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Poverty Reduction through Tourism Training Program



MODULE 3

PROMOTION AND MARKETING IN TOURISM



Module 3

Learning Objectives

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1. Understand the concept, characteristics and relevance of destination marketing
2. Be able to apply concepts, approaches and basic tools to develop a marketing plan based on the components of the “marketing mix”
3. Understand key criteria and principles in price definition and management

Module 3 Overview

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Unit 1: Marketing tourism destinations

Unit 2: Tourism marketing plan

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Module 3 Unit 1

Marketing Tourism Destinations

Definitions

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Marketing is a process through which individuals and groups provide, exchange and obtain products – ideas, goods and services – capable of satisfying customers' needs and desires at a desirable price and place.

Destinations are places that attract visitors for a temporary stay, and range from continents to countries to states and provinces, to cities, to villages, to purpose built resort areas.

A **local tourism destination** is a physical space in which a visitor stays at least one night.

Destination Marketing

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Destination marketing is a management process to identify selected tourist segments, actual and potential, communicate with them to raise awareness, stimulate interest and desire resulting in visitation. It also includes action to formulate and adapt tourist products with a view to achieving optimal tourist satisfaction, thereby increasing satisfaction, return potential, and word of mouth .

Destination marketing organizations (DMOs) A destination marketing organization is any organization, at any level, that is responsible for the marketing of a destination.

Branding a Tourism Destination

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To develop a clear identity, or “brand”, that reflects the core strengths and “personality” of the destination

- A source of value to the consumer
- powerful marketing weapon
- clear market position and appealing attractions
- To stay on top of consumers’ minds

An Inspiring Example - Gambia

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The vision:

“To make the Gambia a better place to visit and a better place to live in – recognizing that it is the interaction between guests and hosts in a secure and enjoyable environment that is the experience of the Gambia and that encourages people to return.”

10 Key Measures of the Gambian Policy for Success

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- Competing on product richness and quality, not just on price
- Targeting market segments that are attracted by the diversity of the natural and cultural heritage
- Encouraging development and marketing of complementary products
- Building local capacity to enrich the product offer
- Marketing plays a critical role in educating tourists about the local/rural cultures and ensuring that they are able to get the most out of their holiday
- Ensuring the health, safety and security of visitors
- Connecting with the European market through more experimental and responsible products
- Ensuring that tourism product is accessible to all – including disabled visitors.
- Working with the national and international industry to ensure that the images used to promote the Gambia are socially inclusive.
- Identifying and promoting best practice and building on past successes

The Importance of Destination Marketing

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- **Destination marketing** creates the basic conditions that enable effective marketing of the destination and increase overall visitation
- **Pro-poor tourism strategies** ride on destination marketing strategies and is supported by the effective marketing of specific tourism products and services

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Module 3 Unit 2

Tourism Marketing Plan

Tourism Marketing

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A tourism marketing plan represents a **strategy** and is a combination of **techniques, tools** and **resources** designed to achieve **commercial and social objectives** which will be reflected in the marketing mix.

The Marketing Mix

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The marketing mix consists of the 5Ps:

- Product
- Place
- Price
- Promotion
- People



Product

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A tourism product is the set of assets and services that are organized around one or more attractions in order to meet the needs of visitors.

Key ingredients of a tourism product:

- A tourist attraction
- Supported by facilities and services
- Accessibility

What is a Sustainable Tourism Product?

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A tourism product that:

- uses resources in an environmentally responsible, socially fair and economically viable way
- so that users of the product can meet their current needs
- without compromising future generations from being able to use the same resources.

Exercise 1

Know Your Tourism Product

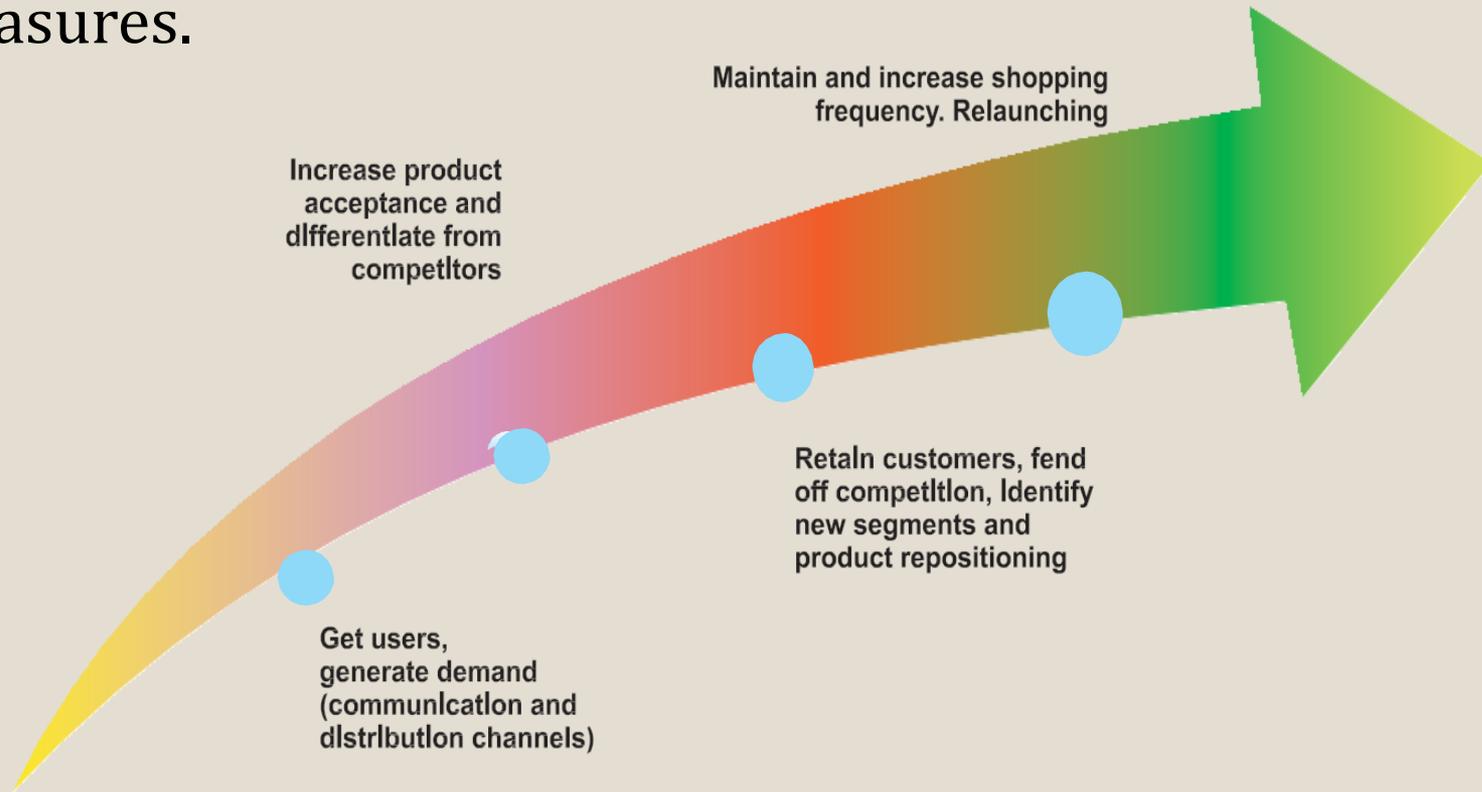
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- Read the article provided and imagine you are a touring journalist who has been attracted to visit your community.
- Write an article describing what you would like him/her to imagine prior to departure: what are his/ her motivations, what is he/she expecting to find, what are his/her ideas and what is the “promise” in which he/she believes, etc.
- Then continue the article describing what you would like him/her to write after the visit: what did he/she find, did he/she satisfy his/her expectations, why will he/she tell other people, how will his/her memories influence other people’s decisions to visit your community.

Product life cycle

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Product lifecycle has to do with the life of a product in the market with respect to business/commercial costs and sales measures.



Place

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Place refers to how an organization will distribute the product or service to the end user or consumer.

Distribution is the process by which the tourism product is circulated through travel channels and agents that are in direct and indirect contact with tourists.

Distribution Channels

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- Indirect - distributing your product via the use of an intermediary, e.g. a manufacturer selling to a wholesaler and then on to the retailer
 - Tour Operators / Wholesalers
 - Travel agencies
- Direct - distributing directly from a manufacturer to the consumer

Distribution Channel Advantages and Disadvantages

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Distribution channels

Advantages and disadvantages of each alternative

Channels	Advantages	Disadvantages
Direct (from producer to consumer)	<ul style="list-style-type: none"> ▪ Greater own (business) control over marketing. ▪ Greater flexibility to react to market changes. ▪ Increased effectiveness of efforts through interpersonal relations. ▪ Possibility of rapid local application of innovations. 	<ul style="list-style-type: none"> ▪ Higher investment and qualifications required. ▪ Lack of benefit from economies of scale. ▪ Greater efforts required to achieve wider coverage. ▪ Exclusion from integrated tourism distribution systems and circuits.
Indirect (through intermediaries)	<ul style="list-style-type: none"> ▪ Greater guarantee of increased promotion through more effective means. ▪ Greater marketing coverage. ▪ Reduced operating expenses of the final destination's business. ▪ Strengthening of the sector through partnerships and better services. 	<ul style="list-style-type: none"> ▪ Less personal influence on the effectiveness of the promotion. ▪ Less flexibility to market changes. ▪ Subordination in setting rates and fees. ▪ Risk of anonymity, to be part of a package.

Distribution Strategies

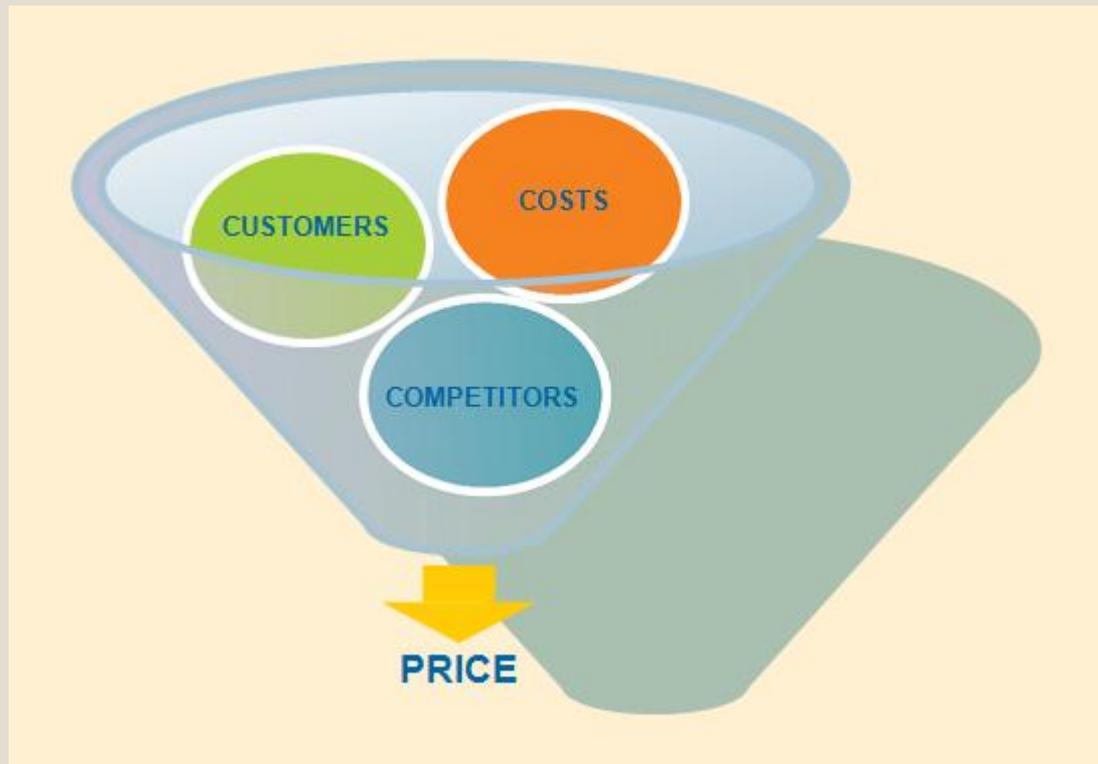
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- Intensive distribution
- Exclusive distribution
- Selective Distribution

Price

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The price is the value that the consumer and provider establish to enable an exchange.



Setting Prices

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When setting prices consider the following:

- business and target market objectives
- the full cost of producing, delivering and promoting the product
- the willingness of the target market to pay for the product or service you provide
- prices charged by competitors offering a similar product/service to the same target market(s)
- the availability and prices of substitute products/services
- the economic climate (local/rural and national)
- the potential for stimulating sales of high profit products/services by offering related services at or below cost.

Price Management

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Flexible and creative price management strategy should be considered to manage and differentiate prices, taking into account promotional initiatives, including:

- seasons: weekdays and months of the year
- groups: discounts depending on the number of people
- fidelity: encouraging frequent customers with special rates
- offers: two for one specials for customers or on holidays
- special deference: a basket of fruit or flowers, welcome drink and souvenirs
- advance purchase: discounts on purchases made before a certain date;
- product: discounts for greater use of services that comprise the tourism product
- turnover: commissions and other incentives for efficient distribution

Promotion

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Promotion is the process (set of means and actions) designed to inform potential visitors about the tourism product offered, sharing with them its most attractive and innovative attributes.

As such it is usually integrated with distribution and implies communication activities, including advertising.

“Word of mouth” is a key method of promotion.

Main Distribution and Promotion Channels

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- Sales through travel agencies
- Trade and tourism exchanges
- Professional associations
- Notes and press releases
- Internet

Communication and Advertising

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Communication integrates a number of elements such as advertising, sales promotion, public relations, sponsorship, trade shows and personal selling.

- Who?
- What?
- How?
- When?
- Where?
- How much?
- Evaluation

People

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People play a vital role in effective marketing. They represent the **actual service** one is marketing and are also a critical factor in service business.

People buy from people and people buy a service that they like, so the attitude and skills of all staff constitute the main aspect of the brand and define the service quality.

People's **well-being** is a crucial starting point to ensure best quality services.

A Summary

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Product	People	Price	Place	Promotion
Attractions	Service	List price	Type of channel	Advertising
Accessibility	Attitude	Competiveness (level)	Principles	Personal selling
Quality	Skills	Relation price-wishes	Selected channel (specific)	Public relations
Facilities/services	Training	Discounts and other promotions - price management	Strategy	Message
	Working conditions		Locations	Media
			Logistics	Budget
			Service levels	

Exercise 2 The 5Ps

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- This is an individual exercise
- Identify the tourism business that you are in
- Use the five Ps of the marketing mix to analyze each issue and the decision you need to make and develop your marketing plan

For More Information



<http://www.ilo.org/public/english/dialogue/sector/sectors/tourism.htm>

or

www.ilo.org/sector



Thank you !!

