

The International Labour Office
Toolkit on Poverty Reduction through Tourism
Training Package Teaching Notes

Module 3
PROMOTION AND MARKETING IN TOURISM

Module 3 Teaching Notes

Estimated time to complete Module 3:

- Lecture and discussion: Total 31 slides. 27 content slides approximately 60 minutes
- Exercises including presentation: 60 minutes
 - o Exercise 1 – 30 minutes
 - o Exercise 2 – 30 minutes
- Total: 120 minutes (2 hours)

Slide 1 – Module 3 - Promotion and Marketing in Tourism

If this is the second day of the course, welcome the group back to the program and do a short recap of the previous day's lessons. Use key words and questions like provided they were covered in the previous session(s):

- *Millennium Development Goals*
- *Concept of Decent Work*
- *Concept of Sustainable Tourism*
- *Characteristics of employment in tourism*
- *Key actors – women, youth, migrant labour - and key issues – sexual harassment, sex tourism, HIV/AIDS*
- *What is OSH?*
- *What are the components of the supporting framework to achieve Decent Work?*

Slide 2 – Module 3 Learning objectives

Go through the learning objectives on the slide.

Slide 3 – Module 3 Overview

Go over the content of Module 3 on the slide and explain the following:

The first unit is a general introduction of the concepts of destination marketing and the key players. The second unit will focus on the 5 Ps of marketing, which are the key components of a comprehensive marketing plan.

The sub-sections under the main headings are listed below:

UNITS	CONTENTS
1. Marketing tourism destinations	<ul style="list-style-type: none">• Basic definitions• Destination marketing organizations (DMOs)• Branding a tourism destination• "If a destination does not flourish how can pro-poor tourism thrive?"
2. Tourism marketing plan	<ul style="list-style-type: none">• Definitions and components• Product<ul style="list-style-type: none">▪ Concept▪ Product factors▪ Categories of tourism products (examples)▪ Product lifecycle• Place (distribution)<ul style="list-style-type: none">▪ Key concepts and definitions▪ Types of distribution channels▪ Distribution strategies• Price<ul style="list-style-type: none">▪ Definition and components▪ Setting prices▪ Price management• Promotion<ul style="list-style-type: none">▪ Definition and key elements▪ Main distribution and promotion channels▪ Communication and advertising• People

Go through the items on the slide and explain the following:

Slide 4 – Module 3 Unit 1 Marketing Tourism Destinations

Slide 5 - Definitions

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. Marketing requires a *strategy*. It is an all-encompassing, planning, scheduling, studying, figuring-stuff-out, researching, testing, and practicing strategy

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. At the foundation level, destinations are essentially communities based on local government boundaries. Tourists travel to destinations. Destinations are places with some form of actual or perceived boundary, such as the physical boundary of an island, political boundaries, or even market-created boundaries.

Slide 6 - Destination Marketing

Destination marketing refers to a **management process** through which the national tourist organizations and/or tourist enterprises identify their selected tourists, actual and potential, communicate with them to ascertain and influence their wishes, needs, motivations, and likes and dislikes, on local/rural, regional, national and international levels, and **to formulate and adapt their tourist products accordingly with a view to achieving optimal tourist satisfaction**, thereby fulfilling their objectives.

The marketing concept is often used inappropriately, reducing it to the promotion and sale of products and tourist destinations, and in particular to advertising and to tourism fairs and events. While these functions are important, there is much more to marketing.

Tourism destinations are probably among the most difficult “products” to market, involving large numbers of stakeholders and a brand image. **A destination marketing organization is any organization, at any level, that is responsible for the marketing of a destination.** This therefore excludes separate government departments that are responsible for planning and policy.

Destination marketing organizations (DMOs) are concerned with the selling of places.

Slide 7 - Branding a Tourism Destination

To brand a tourism destination is to develop a clear identity, or “brand”, based on reality, while also reflecting the core strengths and “personality” of the destination.

The purpose of a brand is to establish a distinctive and memorable identity in the marketplace that represents **a source of value to the consumer**. Branding is perhaps **the most powerful marketing weapon** available to contemporary destination marketers confronted by tourists who are increasingly seeking lifestyle fulfillment and experiences.

Only those destinations that have a **clear market position and appealing attractions** will remain **at the top of consumers’ minds** when they book their holidays. In the highly competitive and dynamic global tourism environment, strong branding will help a destination stand out from the crowded marketplace. Building and maintaining brand value is the key to business success and, as a result, brand management is quickly shifting from a peripheral marketing concern to the core business strategy.

The fundamental challenge is to somehow develop a brand identity that encapsulates the essence or spirit of a multi-attributed destination, representative of a group of sellers as well as a host community. Tourism marketing is generally concerned with the selling of dreams, as expectations of an intangible tourism service can only be realized after travel. The images held by consumers therefore play a critical role in their decision-making.

Most destinations have superb resorts and attractions, every country claims a unique culture, landscape and heritage, each place describes itself as having the friendliest people, and high standards of customer service and facilities are now expected. As a result, the need for destinations to create a unique identity – to differentiate themselves from their competitors – is more critical than ever.

Slide 8 - An Inspiring Example - Gambia

Go through the points on the slide.

Slide 9 – Ten Key Measures of the Gambian Policy for Success

Go through the points on the slide. Go through the points on the slide. Impress upon the participants that the point of this example is how Gambia built on its natural resources, leveraged its heritage and worked with all constituents to build a sustainable tourism brand and profitable business.

Slide 10 – The Importance of Destination Marketing

Go through the points on the slide first, then explain below.

People normally choose a destination before they choose the airline or decide on the hotels and attractions to visit.

There is no pro-poor tourism strategy if there are no visitors to the destination. Hence destination marketing to increase tourism is very important.

The marketing of a destination is based on the concrete experiences, services and options that are part of a global idea and branding of a “destination”.

Thus, a broad multi-stakeholder policy and strategic framework that articulates the different actors, levels and destination “components” in such ways that benefits are equitably distributed and contribute to poverty reduction is fundamental.

Slide 11 - Module 3 Unit 2 Tourism Marketing Plan

Slide 12 – Tourism Marketing

A tourism marketing plan represents a strategy and is a combination of techniques, tools and resources designed to achieve commercial and social objectives.

Ask the participants what kind of activities, techniques or tools they think is necessary to market a destination successfully.

Ask if anyone knows what a marketing mix consists of.

Slide 13 - The marketing mix

*From the participants' response to the **marketing mix**, identify which the ones that would belong to the 5 P's and explain that the marketing mix consists of **product, price, place, promotion and people** (five Ps):*

- tourism **product** that will be offered and the factors that compose it;
- **place** of distribution; how the product/service will get to the client;
- sale **price** of the product and pricing policy to be applied;
- **promotion** to inform the potential consumers about the product and its qualities; and
- **people** whose expertise, skills and attitudes are the key elements of the brand.

Slide 14 - Product

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 consist of:

An attraction: These are the “raw materials” of the tourism product and as such are part of the territory where the business is located. They consist of the natural and cultural resources, places and events that, by their characteristics or location in a context, awaken the visitor's interest and motivate his/her action.

Facilities and services: Tourist facilities refer to the infrastructure, equipment and services that make the tourism activity possible: the tourist enjoys the attractions and does so in a safe environment.

Accessibility: This facilitates visitors to access to the tourist destinations, including infrastructure, transport and communication services.

Tourism product development is designed to increase the income in the sector. Tourism product development involves implementation of a comprehensive plan of action that will guide towards dealing with estimated increase in business over the short, medium and long-terms.

The action strategies for the development and management of tourist destinations should consider the needs and interests of all stakeholders in the tourism system: local/ rural community, entrepreneurs, investors, governments, tourists and other stakeholders.

Tourism product development aims at long-term sustainable development by the execution of a number of strategies. These strategies bring into focus a generic idea to increase competitiveness, build an inclusive industry by promoting closer integration of people and develop and maintain the environment.

Ask the class to describe their tourism product in terms of the attraction, the facilities and accessibility.

Slide 15 - What is a sustainable tourism product?

Ask the participants if they remember the definition of “sustainable tourism”.

Specifically, **sustainable tourism products** are “understood broadly as meaning those **that use 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.**”

Measuring sustainability is a complex issue and the criteria vary according to the product type and local conditions. Deciding what is ultimately sustainable for a particular community is a balance between local circumstances and expectations and best practice in technology and environmental management.”

Slide 16 - Exercise 1 Know Your Tourism Product

Handout 1) the article written about “Knowing the tourism product”; 2) the categories of tourism products and 3) the seven phases of the travel experience. Give the participants a few minutes to read over the article and then go over the following categories as examples to stimulate participants’ thinking for the exercise.

Categories of tourism products (examples)

- **Nature tourism:** exploring conservation areas by walking or riding in the forest, or on the mountain or beach, navigation in rivers, lakes and the sea, observation of flora, fauna and other natural attractions such as waterfalls, caves, etc.
- **Experiential cultural tourism:** living with native communities, including participation in daily life activities and various cultural events, such as music, dance and arts, rites or religious holidays, etc.
- **Agri-tourism:** visiting rural communities to participate in agricultural production, livestock, handicrafts other traditional agricultural activities.
- **Historical tourism:** visiting special sites to see monuments, sculptures, architecture, civil, military or religious artefacts, archaeological remains of ancient cultures, local museums and sites of paleontological interest.
- **Health and wellness tourism:** today, increasing interest in fitness, disease prevention, maintaining good health, new age remedies and alternative treatments to alleviate various types of stress are key tourism motivators. Such tourism may include visits to holy sites with communities; participation in rituals and treatments with healers and shamans.
- **Medical tourism:** this has been defined as the practice of travelling across international borders to obtain health care.
- **Religious tourism:** also commonly called “faith tourism”, this involves travel for reasons of faith, for pilgrimage, missionary and other related purposes.
- **Sports tourism:** recreational fishing and hunting, sports that require specialized training and equipment: canoeing, climbing, rappelling, etc.
- **Scientific tourism:** observation and study of flora, fauna and geology, local food plants and ancestral medicinal knowledge and its applications in the conservation of biodiversity.

Seven phases of the travel experience:

1. accumulation of mental images about vacation experiences;
2. modification of those images by further information
3. decision to take a vacation trip;
4. travel to the destination;
5. participation at the destination;
6. return home; and
7. modification of images based on the vacation experience.

Slide 17 – Product life cycle

The **lifecycle of a product** consists of the different evolutionary phases of a product, involves many disciplines and requires many skills, tools and processes. Product lifecycle has to do with the life of a product in the market with respect to business/commercial costs and sales measures. The four main life cycle stages of a product are:

1. **market introduction stage**
2. **growth stage**
3. **maturity stage**
4. **saturation and decline stage**

The challenge for every business is to avoid the decline stage, for example through re- launching activities that achieve increased purchase frequencies. Attention, creativity, innovation and recreation are key concepts to preserve business growth

This also means that product sales pass through distinct stages, each posing different challenges, opportunities, and problems to the seller; and products require different marketing, financing, manufacturing, purchasing, and human resource strategies in each life cycle stage.

Slide 18 - Place

In relation to the marketing mix, **place refers to how an organization will distribute the product or service to the end user or consumer**. The product must be distributed at the right place at the right time. Efficient and effective distribution is important if the organization is to meet its overall marketing objectives. If a business underestimates demand and consumers cannot purchase products because of it, profitability will be affected.

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.

Slide 19 – Distribution Channels

Ask the participants to give examples of direct and indirect distribution of travel products. Following are examples of distribution channels that can be considered.

Tour **operators** are companies that design and produce a large amount of tourist packages, which are later sold through their own **travel agencies** or other wholesalers or retailers, under one or more brands. These businesses own and control various components of the tourism operation chain, such as airlines, hotels, bus companies, networks of retail travel agencies, insurance, etc. This gives them great autonomy, competitive prices and considerable bargaining power.

Small **operators** in countries of origin are also an alternative. They operate in small businesses with limited staff, their endowments of capital and their scales of operations do not allow them to join the distribution channels and marketing of wholesale carriers.

Small business products hardly fit the interests and schemes of the tourism industry, as their unit distribution operating costs (tourist/room) are very high. For this reason, direct provider–consumer sales are still prevalent in the distribution of sustainable tourism products.

Slide 20 - Distribution Channel Advantages and Disadvantages

Go through the points on the slide

Slide 21 - Distribution Strategies

1. Intensive distribution

Used commonly to widely distribute low priced or impulse purchase products, e.g. chocolates, soft drinks.

2. Exclusive distribution

Involves limiting distribution to a single outlet. The product is usually highly priced, and requires the intermediary to place much detail in its sell, e.g. vehicles.

3. Selective Distribution

A small number of retail outlets are chosen to distribute the product. Selective distribution is common with products where consumers are willing to shop around (e.g. televisions) and where manufacturers want a large geographical spread.

If an exclusive or selective strategy is adopted then a credible intermediary must be selected: one that has experience of handling similar products and is known by the target audience.

Ask participants to look at the product that they are selling, identify the appropriate strategy and explain why.

Slide 22 - Price

The price is the value that the consumer and provider establish to enable an exchange. For consumers, the price they are willing to pay equals the expected satisfactory experience. On the other side, the provider seeks to cover his production costs and obtain the desired benefits.

Pricing is based on three generic determinants:

- the business's internal **costs** (to which expected benefits are added);
- the satisfaction expected by the **consumer** and the maximum price he/she is willing to pay;
- **Competition** among providers (which is ultimately determined by the previous two).

Slide 23 - Setting Prices

Go through the points on the slide.

A product or service has three dimensions: a physical, tangible one; an economic value expressed in the price; and a subjective dimension that is the satisfaction or benefit that the consumer imagines, wants or expects. Consumers are motivated by needs, desires and impulses that act as driving forces: the price may be synonymous with image, prestige and social recognition.

Consumers are less sensitive to the price of a good or service that is valued for a unique attribute that sets it apart from the competition, or if better quality is offered. You must know how to interpret their wishes if you want to influence their purchasing decisions.

Slide 24 - Price Management

Determining a price means finding balance and coherence between internal and external business factors. The internal factors include organization, costs and expected profits. The external factors include the consideration of market realities in terms of fluctuations in demand, the purchasing power of customers and competitive prices.

Go through the points on the slide and then explain further as below.

Other issues to consider in the pricing strategy in tourism are:

- experiences are sold and each customer values them differently: bird watchers are willing to spend large sums of money, while others do not pay a dime;
- it is a relatively fragmented industry that inspires fierce competition;
- the system of commissions is very distinctive and significantly influences the final price: a basic price could be doubled, depending on the power of intermediaries;
- it is a very seasonal sector: rates vary by season, weather and the day of the week; and
- it provides non-durable services: if a place is not sold before a certain date it loses its use value and therefore its sales value. Accordingly, there are “last minute” low rates.

Bring up the point that good pricing management is very important. Optimal pricing is needed to ensure maximum profitability. No matter what pricing strategy is chosen, it must make enough to cover fair wages and working conditions for employees or fair returns for the self-employed in both rural and urban areas. This is crucial for economic, social and equity reasons and essential for the legitimacy and long-term sustainability of any business.

Slide 25 - Promotion

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.

But it is worth stressing that the mechanism called “**word of mouth**” remains the main method of promotion. Along with the loyalty of customers, the “unstructured” means are the most affordable, offering higher yields for small businesses at a lower cost. Therefore “invest in quality and save on advertising” is definitely the motto.

On the other hand, it is important to remember that an increasing proportion of the so-called new tourists are independent tourists who organize their own trips thanks to the wide availability of information.

Ask the participants to name the key ideas relating to the quality of their business/service that they would like visitors to remember – and to transmit to other potential clients. If not included, remind them that decent work and is non-discriminatory employment practices is a selling point too. If possible provide some data/ examples.

Slide 26 - Main Distribution and Promotion Channels

a) Sales through travel agencies

This distribution channel is related to domestic and foreign travel agencies and is aimed at two generic segments: foreign tourists who buy travel packages and domestic tourists who make use of package tours.

b) Trade and tourism exchanges

Fairs and exhibitions – at different levels – are an alternative form of presentation and sale of products to intermediaries and the general public. Their main advantage is the potential for establishing personal contact between different private and public tourism businesses.

c) Professional associations

Professional associations are an important vehicle for unifying their members' offerings, creating a corporate image, promoting public relations and participating in order to expand their presence in the domestic market, and to enter into agreements with new distribution channels or institutional customers.

d) Notes and press releases

Make use of this resource; select the media best suited to your product and your target audience; consider as well as the strategy used by competing destinations.

e) Internet

Today the Internet is one of the most effective communication, information and promotion tools. Depending on accessibility and knowledge, explore and use different options (web sites, emails, web advertising) to contact your former clients to keep them updated, communicate with travel agencies and publicize on different web pages, among other things.

Ask participants to list the distribution and promotion channels opportunities they can identify at local/rural, national and international level. Define an "action plan" for each channel identified: a) channel and contact information (if applicable); b) what they will do (e.g. call, send an email); c) when they will do it; d) what they expect to attain (results).

Slide 27 - Communication and Advertising

- **Who?** Choose the population or target audience.
- **What?** What are the goals of the campaign? Define clear, specific and measurable objectives.
- **How?** What is the key message? Highlight the quality of service as most beneficial for the tourist and a key differentiating factor. Consider relating the quality of the service to the working conditions. The ads should be creative, easily understood and remembered.
- **When?** What is the right time? Define the period in which the impact of the campaign will be most effective, and its duration.

- **Where?** Which media and to what extent? Specify whether the message will be disseminated by mass media or rather custom.
- **How much?** What are the costs of the activity?
- **Evaluation.** What results have been obtained with respect to the set objectives? Evaluate in quantitative terms (sales), quality (reputation and image) and purchase intentions. A campaign will be effective if it meets the objectives assigned to it.

Slide 28 - People

The last P, people play a vital role in effective marketing. In fact, they represent the actual service one is marketing and are also a critical factor in service business. Most tourists can think of a situation where the personal service offered by individuals has made or tainted a tour, vacation or restaurant meal. Remember, **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. Thus, issues addressed in chapter 2 related to decent work, social dialogue, occupational safety and health, human resource development and vocational training are key to enhance the potential contribution of people to the “brand” or, in other words, to the tourism experience as part of the “marketing mix”.

Ask the participants if they remember and can articulate what Decent Work is.

Decent work means work that is productive, that delivers a fair income, workplace security and social protection for families, better prospects for personal development and social integration, freedom for people to express their concerns, organize and participate in the decisions that affect their lives and equality of opportunity and treatment for all women and men. The ILO Decent Work Agenda is an integrated approach to the objectives of full and productive employment for all at global, regional, national, sectoral (industry) and local levels. It is achieved through four strategic pillars: job creation, rights at work, social protection and social dialogue, with gender equality as a cross-cutting objective.

Slide 29 – A Summary

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

Only those destinations that have a clear market position and appealing attractions will remain at the top of consumer minds.

The **five Ps** (product, price, place, promotion and people) are the elements of the marketing mix.

A successful tourism product must meet three basic factors simultaneously: tourist attractions; facilities and services offered; and physical accessibility to them.

Distribution strategies need to be adapted to the type of product marketed. Tourism products can be distributed intensively, exclusively or selectively.

Promotion is the process (the 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 usually integrated with distribution and implies communication activities including advertising.

Development of an advertising campaign should be well planned, implemented and evaluated.

People are drivers for effective marketing.

Slide 30 – Exercise 2 – The 5Ps

Pass out copies of the blank chart for the exercise. Participants are supposed to work individually on their own business. If there is more than one representative from the same business, they may choose to work together.

Slide 31 - For more information

For more information on this, please consult the sectoral webpage at the address given on the slide.

Thank you very much for your attention.

Module 3 Exercises

Exercise 1 - Slide 16 Know Your Tourism Product

Handout

- 1) the article written about "Knowing the tourism product"*
- 2) a copy of the categories of tourism products*

Give the participants a few minutes to read over the article and then go over the following categories as examples to stimulate participants' thinking for the exercise.

Exercise 2 - Slide 30 The 5Ps

Pass out copies of the blank chart for the exercise. Participants are supposed to work individually on their own business. If there is more than one representative from the same business, they may choose to work together.