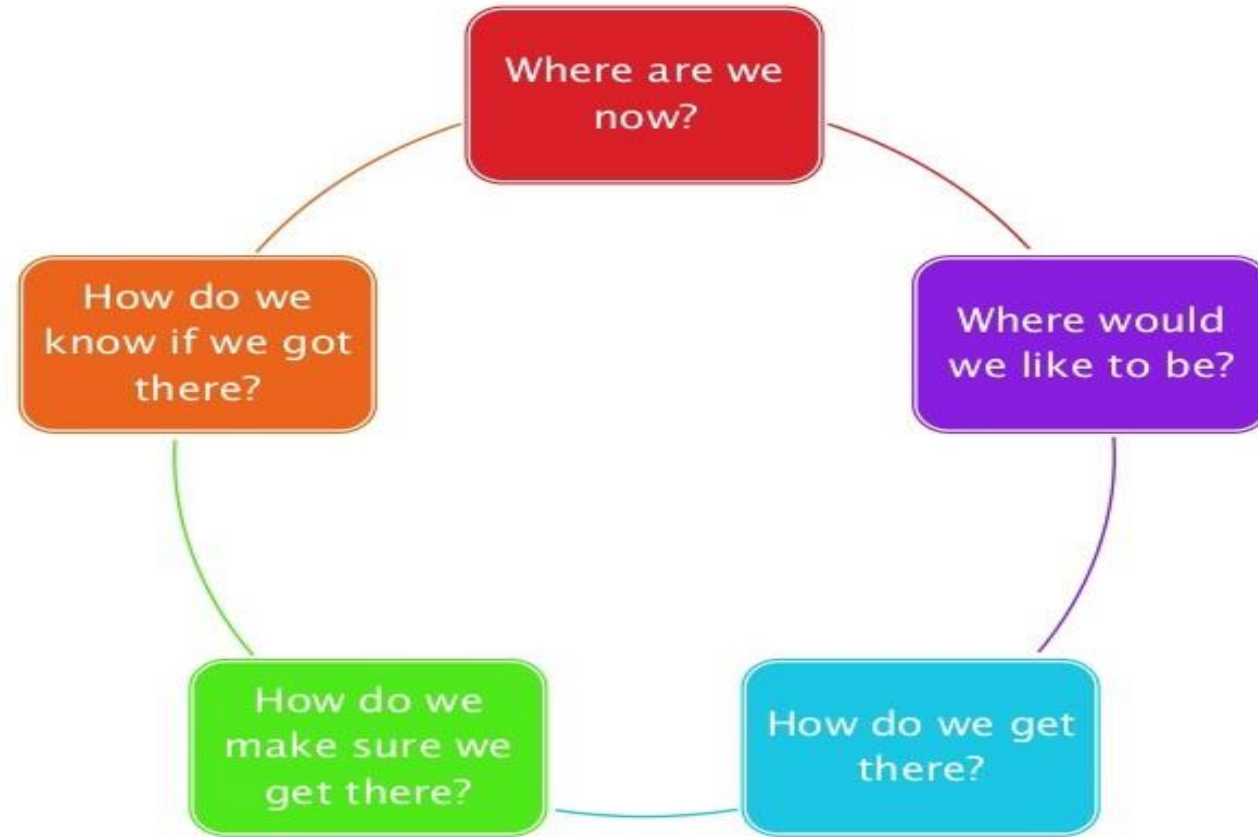
Uniqueness of Tourism Marketing

- ▶ Tourism is a service. An intangible experience is being sold, not a physical good that can be inspected before is bought. For example, a consumer does not buy a bed or a beach, but buys a night's lodging in a hotel at the seashore.
- ▶ The service provided is usually composed of several components such as transportation, lodging, food and beverage, attractions, activities etc. the degree of success of anyone component influences the success of the other components.
- ▶ Travel intermediaries are a necessity. Because most tourist services are located far from their potential customers, specialized intermediaries are necessary to bridge the gap between the producer and the tourists.

- ▶ The organizations that market tourism destinations usually have a little control over the quality and quantity of services.
- ▶ The guest's satisfaction is a function of the staff providing the service.
- ▶ Tourism demand is highly elastic, seasonal in nature and it is influenced by subjected factors such as price and the physical attraction at the destination
- ▶ The intangible nature of tourism services means that the visitor's travel experiences exist only in memory after the trip is over.

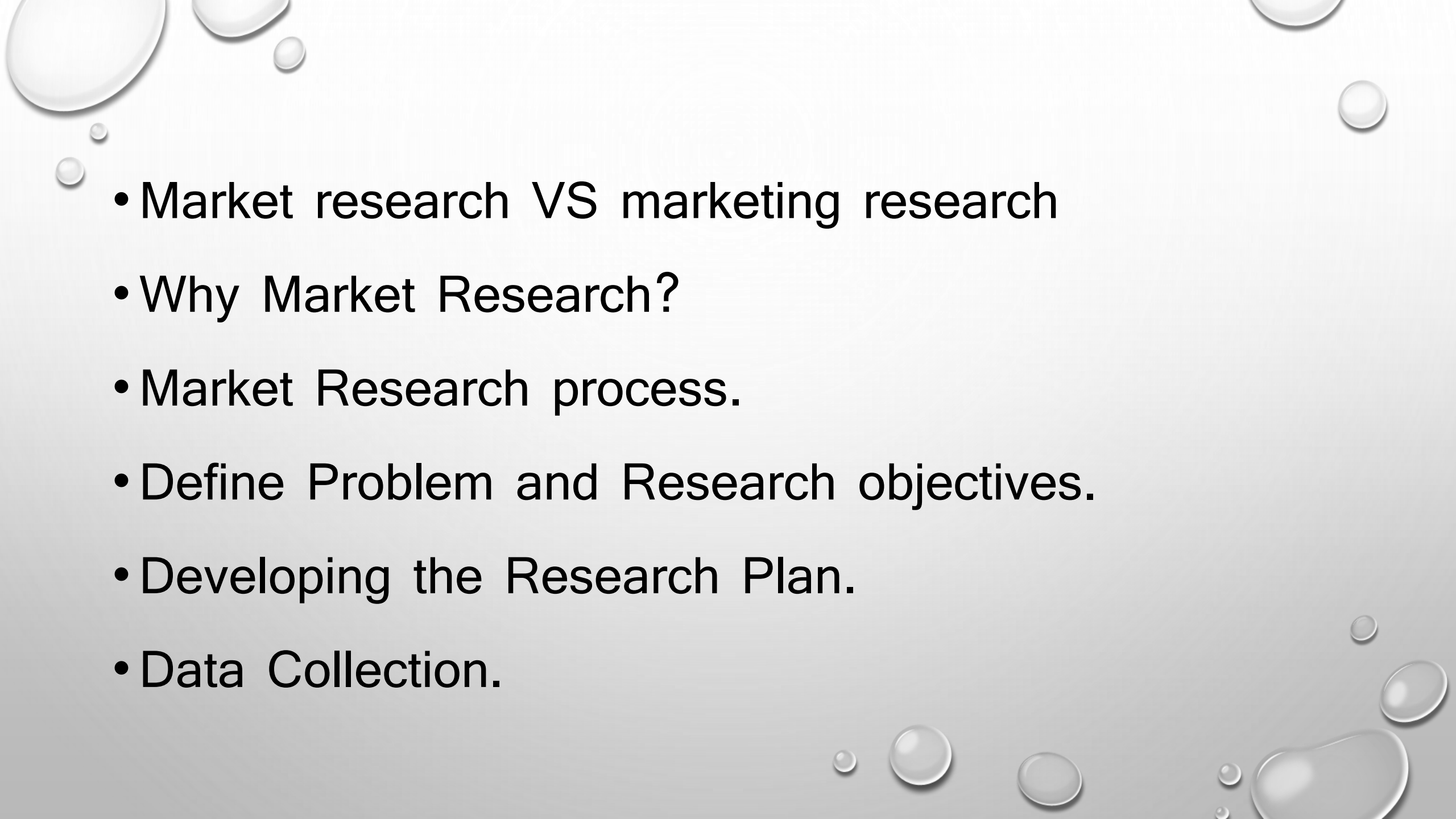
- ▶ “Marketing is a continuous, sequential process through which management in tourism plans, researches, implements, controls and evaluates activities designed to satisfy both customers’ needs and wants and their own organization’s objective. To be effective, marketing requires the efforts of everyone in an organization and can be made more or less effective by the actions of complementary organizations.” –Morrison, A.M (2013)

A Systems Approach to Tourism Marketing



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MARKET RESEARCH

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- Market research VS marketing research
 - Why Market Research?
 - Market Research process.
 - Define Problem and Research objectives.
 - Developing the Research Plan.
 - Data Collection.



MARKET RESEARCH VS MARKETING RESEARCH

- Marketing research
- Collecting, analyzing, and reporting of data relevant to a specific marketing situation facing an organization

MARKET RESEARCH

- Market and a product or service to be offered for sale in that market.
- The past, present and potential customers for the product or service: research into the characteristics, spending habits, location and a needs for a business's target market.
- The particular competitors you face.

WHAT IS RESEARCH PROCESS

- Gathering information based on the market sector being examined.
- Analyze and interpret the resulting data to determine the presence of any patterns or relevant data points that it can use in the decision-making process.

MARKET RESEARCH PROCESS

- PROBLEM DEVELOPMENT
- DESIGN
- SAMPLING
- QUESTIONNAIRE DEVELOPMENT
- DATA COLLECTION
- DATA ANALYSIS
- REPORTING

- **EXPLORATORY RESEARCH:** Gather in to that will help define the problem and ways to respond.
- **DESCRIPTIVE RESEARCH:** Describe things such as the market potential for a product, or attitudes of consumers who buy the product. It's describing marketing problems, situations.
- **CASUAL RESEARCH:** Test ideas and hypothesis about cause-and-effect relationships.

DEVELOPING THE RESEARCH PLAN

- Research approaches (observation, surveys, experiment, mystery shopper, in-depth interview)
- Contact method (mail, telephones, personal, online)
- Sampling plan (sampling unit, size, procedure)
- Research instruments (questionnaire, mechanical instruments)

DATA COLLECTION

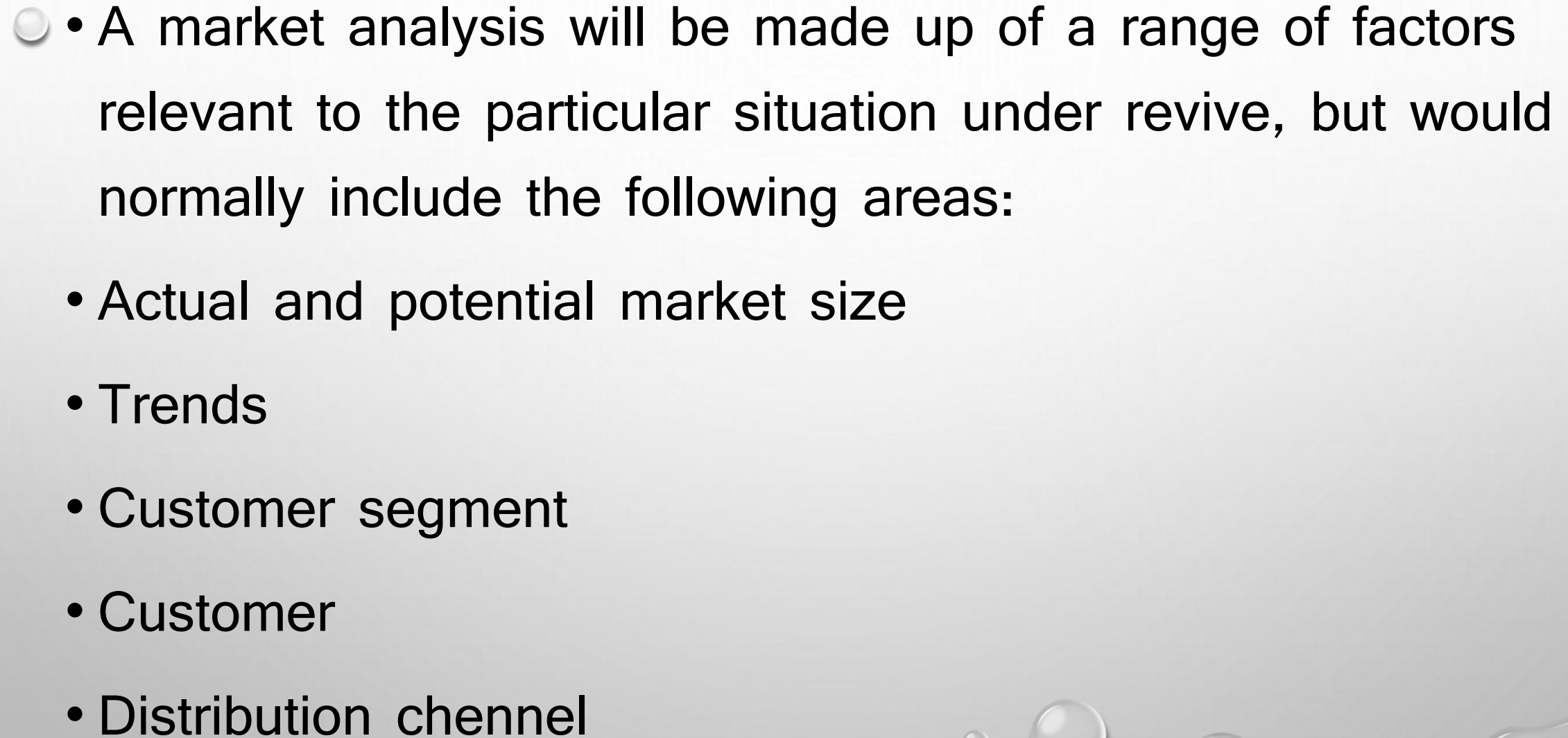
- Primary information in the data that the company has collected directly or that has been collected by a person or business hired to conduct the research.
- Secondary information is data that an outside entity has already gathered.

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MARKET SITUATION ANALYSIS

SITUATION ANALYSIS

- Basically, an audit is the means by which a company can understand how it related to the environment in which it operates. It is the means by which a company can identify its own strengths and weaknesses as they related to external opportunities and threats. It is thus a way of helping management to select a position in that environment.

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- A market analysis will be made up of a range of factors relevant to the particular situation under review, but would normally include the following areas:
 - Actual and potential market size
 - Trends
 - Customer segment
 - Customer
 - Distribution channel

SWOT

- S –Strength
- W –Weaknesses
- O –Opportunities
- T –Threats

SWOT ANALYSIS OF TOURISM

• STRENGTHS

- VAST GEOGRAPHY WITH FORESTS, DESERTS, MOUNTAINS & BEACHES.
- VARIED CULTURE.
- MANY HISTORICAL MONUMENTS.
- KNOWLEDGE OF ENGLISH BY MAJORITY OF LOCAL PEOPLE.
- EFFICIENT TRANSPORT FACILITIES.

• WEAKNESS

- LACK OF ADEQUATE INFRASTRUCTURE.
- SAFETY AND SECURITY OF FOREIGN TOURISTS.
- MISCONCEPTION ABOUT INDIA BY FOREIGNERS
- LACK OF MAINTENANCE OF MONUMENTS, FORTS ETC.
- MANY LANGUAGES AND DIALECTS.

• OPPORTUNITIES

- INCREASED PRIVATIZATION.
- CWG 2010, GRANDPRIX2011
- MEDICAL TOURISM.
- GO-GREEN INITIATIVE.
- WORLD-CLASS HOTELS AND AIRPORTS

• THREATS

- TERRORISM.
- TENSIONS WITH PAKISTAN.
- BETTER PROMOTION BY OTHER COUNTRIES.
- ECONOMIC SLOWDOWN.

STEEPLE

- S –SOCIAL AND CULTURE
- T –TECHNOLOGY
- E –ECONOMIC AND MARKET CONDITIONS
- E –EDUCATION, TRAINING AND EMPLOYMENT
- P –POLITICAL
- L –LEGAL
- E –ENVIRONMENTAL PROTECTION

P - E - S - T - L

POLITICAL

- The influence of politics on marketing decision

ECONOMIC

- Those factor that affect how much people and organization can spend and how they choose to spend it

SOCIAL CULTURAL

- The social and cultural factor that affect people attitudes, beliefs, behaviours, preferences, customer and lifestyle

TECHNOLOGICAL

- Vital for competitive advantage

LEGAL

- Laws :legislation enacted officials
- Regulations: bules made under

P - E - S - T

POLITICAL ISSUES

- Taxation policy
- Monopoly controls
- Environmental protection measures
- Employment law
- Environmental legislation
- Foreign trade agreements
- Stability of the government system

ECONOMIC FACTORS

- Interest rates
- Inflation rates
- Money supply
- Business cycles
- Unemployment
- GNP trends

PEST ANALYSIS OF TOURISM

Political Factors

- Religious intolerance.
- Relations with neighboring countries.
- Lack of international representation.
- Hotel industry getting government incentives.

Economic Factors

- More disposable income with people.
- Low-cost airlines: more air-travellers.
- Tourism contributing substantially to India's GDP.

Social & Cultural Factors

- Many festivals throughout the year.
- Exhibitions, trade fairs etc.
- People becoming careful with foreign tourists after incidents in Goa and Kerala.

Technological Factors

- Poor facilities at airports and stations.
- Growth of E-Tourism.
- Introduction of cruise ships.
- New land bridges.
- Space tourism.

P - E - S - T

SOCIAL/CULTUREAL ISSUES

- Age profile
- Social mobility
- Changes n lifestyle
- Family structure
- Levels of education
- Work behavior
- Leisure activities
- Distribution of income
- Patterns of ownership

TECHNOLOGICAL FACTORS

- Focus of government research
- Rate of technology transfer
- Materials
- Developing technological process