

Tourism Marketing mix

8 P's in Tourism

- Product
- Place
- Price
- Promotion
- People
- Process
- Productivity & Quality
- Physical Evidence

1.Product

Accommodation

Attraction

Transportation

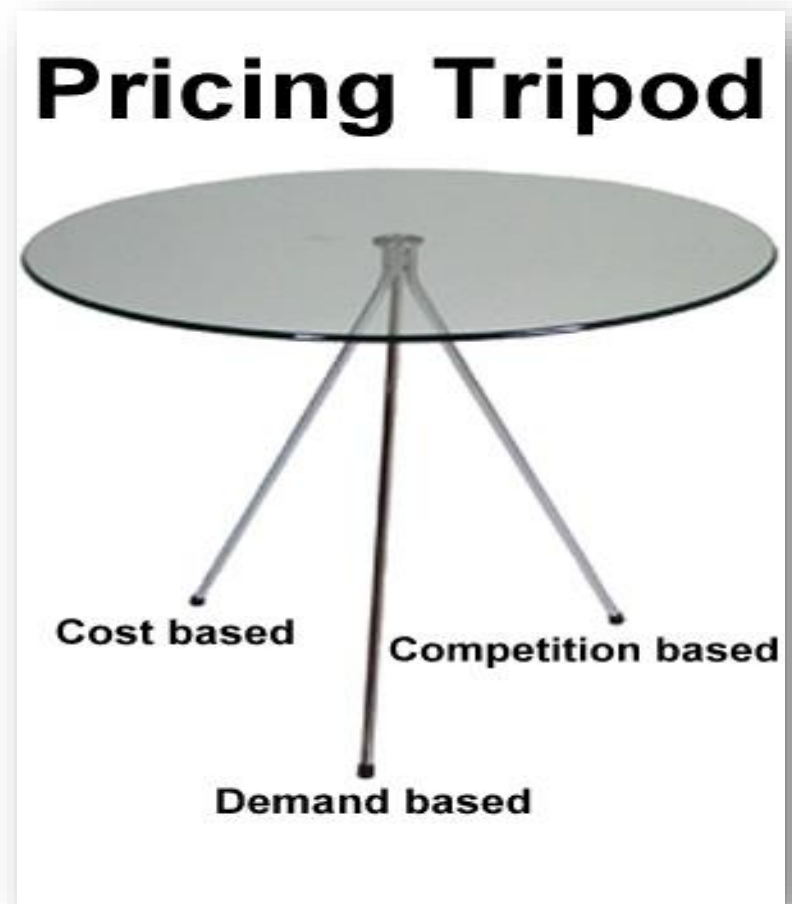
Recreation

Shopping

Restaurant

2. Pricing

- Cost
- Demand
- Competition
- Duration
- Mode of transport
- Peak/Non-peak season
- Destination



3. Promotion

- Different states highlighting about their features.

E.g.

- 1. Kerala- ‘God’s own country’ Highlighting about backwaters, ayurveda, elephants, houseboats, beaches etc.
- ‘Incredible India’ and ‘Atithi Devo Bhava’ are taglines of Indian Tourism
- ‘Our guest is blessed’ and ‘Our visitor is god’
- Aamir Khan as brand ambassador for ‘Atithi Devo Bhava’ for Indian tourism.
- Use of websites to sell tourism.
- Brochures, pamphlets, ads in newspapers.
- E.g. Raj, Kesari and Thomas Cook.

4. Place

- The 'destination' is the important aspect in place.
- Travel agents, tour operators etc. are distribution points.
- Proper infrastructure, transport and communication.

5. People

- Role of people is very important in any service.
- In tourism, people involved are travel agents, guides, airline crew members, receptionist in hotel etc.
- Contacts with people may be high, medium or low.

Examples:

1. In case of airlines:

- The passenger will have high or medium contact with the air-hostess, ground-staff where as low or no contact with the pilot.

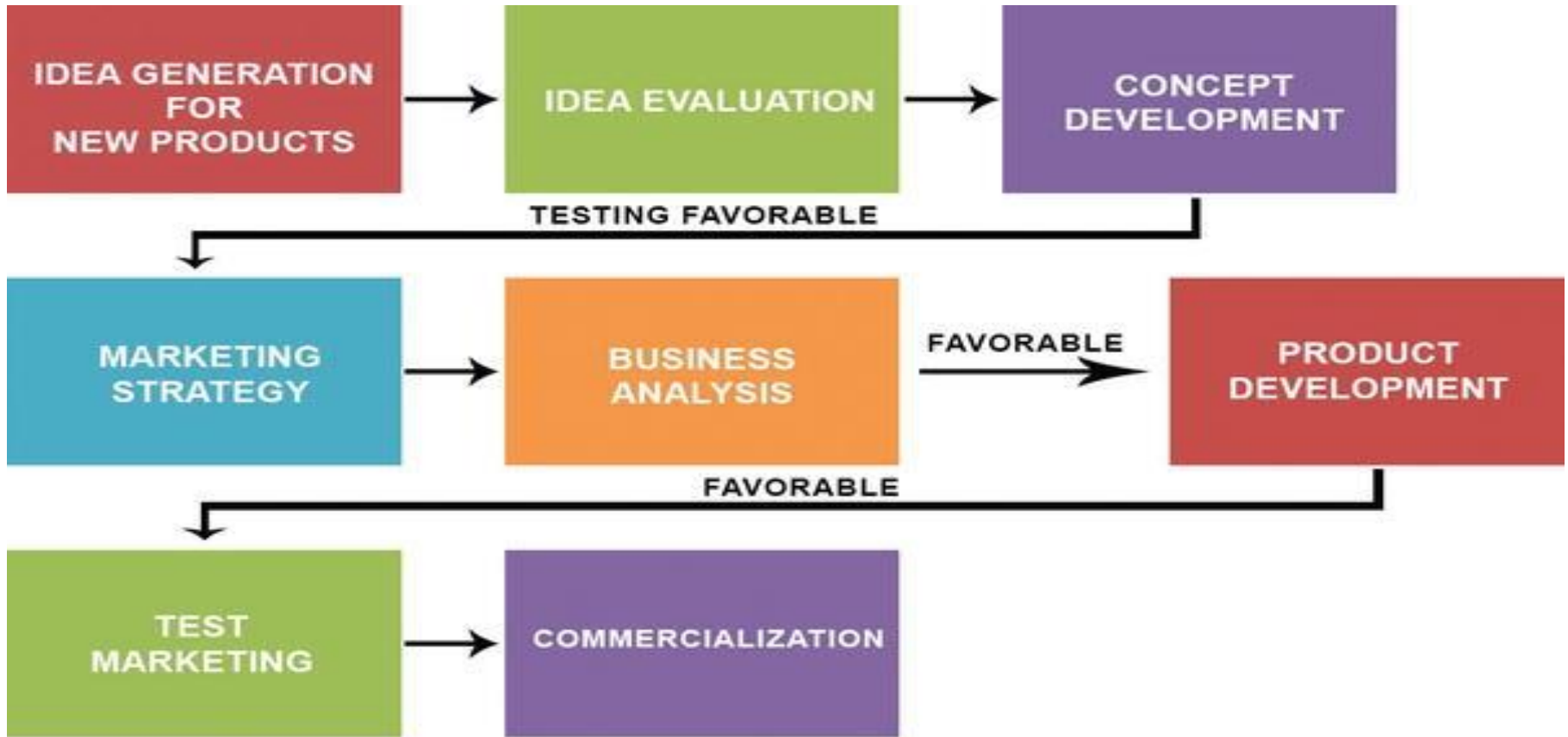
2. In case of railways:

- The passenger will have high or medium contact with travel agents or ticket issuer but low or no contact with the loco pilot.

New Product Development

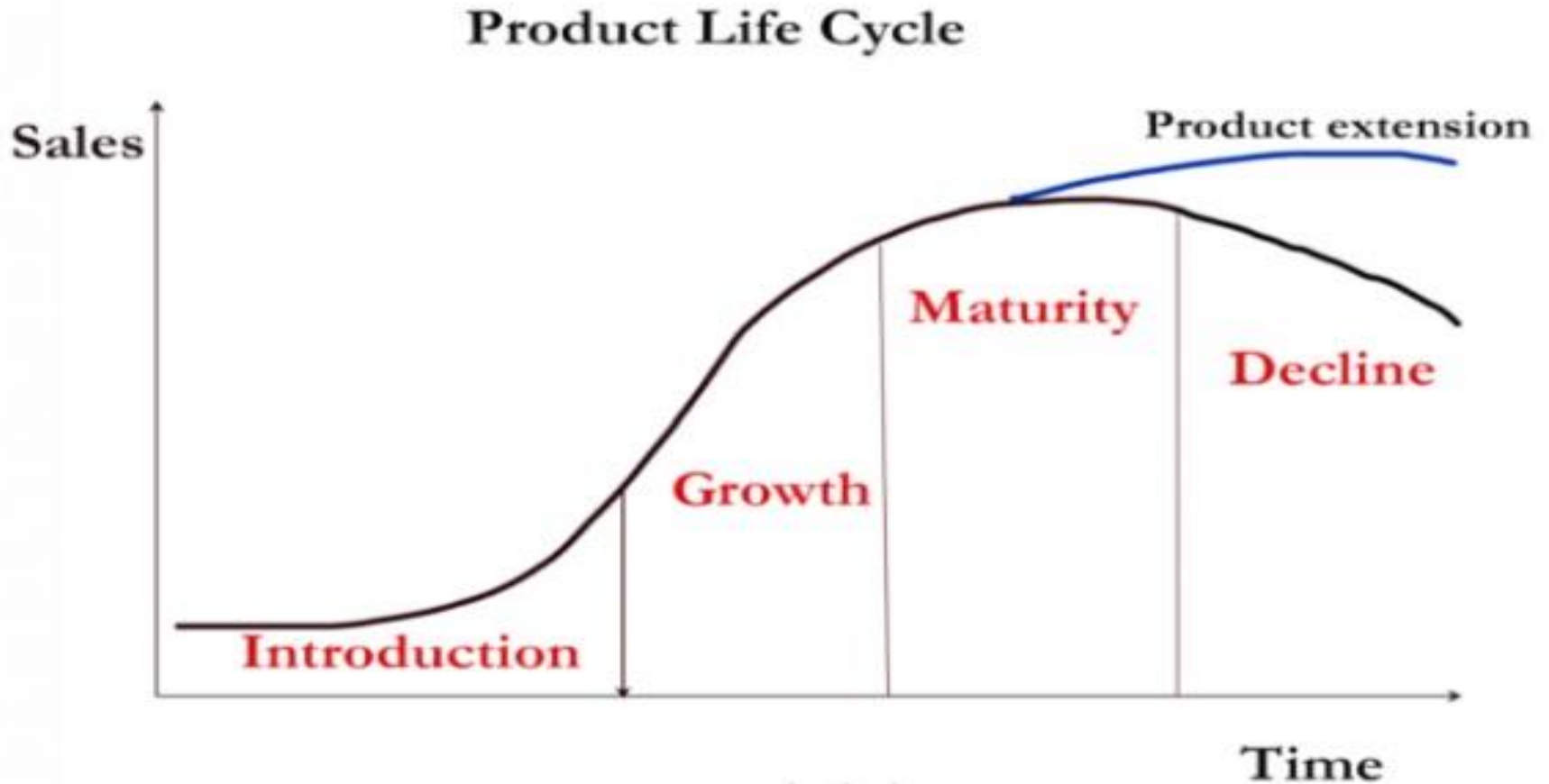
- In business and engineering, **new product development (NPD)** covers the complete process of bringing a new product to market.
- The product can be tangible (something physical which one can touch) or intangible (like a service, experience, or belief), though sometimes services and other processes are distinguished from "products."
- NPD requires an understanding of customer needs and wants, the competitive environment, and the nature of the market. Cost, time and quality are the main variables that drive customer needs.

PROCESS



- **New Product Strategy** – Innovators have clearly defined their goals and objectives for the new product.
- **Idea Generation** – Collective brainstorming ideas through internal and external sources.
- **Screening** – Condense the number of brainstormed ideas.
- **Concept Testing** – Structure an idea into a detailed concept.
- **Business Analysis** – Understand the cost and profits of the new product and determining if they meet company objectives.
- **Product Development** – Developing the product.
- **Market Testing** – Marketing mix is tested through a trial run of the product.
- **Commercialization** – Introducing the product to the public.

STAGES OF PRODUCT LIFE CYCLE



- Introduction
 - unspoiled" destinations
 - Explorers
- Growth
 - incoming tourists increases
 - host community responds
- Maturity
 - host community responds
 - quality of tourist services falls
 - demand levels off
 - environmental degradation
 - reached 'maturity'
- Decline
 - Falling profits
 - foreign-owned businesses withdrawing
 - community is left to "pick up the pieces"

Extending the product life cycle

Extending the product life cycle by improving sales, this can be done through

- Advertising: Its purpose is to get additional audience and potential customers.
- Exploring and expanding to new markets: By conducting market research and offering the product (or some adapted form of it) to new markets, it is possible to get more customers.
- Price reduction: Many customers are attracted by price cuts and discount tags.
- Adding new features: Adding value to the product to enhance its usability or to attract the attention of a wider customer base.

Pricing



Pricing Strategies Matrix

Pricing Strategies

- **Premium Pricing**

- used where a substantial competitive advantage exists.
- Such high prices are charge for luxuries such as Cunard Cruises, Savoy Hotel rooms, and Concorde flights

- **Penetration Pricing.**

- set artificially low in order to gain market share.
- Once this is achieved, the price is increased

- **Economy Pricing**

- no frills low price
- cost of marketing and manufacture are kept at a minimum.
- Supermarkets often have economy brands for soups etc

- **Price Skimming**

- Charge a high price because you have a substantial competitive advantage
- However, the advantage is not sustainable
- high price tends to attract new competitors into the market, and the price inevitably falls due to increased supply

Approaches

- **Psychological Pricing**
 - to respond on an emotional, rather than rational basis
- **Product Line Pricing**
 - Where there is a range of product or services the pricing reflect the benefits of parts of the range
- **Optional Product Pricing**
 - Optional 'extras' increase the overall price of the product or service
- **Captive Product Pricing**
 - companies will charge a premium price where the consumer is captured
- **Product Bundle Pricing**
 - combine several products in the same package. This also serves to move old stock
- **Promotional Pricing**
 - BOGOF (Buy One Get One Free)
- **Geographical Pricing**
- **Value Pricing**
 - external factors such as recession or increased competition

Distribution Channels

- **Physical distribution (or place)** is one of the four elements of the marketing mix
 - defined as a chain of intermediaries, each passing the product down the chain to the next organization, before it finally reaches the consumer or end-user.
- **Channels**
 - **Distributor**, who sells to retailers,
 - **Retailer** (also called dealer or reseller), who sells to end customers
 - **Advertisements** typically used for consumption goods

- **Channel decisions**
 - Channel strategy
 - Gravity & Gravity
 - Push and Pull strategy
 - Product (or service)
 - Cost
 - Consumer location
- **Type of marketing channel**
 - **Intensive distribution** - Where the majority of resellers stock the 'product'
 - **Selective distribution** - This is the normal pattern, 'suitable' resellers stock the product.
 - **Exclusive distribution** - Only specially selected resellers or authorized dealers, are allowed to sell the 'product'.
- **Channel motivation**
- **Monitoring and managing channels**

PROMOTIONS

- Promotions refer to the entire set of activities, which communicate the product, brand or service to the user. The idea is to make people aware, attract and induce to buy the product, in preference over others.

Main Aims of Promotion

- The main aim of promotion is to ensure that customers are aware of the existence and positioning of products**
- Promotion is also used to persuade customers that the product is better than competing products and to remind customers about why they may want to**

ADVERTISING

- **Definition:**

Advertising is a means of communication with the users of a product or service. Advertisements are messages paid for by those who send them and are intended to inform or influence people who receive them, as defined by the Advertising Association of the UK.

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- A successful advertising campaign will spread the word about your products and services, attract customers and generate sales. Whether you are trying to encourage new customers to buy an existing product or launching a new service, there are many options to choose from.
- The most suitable advertising option for your business will depend on your target audience and what is the most cost effective way to reach as many of them as possible, as many times as possible. The advertising option chosen should also reflect the right environment for your product or service. For example, if you know that your target market reads a particular magazine, you should advertise in that publication.
- The following list is an introduction to advertising tactics that you could use. Remember, you can always be creative in your advertising to get noticed (within advertising regulations).

- **Newspaper**
- **Magazine**
- **Television**
- **Radio**
- **Directories**
- **Outdoor and transit**
- **Direct mail, catalogues and leaflets**
- **Online**
- **Trade shows and Exhibitions**

Personal selling

One of the most effective ways of customer relationship. Such selling works best when a good working relationship has been built up over a period of time.

This can also be expensive and time consuming, but is best for high value or premium products.

Sales Promotions:

This includes freebies, contests, discounts, free services, passes, tickets and so on, as distinct from advertising, publicity and public relations.

Public relations

PR is the deliberate, planned and sustained effort to establish and maintain mutual understanding between the company and the public.