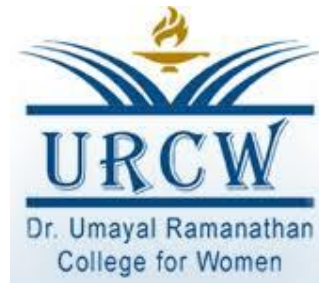


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# **TOURISM MARKETING**

**7BCSA1**

**By,**  
**R.Sudha**  
**Assistant professor**

**B.Com. (CORPORATE SECRETARYSHIP)**  
**I YEAR – I SEMESTER**  
**COURSE CODE: 7BCSA1**  
**ALLIED COURSE - I – TOURISM MARKETING**

**Unit I**

Tourism – Tourist – Motives – Typology of Tourism – Effects of Tourism – Purpose of Tourism Marketing – Significance

**Unit II**

Tourism Product Strategy – Product Life Cycle – Reasons for Product Failure – Package Tour– Formulation of Tourism Product Mix

**Unit III**

Tourism Pricing Strategy – Influencing Factors – Pricing Objectives – Pricing Policies – Pricing and the Product Mix

**Unit IV**

Tourism Distribution Strategy – Distribution Policy – Influencing Factors – Distributing Systems – Middlemen in the Tourism Industry – Functions of the Travel Agents – Travel Agency – Designing of Travel Agency Office – Commission – Organizations – Travel Guides– Channel Decisions

**Unit V**

Tourism Promotions Strategy – Personal Selling – Skill Needed for Selling – Sales Sequence– Advertising Selection of Media - Advertising Agencies – Testing Advertising Effectiveness – Sales Promotion – Key Tools

**Books for Reference:**

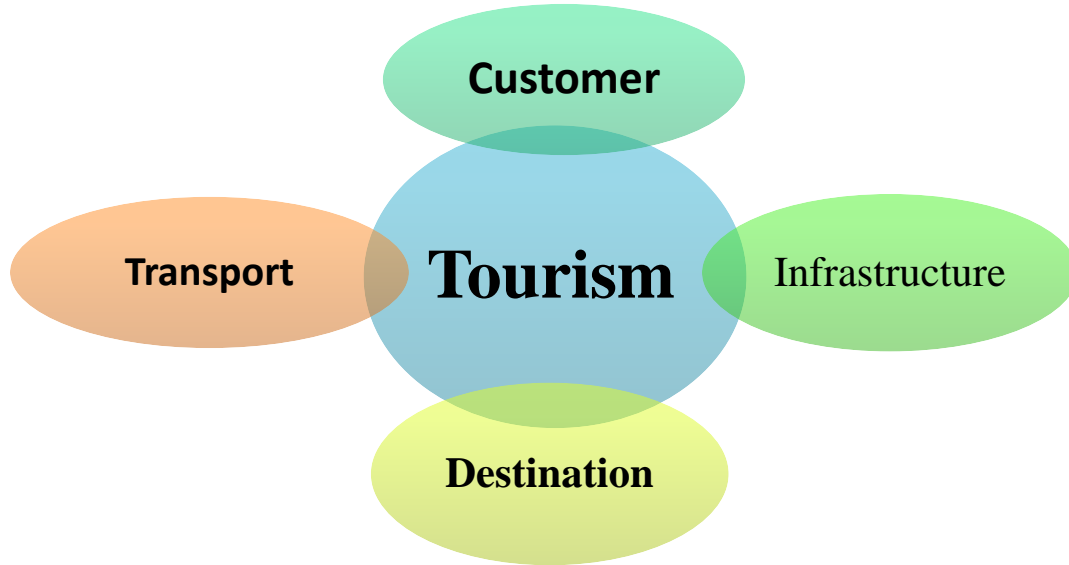
1. Tourism Marketing, S.M.Jha, Himalaya Publishing House, Mumbai
2. Services Marketing, S.M.Jha, Himalaya Publishing House, Mumbai
3. Marketing Management in Indian perspective, Jha and Singh, Himalaya Publishing House, Mumbai



### **Course Outcome**

- Know the basic concepts, functions and importance of tourism marketing and tourism marketing mix
- Describe major bases for segmenting consumer and business markets, list the steps in the New Product Development process and the stages in the Product Life Cycle.
- Evaluate how to use distribution channels to market an organization's product and services effectively
- Identify the roles of advertising, sales promotion, public relations and personal selling in the promotional mix

## Unit I



### Definitions of Tourism Marketing

According to Kotler, "Marketing is a social and managerial process by which consumers obtain what they need and want through creating and exchanging product services and values with other." He has emphasized more on wants, needs, satisfaction, demand, and marketers.

He has highlights more on wants, needs, satisfaction, demand, and marketers.

### Mathieson and Wall (1982) define tourism as follows:

"The temporary movement of people to destinations outside their usual places of work and residence, the activities undertaken during their stay in those destinations, and the facilities created to cater to their needs."

World Tourism Organisation (UNWTO) at Ottawa Seminar, has defined tourism marketing as, "a management philosophy which, in the light of tourist demand, makes it possible through research, forecasting and selection of tourism products/services from suppliers, on the line with organization's purpose and tourist satisfaction."

From the above definitions it is clear that:

- Tourism marketing is a thought-provoking process.
- Identification and selection of the target market.
- Positioning and product lifecycle is important.
- Future tourism marketing strategies.
- Innovative/proactive marketing.

Tourism marketing is the collective name given to the various marketing strategies used by businesses within the tourism industry. **This includes, for example, hotels and other forms of accommodation, along with airlines, car rental services, restaurants, entertainment venues, travel agents and tour operators.**

**Travel and tourism marketing** is the systematic and coordinated execution of business policies by the both private or public and public sector tourism organizations **operating at the local, regional, national, or international level** to achieve the optimal satisfaction of the needs of tourist groups, and to achieve an appropriate return. Marketing knowledge and skill are more necessary for a travel agency's long-term survival and growth.

### **History of Tourism Marketing**

The development of the marketing concept, in fact, is the outcome of political, technological, social, economic and business pressures. However, the importance of marketing within travel and tourism industry has been the level of economic and business growth throughout the 20th century, which has led to the improvement in living standards, an enlargement of the population and an increase in discretionary income and time.

These changes have also led to the construction of infrastructure, accommodation, transport, and other recreational facilities. Within a very short period, travel and tourism have become one of the most important and leading industry in the world.

The tourism companies have recognized the significance of key factors such as needs, wants, and satisfaction in the planning and designing of the tourism product. In the tourism industry, every tourist wants to be treated as a special client and any organization catering to this attitude of the tourist will naturally be head of other competitions.

### **Unique Features of Tourism Marketing**

- The demand for tour package is highly elastic and seasonal in nature.
- Tour package is a combination of various service ingredient.
- Designing, developing and marketing of tour package a number of intermediaries are involved. Bad experience at one level can spoil the entire image of the package as well as the tour operator.
- A tourist does not only buy the tour package in advance because it is consumed and felt at the same time at a particular destination.

It is not possible to evaluate/demonstrate/sample the tour package in advance because it is consumed and felt at the same time at a particular destination.

### **History of Tourism Marketing:**

The ‘**marketing concept**’ is not very old. It came into the scene in the 2nd half of the 20th century. The development of the marketing concept, is the outcome of political, technological, social, economic and business pressures. However, the importance of marketing within travel and tourism industry has been the level of economic and business growth throughout the 20th century, which has led to the improvement in living standards, an enlargement of the population and an increase in discretionary income and time.

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### **What is Tourism?**

Tourism involves the activities of people travelling and staying in a place away from their home environment for leisure, business or other purposes.

### **Who are the tourists?**

Persons travelling to and staying in places outside their usual environment for more than 24 hours but not more than one consecutive year for leisure, business and other purposes.

### **Factors that Motivate People to Travel:**

The most common reasons for the people to travel away from home are:

- To spend holidays leisurely
- To visit friends and relatives
- To attend business and professional engagements
- To get health treatment
- To undertake religious pilgrimages
- Any other personal motives.

### **Difference between just travelling and tourism:**

- **Travelling** is going from the place of residence or work to another distant or a neighboring place by any means of transport. Routine commutation can be termed as travelling.

- **Tourism** is travelling with an objective. All tourism necessarily include travel but all travel does not necessarily include tourism. We can say, travelling is a subset of tourism. One similarity between travel and tourism is, they both are temporary movements.

### **Types of tourism:**

#### **1. Mass Tourism**

It involves tourism of organized large groups of people to special tourist locations. It is a traditional way where the daily program is fixed by the tour organizer. It is a social activity. The tourists generally desire for souvenirs and site-seeing.

For example, **religious places, theme parks, boat cruises, resort towns.**

#### **2. Alternative Tourism**

It includes individually organized tours to find first-hand information about a place, local culture, and environment. **For example, biking tour planned by an individual while accommodation is catered for on the go.**

#### **3. Business:**

It is touring for conducting business transactions, attending business meetings, workshops, or conferences. The objective of business tourism is mainly professional.

**4. Pleasure:** It includes tourism for improving one's physical or spiritual well-being. For example, vacation at a Yoga or rehabilitation center.

**5. Nature:** It is tourism at places famous for pristine nature and serene beauty. The main objective is to experience and enjoy nature such as farms and wildlife. Ecotourism is a part of nature tourism.

**6. Cultural:** This type of tourism has an objective of understanding the local history of the place, foods, local productions, and local culture.

**7. Social:** It includes tours conducted among relatives, friends, and others.

**8. Recreational Tourism:** It includes travelling to escape from routine life. This is often done for enjoyment, amusement, or pleasure. For example, **Camping or beach visit.**

**9. Active Tourism:** It is conducted with a clear objective such as climbing a mountain, touring around the world, or learning local culinary arts or languages.

**10. Sports Tourism:** It is tourism for attending some sports event such as World Cup Cricket Match, FIFA, or Olympics.

### **Few terms that are frequently used in the tourism industries:**

- **Attraction:** It is a physical or cultural feature of a place that can satisfy tourists' leisure based need.

- **Cultural Heritage:** It is an expression of the manner of living developed by a community and passed on from one generation to the next. It includes customs, practices, places, objects, artistic expressions and values.

- **Dark Tourism:** (Black or Grief tourism) It is the tourism involving travel to places

historically associated with death and tragedy.

- **Destination:** It is a place the tourist visits and stays there for at least 24 hours. The destination supports staying facilities, attractions, and tourist resources.
  - **Ecotourism:** It involves maintenance and enhancement of natural systems such as water, air, woods and forests, and flora and fauna through tourism.
  - **Excursionist:** Persons traveling for pleasure in a period less than 24 hours
  - **Foreign Tourist:** Any person visiting a country, other than that in which he/she usually resides, for a period of at least 24 hours.
  - **Hiking:** A long and vigorous walk on the trail.
  - **Intermediaries:** They are the intermediate links between the form of goods and services tourists do not require and the form of goods and services the tourists demand.
  - **Itinerary:** A documented plan of the tour.
  - **Leisure:** The free time when obligations are at a minimum and one can relax.
  - **Recreation:** The activities carried out during leisure time.
  - **Site:** It is a particular place bound by physical or cultural characteristics
  - **Skiing:** It is a recreational activity and competitive winter sport in which the participant uses skis to glide on snow.
  - **Snorkeling:** It is the practice of swimming on or through a water body while being equipped with a diving mask composed of a shaped tube called a snorkel.
  - **Terrain:** It is a stretch of land, especially with regard to its physical features
- Travel:** The act of moving outside one's home community for business or pleasure but not for commuting or traveling to or from usual places.

### **Factors affecting tourism industry**

There are many factor that affect the running of the tourism industry. Some show immediate effect while, some affects in the long run.

#### **1. Environment at Destination**

Tourism is in its best form when the destination have good climate. In contrast, any undesired changes in the environment such as **high winds, flash floods, drought, and extreme climate** can affect tourism adversely.

**For example**, during harsh summer months in India, people prefer to travel to colder climate regions like hill stations.

#### **2. Economy of the Country**

When a country is undergoing economic trouble and when people are facing unemployment issues, tourism is affected adversely. On the contrary, when a country's economy is doing well and people can afford to spend money on leisure, tourism progresses.



### 3. Historical or Cultural Importance of Destination

The place or destination of travel affects the tourism business to a great extent. If the destination is of great historical or cultural significance then tourists will certainly like to visit the place for seeing monuments, castles, forts, ancient architecture, sculptures, caves, antic paintings and utensils, clothes, weapons, ornaments, and other allied heritage.

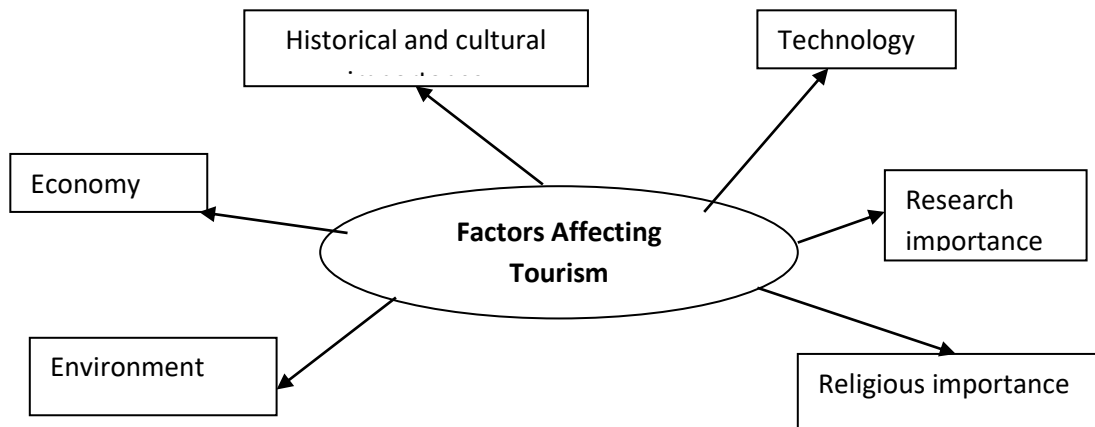
**For example**, the world famous places of historical and cultural importance are **Taj Mahal (India), Pyramids of Giza (Egypt), Bagan City (Burma), Acropolis (Athens, Greece).**

### 4. Research Importance of Destination:

There are tourists who visit places with the objective of studies and exploration. Need for research promotes tourism. **Archeologists, Geologists, Oceanographers, Biologists and Zoologists, Architects,** and People researching Arts and Cultures seek places that have great significance in the field of research.

### 5. Religious Importance of Destination

The places of religious importance or worship are always flooded with tourists. At these places, tourism is at its peak at particular time periods in a year. The tourists often go on pilgrimage to find inner peace and invoke blessings of the deities they worship and to cleanse their sins before death. **For example, Mecca, Bethlehem, Kashi.**



### 5. Technology

Internet has penetrated to almost every corner of the world. Tourists are enjoying the benefits of Internet. While planning a tour, the tourists try to get the idea about the places they are going to visit, the quality of amenities and services, and the attractions at the destination. After visiting a destination, the experienced tourists share their opinions on various platforms of the Internet.

### Types of Tourist

There are different types of tourists:

1. **Intrinsic Tourists:** They are into holidaying for the sake of enjoyment.
2. **Extrinsic Tourists:** They have reward oriented motivation. These tourists are susceptible to the activities where performance is evaluated.
3. **Adventurers:** They give very little importance to relaxation. They are always up to exploring places and taking challenges. Mainly youths and singles from both genders carrying zest of life largely contribute to this type of tourism.
4. **Budget Travelers:** They are economy-oriented tourists. Their touring decisions about places, travelling mode, and other related factors are largely dependent on their financial status.
5. **Homebodies:** They are mainly relaxed tourists. They do not get into adventure. The tourists aged above 45 to 50 years belong to this type. The busy professionals under 45 years also belong to this type.
6. **Moderates:** They plan their tour ahead, have a high inclination towards tourism but they do not get into sports or adventure activities.
7. **Vacationers:** They plan touring during vacations such as summer break or Christmas break. They are not always sure of where and why they wish to visit.

### **Motivations for Travel and Tourism**

Tourist motivations are the factors to make people wishing to go travel. They want to have personal fulfillment.

**Travel motivation** is the inner state of a person, or certain needs and wants of the tourists that can be considered as one of the most important psychological influences of tourist behavior. The wants and needs of tourists are often regarded as travel motivations. Motivation is something that stimulates interest or causes a person to act in a certain way

**Tourist motivations** include escape, relaxation, strengthening family togetherness, wish and self-fulfilment, prestige, shopping and social interaction. In addition, **tourists** are also motivated to travel by other factors.

The Main Motives for Travel and Tourism

Motivation for travel and tourism can be categorized as;

- Physical motivations
- Cultural motivations
- Personal motivations
- Prestige and Status motivations

1. **Physical Motivators** include those related to physical rest, sports participation, beach recreation, relaxing entertainment, and other motivations connected with health.

2. **Cultural motivations:** include the desire to know about other countries curiosity about foreign countries, people and places; interests in art, music, architecture, folklore – music festivals, theatre visits, etc. interest in historical places (remains, monuments, churches)experiencing specific international and national events - Olympic Games, Oktoberfest, etc.

3. **Personal motivations** visiting relatives and friends; escape from routine, from family and neighbors, meeting new people and seeking new friendships seeking new and different experiences in different environments – sailing etc. escaping from one’s own permanent social environment (i.e. desire for a change)personal excitement of traveling; visiting places and people for spiritual reasons (i.e. pilgrimages).

#### **4. Prestige and Status motivations**

pursuit of hobbies – craft or painting holidays .continuation of education or learning- study tours , seeking of business contacts and professional goals – fairs, conference and meetings; fashion.

#### **Tourist motivations**

1. The need to escape or change
2. Travel for Health
3. Sports
4. Social Contact
5. Status and Prestige
6. Travel for Education
7. Personal Values
8. Cultural Experience
9. Shopping and Bargain Hunting
10. Professional and Business motives
11. Search for natural beauty

#### **Travel limitations or problems**

- Lack of money
- Lack of time
- Lack of safety and security
- Physical disability
- Family commitments
- Lack of interest in travel
- Fears of travel

**Tourist typologies:** are descriptors of distinctive forms of **tourist** consumer behavior. They reflect different motivations, interests and styles of travel on the part of **tourists**.

## SUMMARY

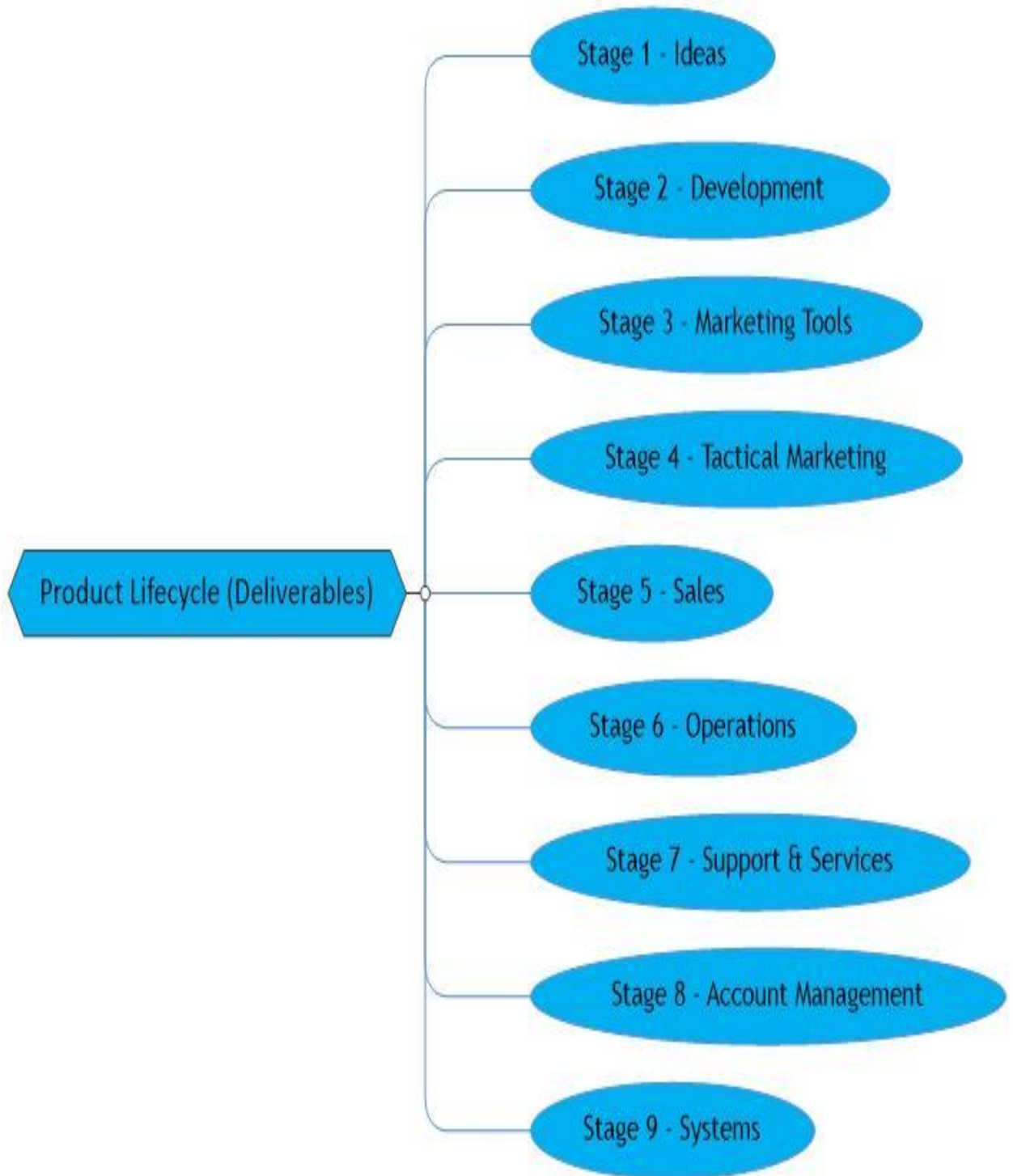
- Tourism is one of the most profitable industries in India. The chief reasons include economic growth resulting in increase in domestic tourism and the tourism ministry taking several initiatives such as the Incredible India campaign.
- The market environment refers to all the forces outside marketing that affect marketing management's ability to build and maintain successful relationships with target customers. The marketing environment can be divided into the task environment (micro-environment) and the broad environment (macro-environment).
- The micro-environment includes the immediate factors involved in producing, distributing and promoting the offering, including the company, suppliers, distributors, dealers and target customers. Porter's five forces model is used to analyse the micro-environment of the tourism market.
- The macro-environment refers to all forces that are outside the immediate circle and affect the microenvironment. It consists of six components: demographic environment, economic environment, natural environment, technological environment, political-legal environment, and social-cultural environment. Tourism macro-environment is analysed using the PEST analysis.

## QUESTIONS

### Answer the following:

1. **Define** – Tourism
2. **Define** – marketing
3. Briefly explain the history of travel and tourism during the medieval period?
4. What are the factors that motivate travel?
5. What do you mean by tourism marketing?
6. Explain the various types of tourism
7. Discuss the effects of tourism.
8. What are the barriers to travel? Describe its.
9. What are the objectives of tourism marketing?
10. State the importance of tourism marketing

**Unit II**  
**Tourism Product Strategy**



## **Tourism Product**

Kotler defines a **product** as it is "anything that can be offered to a market for attention, acquisition, use, or consumption that might satisfy a want or need. It includes physical objects, services, persons, places, organization, and ideas".

A **product** in general can be a thing, a place, a person, an event, etc. which satisfies the needs of the person purchasing the product.

Medlik and Middleton (1973) defines **tourism products** as "a bundle of activities, services, and benefits that constitute the entire tourism experience." This bundle consists of five components: destination attractions, destination facilities, accessibility, images, and price.

### **What are the 5 A's of tourism product?**

Attraction, accommodation, supporting facilities, and infrastructure are the basic elements of tourism. For the better development of tourism, these facilities should be developed in respective areas and for this public as well as private sector should take a step.

### **TOURISM ORIENTED PRODUCTS (TOP)**

These are the products and services created primarily for the tourists and also for the locals. These products need a great share of investments in private sector. A few of them are –

- Accommodations; For example, Taj, ITC Hotels.
- Transportation; For example, Owning taxis, luxury buses, and boats.
- Retail Travel Agents
- Tour Operators
- Shopping Centers such as malls
- Cinema Theatres such as PVR
- Restaurants for Food and Beverages
- Tourism Information Centers
- Souvenirs Outlets

- Museums, Temples, Gardens, and Theme parks

## **WHAT IS PRODUCT DEVELOPMENT STRATEGY WITH EXAMPLE?**

**Strategies in product development** are finding ways to reduce costs, add a unique or specific feature or to improve **product** problems or glitches. Some **strategies** have one industry collaborate with another. An **example** of this type of **strategy** is Spotify teaming with Uber for a better user transportation experience.

## **WHAT ARE EXAMPLES OF TOURISM?**

Tourism is the practice of traveling somewhere for fun. When someone goes on vacation, this is an example of tourism. The businesses that cater to visitors are an example of tourism.

## **IMPACT OF TOURISM**

### **Positive Impact**

- Employment opportunities
- Growth in income
- Increase in foreign exchange
- Infrastructure development

### **Negative Impact**

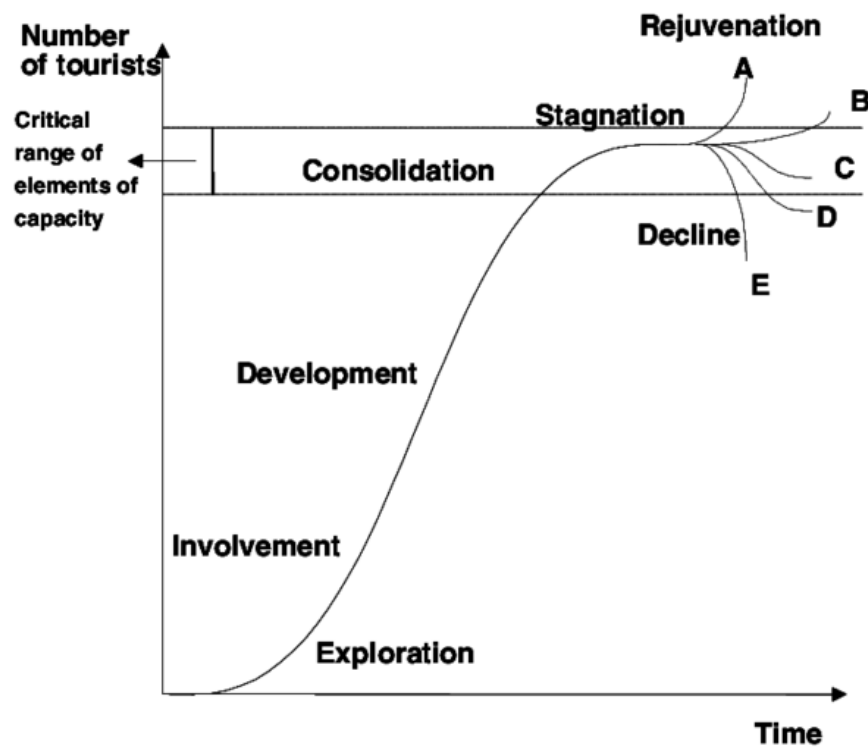
- Seasonal unemployment
- Under use of facilities
- Shortage of services

## **What are the 7 steps of product development?**

The seven steps of **product development** of new product strategy, idea generation, screening and evaluation, business analysis, development, testing, and commercialization.

**TOURISM PRODUCT LIFE CYCLE:** The **product life cycle** is the process a **product** goes through from when it is first introduced into the market until it declines or is removed from the market. The **life cycle** has four stages - introduction, growth, maturity and decline.

Exploration, investment, development, consolidation, stagnation and followed, after stagnation, by decline or revitalization of the **product**.



**Exploration:** The new tourist product/s is introduced

A small number of visitors start coming.

**Involvement:** Identifiable tourist season begins to emerge

Visitor numbers start building

Impacts start to become apparent



**Development:** Public policy and investment is required if destination is to sustain continuing development.

**Consolidation:** Visitor numbers continue to increase, tourist services are provided by large national or international companies and local operators still play a role.

**Stagnation:** Critical point – decisions have to be made Stagnation, Visitor numbers peak, Visitors attracted by familiarity and extensive facilities, more promotion to meet capacity, Promotion is needed, Adaptation of products and markets.

**Decline or rejuvenation:** Visitor numbers fall, Move down market, More promotion to meet capacity, Decline or rejuvenation.

## **PROBLEMS OF INDIA'S TOURISM INDUSTRY**

- Lack of proper infrastructure which includes non availability of good roads and poor connectivity to the **tourist** destinations.
- Lack of aggressive online and other marketing strategies to promote **India** as a must-visit location.
- Too many points of differentiation available but not cashed upon (such as rare animal sanctuaries, religious pilgrimage tours and extreme Himalaya tours)
- Lack of funds due to which a long list of heritage monuments that are still sitting in squalid environments etc.

### **Common Problems Faced By Foreign Tourists In India**

- International Cards Acceptance.
- Touts (or frauds)
- Hygiene Problem. Hygiene in India also annoys tourists.
- Security problem.
- Language problem.

## **PACKAGE TOUR**

**Tour package** may be defined as “a total tourism product consisting of transportation from market area to the destination, accommodation at destination and recreational activities performed by the tourists”.

A group of services related to travel or vacations that are sold together for one price. When tourists decide to travel to a particular destination, they look forward to a pleasurable experience in terms of a safe and comfortable journey, good accommodation and meals, interesting attractions and leisure activities. These are the expectations or products, which the tourist is willing to spend money for.

A **package tour/tour package** is a total [tourism](#) product as it generally includes transport from the origin place to the destination, accommodation and other recreational or travel services. These components are purchased by an individual, firm or company called the '**tour operator**'. He combines all the travel components in a package and sells them at all-inclusive prices to the clients.

### **Types of Package tour:**

1. Independent Tours
2. Escorted Tours
3. Hosted Tours
4. Incentives Travel/Tours
5. Freedom Tours

### **Independent Tour**

Independent tours are prepared, formulated for those tourists who want to travel independently. The components of such tours are air travel, air transfer, accommodation, travel documents, sightseeing, boat riding, entertainment, and other travel services.

### **Escorted Tour**

When a [travel agency](#) includes the services of a well educated and trained tour manager in its package, the tour is called an escorted tour. Basically, escorted tours are meant for those travelers who are planning to visit a foreign country first time.

### **Hosted Tours**

A hosted tour means when an agency utilizes the services of another agency at a particular destination. Suppose a group of French tourists is coming to India. When the group arrives in India, they are greeted at the airports by TCI, which assists them in clearing their baggage and transfer them to the hotel.

### **Incentives Travel/Tour**

It is a motivational programme or a fully paid holiday which is given to the employees by the enterprises as a reward. Mostly in medium and large-scale companies and usually too distant destinations to spur them in maintaining their track record, to increase output, improve the image and moreover to earn the long period loyalty of the employees.

### **Freedom Tours**

Freedom tours are becoming very popular these days among the working class. These tours are designed as per the choice of tourists. The tourist is free to choose and plan how they want to travel and enjoy their holidays. These types of tours are meant for that kind of people who like to decide how, when, and where to travel.

### **Itinerary Preparation**

Itinerary means the designing of a programme which one wants to sell and it includes destinations, stopping points, number of days and the travel services that are to be included in the programme. The itinerary is prepared to identify the origin, destinations, stopping points, accommodations, sightseeing and other travel services on travelers' trip.

### **PRICING A PACKAGE TOUR**

The cost of a package tour contains the air ticket, hotel room, car rental, entertainment charges, administrative costs, promotional costs, and other travel services. Tour pricing is a big factor in the success of the company's tour programme. Product is based on three factors: Cost, competition, and demand.

### **TOUR BROCHURE**

Tour Brochure is a small booklet or pamphlet, containing product information about destinations or travel services. The brochure becomes the principal instrument to perform the major tasks to inform the clients about the products and to pursue them to purchase it.

A brochure should contain the following information:

- Name of the Travel Company
- Means of transport
- Details about destinations
- Itinerary
- Accommodation, types, location, meals

- Name of the overseas representative
- Duration of each tour
- Booking, reservation and cancellation conditions
- Details of other services – insurance, currency, entertainment

### **SIGNIFICANCES OF TOUR PACKAGE**

Tour package is beneficial to travel companies, travelers, destinations and other organizations which are directly or indirectly involved in the [tourism](#) business. The main benefits are:

- Time Saver
- Increase the seasonality of a destination cost/price
- Earn foreign currency
- Better quality of products professional services
- Wide-variety of the tour package
- Provide bulk business to organizers

### **Summary**

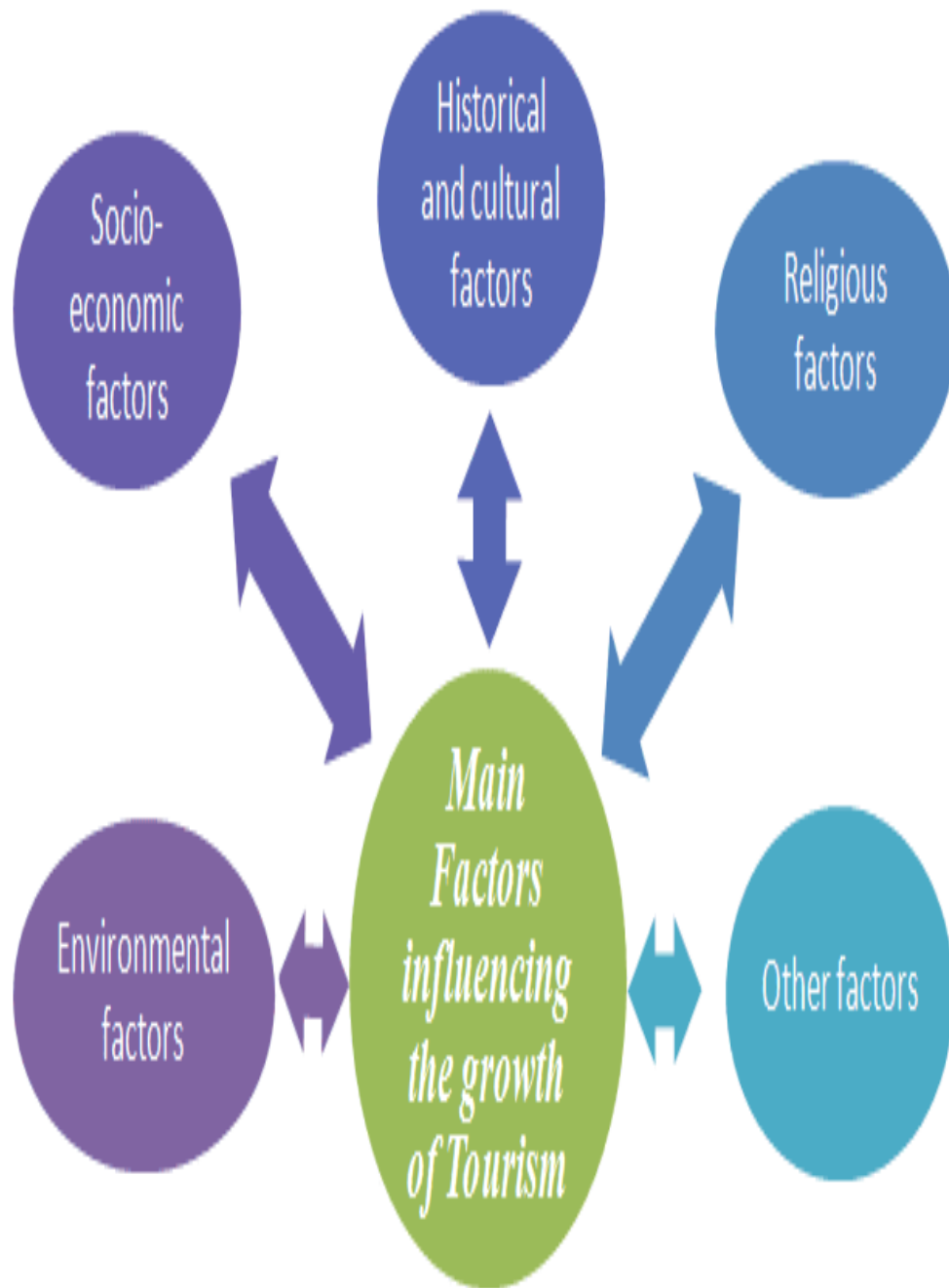
- Tourism regions can be classified broadly into three groups: regions of stability, regions that suffer a decline in terms of tourism and regions that have declined, but become popular again.
- Tourist life cycle: Cohen identified four character types among the tourists: drifter, explorer, individual mass tourist and organized mass tourist.
- The lack of quality infrastructure, uncompetitive rates, indifferent or poor product quality and difficulty in getting access to information on travel and tourist destinations lead to a negative effect on the tourism destination's competitiveness.
- Various marketing strategies like targeting specific segments, introducing various promotional strategies and packages, releasing of funds by governments, improving the services provided in terms of better food and hygiene and motivation and involvement of the local populace should be adopted to enhance the lifespan of a tourist destination.

### **QUESTIONS**

1. Explain tourism product strategy
2. State various reasons for product failure

3. What is tourism strategy?
4. Write a short note on following terms
  - a. Tour
  - b. Package
  - c. Tour Brochure
5. Define marketing mix.
6. What are the elements of tourism product mix
7. Discuss the Formulation of Tourism Product Mix
8. What is Tourism Product Life Cycle? Explain its concept with example.

**Unit – III**  
**Tourism pricing strategy**



## **What is tourism product mix?**

The tourism being a service sold to the customers, tourist experience is the product, which is intangible, and non-storable. The quality of the tourist experience as a product is directly connected with the quality of service a tourism business provides.

The four parts of the marketing mix in tourism include **the product, pricing, promotion and place or distribution**. The role of the marketing mix in tourism is to bring the customers or tourists to the destination, product or service that the tourism company wishes to sell.

### **Product**

The product role of the marketing mix in tourism is to make the tourists aware of what the company is trying to market or promote. The product for tourism may be a bus tour, a hotel stay or a cruise.

### **Pricing**

Pricing is another major aspect of the role of marketing mix in tourism. Pricing has to be set so that any competitor that are offering the same business or substitute business is comparable.

### **Promotion**

It encompasses all of the ways that the company markets and advertises the business. This may include typical types of marketing, such as placing ads in tourist magazines and offering discount coupons in travel guides. It may also include going from hotel to hotel in the area and leaving a postcard or flier for the service at each hotel room door.

### **Place**

The place is where the tourists visit and stay. The potential of a tourist destination lies in its attractiveness or aesthetic value, accessibility, and the facilities it provides to the tourists. The tourists also seek a place highly for the activities it offers, the amenities and skilled workforce it provides, and its location.

**Promotion:**

It is related to informing, educating, persuading, reminding the customers about the benefit of an organization offers. Promotion helps in maximizing the duration of stay, frequency of visit by offering new tourists products in the same country to areas.

**People:**

People plays an important role in tourism. Customer service is focus issue in tourism. The travel agents, guides staff of travel companies, sales staff etc. are the people. Their skill, efficiency, knowledge, motivation and customer care are very important. People mix includes staffs, customers, and other which create tourism environment.

**Physical evidence:**

Tourism product is the combination of the tangible product like comfortable seat while traveling, layout and design of the resort, natural service scope, etc. The service concept needs physical evidence.

**TOUR OPERATOR** is an organization, firm, or company who buys individual travel components, separately from their suppliers and combines them into a package tour, which is sold with their own price tag to the public directly or through middlemen, is called a **Tour Operator**.

Poyther (1993) defines, “**tour operator** is one who has the responsibility of putting the tour ingredients together, marketing it, making reservations and handling actual operation.”

**TYPES OF TOUR OPERATORS**

Tour operators are basically categorized into **four types**. These are categories on the basis of their nature of the business and its operations.

1. Inbound Tour Operators
2. Outbound Tour Operators
3. Domestic Tour Operators
4. Ground Operators



## **Inbound Tour Operators**

These are also known as **incoming tour operators**. Technically, the operators who receive guests, clients/tourists, and handle arrangements in the host country are called **inbound tour operators**. For example, a group of American Tourists is coming through TCI Ltd. to India and the company makes arrangements and handles the group in India then TCI is called an inbound tour operator.

## **Outbound Tour Operators**

Tour operator who promote tours for foreign destinations, maybe business tour or leisure tour is called **outbound tour operators**. For example a group of American tourists going to a trip of India and Thomas Cook handle arrangement in America like as ticket reservation, hotel booking etc. then Thomas Cook is called Outbound Tour operators of America.

## **Domestic Tour Operators**

Domestic tour operators are those who assemble, combine tourist components into inclusive tours and sell it to the domestic travelers. In general, these tour operators provide travel services within the tourist's native country.

The domestic tour operators operate within the boundary of the home country and offer package tour to the travelers viz. Domestic inclusive tours or independent tours

## **Ground Operators/Destination Management Companies**

These are commonly known as **handling agencies** and their main function is to organize tour arrangements for incoming tourists on the behalf of overseas operators.

## **Functions of Tour Operator**

A tour operator is an organization, firm, or person who is responsible for the actual arrangement of transport and accommodation facilities on any tour or vacations. A tour operator is like a service provider, providing to stay, visit, as well as leave from the city. Some most important functions of the tour operators are following as:

### **Planning a Tour**

The most important functions of the tour operators are planning a tour. Tour operators plan a tour and make tour itinerary which contains the identification of the origin, destination and all the stopping point in a traveler's tours.

## **Making Tour Package**

Tour operator buys individual travel components, separately from their suppliers and combines them into a package tour. Tour operators make tour packages by assembling various travel components into a final product that is called a tour package which is sold to tourists with their own price tag. Making tour packages is also an important function of a Tour Operator.

## **Arranging a Tour**

Tour operators make tour packages and also arrange a tour according to tourist demands. Tour operators arrange the tour package and various tourists' activities to provide the best experience to tourists/travelers.

## **Travel Information**

Tour operators have to provide necessary travel information to the tourists. A tour operator must give up-to-date, accurate and timely information regarding destinations, modes of travel, accommodation, sightseeing, immigration, health and security rules about various permits required to travel in a particular area etc.

## **Reservation**

It is a very important function of all types of tour operators and travel agencies. A tour operator makes all the reservations by making linkages with the accommodation sector, transport sector and other entertainment organizations to reserve rooms, and seats in cultural programmes and transportation.

## **Travel Management**

Tour operators manage a tour from beginning to the end of the tour. A tour operator has the responsibility to look after the details of a vacation or tour such as hotel, accommodation, meals, conveyance etc. Tour operators provide travel guides, escorting services and arrange all travel-related needs and wants.

## **IMPORTANCE OF TOUR OPERATORS**

- Tour operators play a key role in the tourism sector. Tour operators create tourist products, promote them and finally sell them to tourists.
- Tour operators provide the best and competitive price to the tourist. Tour operators negotiate with suppliers of tourism products such as hotels, airlines and provide the best

possible price to the tourist. Tour operators buy tourist products in bulk and get huge discounts from suppliers. So that they provide tourist products at a cheap price.

- Tour operators organized a tour in the best way. They personalize and make sure each and every component of the tour is well-taken care. Tour operators provide the best travel experience during a tour. Tour operators save tourists time and money.

## **DIFFERENCE BETWEEN TRAVEL AGENT AND TOUR OPERATOR**

There is a lot of confusion about the difference between tour operators and travel agents what exactly makes them different. The main difference between a Travel agent and Tour operator are following as:

1. A travel agent is a person who has full knowledge of tourist product – destinations, modes of travel, climate, accommodation, and other areas of the service sector. He acts on the behalf of the product providers/principals and in return get a commission. Tour operator is an organization, firm, or company that buys individual travel components, separately from their suppliers and combines them into a package tour, which is sold with their own price tag to the public directly or through middlemen.
2. Tour operators are like wholesalers and travel agents are the retailers.
3. A tour operator makes the package holidays up and the travel agents sell them on.
4. Tour operator taking up the bulk of the responsibilities and his fee is obviously much greater than a travel agent.
5. A tour operator has the responsibility to look after the finer details of a vacation or tour such as hotel, accommodation, meals, conveyance, etc.

### **SUMMARY**

- Differentiation is the process of distinguishing the differences of a product or service offering from others to make it more attractive to a particular target market.
- In services differentiation, especially in travel and tourism industry, there are three main approaches – the consumer-oriented approach, the competitor oriented approach and the trade-oriented approach.

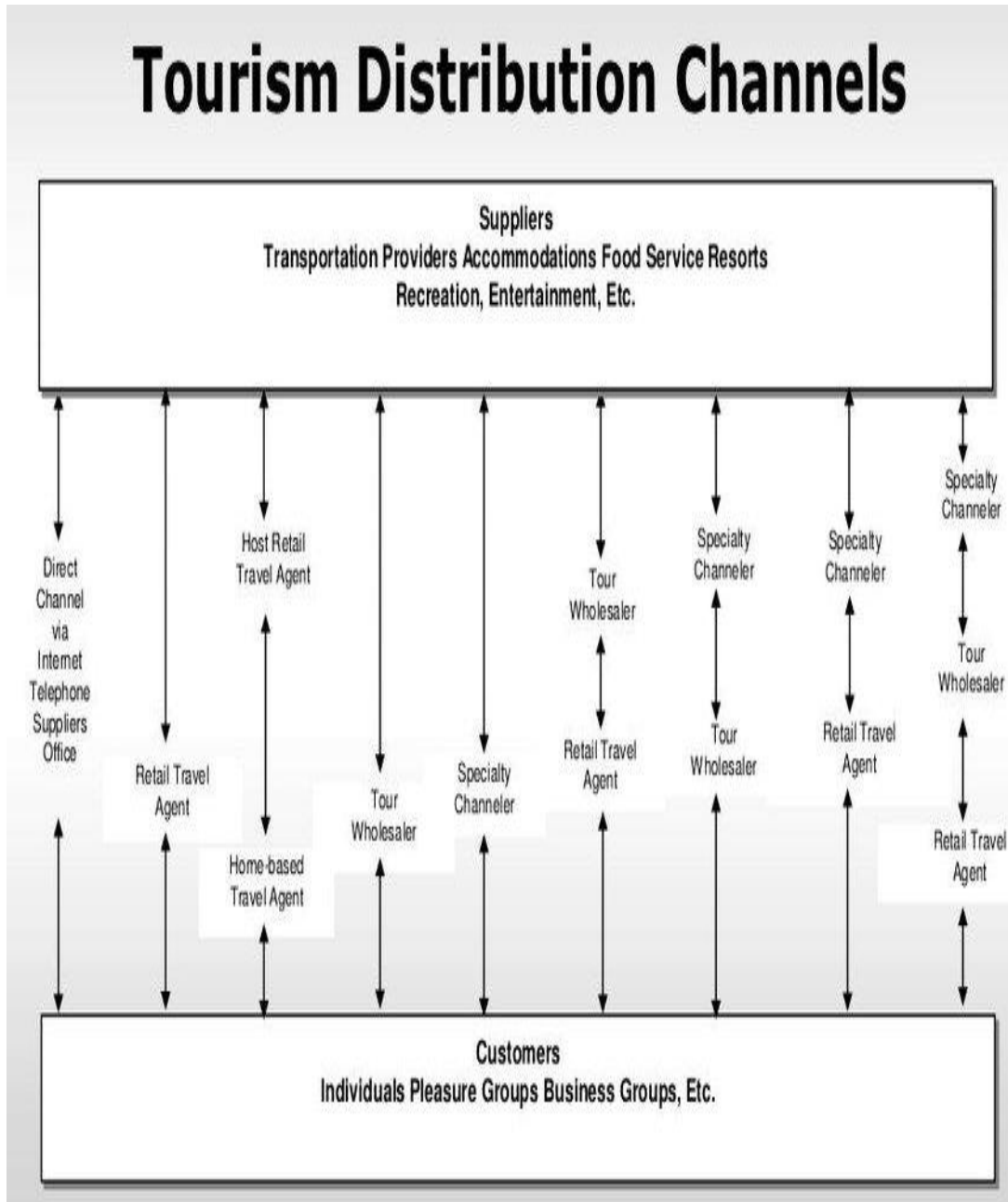
- To make a successful differentiation in travel and tourism industry, a firm may adopt any of the three strategies, viz. by-passing strategy, cooperation strategy or adaptation strategy.
- Positioning means the process by which marketers try to create an image or identity in the minds of their target market for its product, brand, service or organization.
- The main purpose is to create an image on customer's perceptual space or black box.

### **Question**

1. Define the term – Pricing
2. What do you mean by Tourism Pricing Strategy?
3. Enumerate the various factors influencing Tourism Pricing Strategy.
4. What are the objectives of pricing strategy?
5. State various kinds of pricing policies.
6. Explain the elements of pricing mix
7. What are the major activities done by the department of tourism.
8. Describe the objectives of ITDC.
9. Distinguish between travel agent and tour operator

## Unit IV

### Tourism Distribution Strategy



## **A tourism distribution channel**

A distribution channel is a chain of businesses or intermediaries through which a good or service passes until it reaches the end consumer. It can include wholesalers, retailers, distributors and even the internet itself.

It is a network of intermediaries that facilitates the sales and delivery of products and services specifically related to **tourism** from suppliers to consumers. The link between **tourism** suppliers and the customers is known as the **distribution** system. The purposes of the system of **distribution** are twofold: to give potential travelers the information they need to make a vacation choice, and to allow them to make the necessary reservations once they have decided on their choice.

## **MARKETING INTERMEDIARIES**

It can come in the form of wholesalers, retailers, brokers, agents, financial intermediaries or distributors. The manufacturers are responsible for creating the product or developing the service before it is sent forward to the marketing intermediary and from the marketing intermediary to the consumer.

## **Middlemen in the Tourism Industry**

**Middlemen** that are included in the **travel** and **tourism industry** are **travel** agencies, **travel** clubs, **hotel** marketing and booking schemes, incentive **travel** organisations, sales representatives, computerised reservation system (CRS), **global distribution system (GDS)** etc

## **WHAT ARE THE FUNCTIONS OF THE TRAVEL AGENCY?**

Since the travel agent is a middle man between the client and the services suppliers, they play major functions in the development of the tourism industry.

The travel agency performs several tasks such as providing information about travel. This job is one most significant and fundamental tasks. The travel agency must know the tourist's destinations, distance from the airports/railways station, etc. He should also know the different categories of hotels and the services provided by them. The staff should be good in the local language, English and foreign languages when they deal with foreign countries.

## **Other Functions of travel agent: What does a travel agent do?**

- promoting and marketing the business.
- dealing with customer queries and complaints.

- providing advice about visas or passports.
- recruiting, training and supervising staff.
- managing budgets.
- maintaining statistical and financial records.
- **planning.**
- selling holidays and insurance.

## **THE ROLES OF THE TRAVEL AGENCY**

- The roles of the travel agency are vital in the travel industry. They help to promote and developed travel sales. The travel agency put together different services of **tourism** products and sell them to the clients.
- The travel agent also acts as a broker between the client and the suppliers. They bring together the buyers and sellers of tourism services. The service providers include hotels, car rentals, tour companies, etc.

## **WHO IS A TRAVEL AGENCY?**

A travel agency is a middleman acting on behalf of the client. One of the main functions of the travel agency is to make an arrangement with suppliers of travel. The suppliers can be airlines, hotels, railways, etc. Thus, the travel agents sell the service products to the client and get commissioned from the suppliers of travel.

A travel agency can be an individual, business or company. They operate as intermediaries in selling and promoting various travel-related services. For example, accommodation, airlines, railways, road transport, cruises, etc. They earn a commission from selling services to their customers.

## **COMMISSION**

Commission refers to the **compensation** paid to an employee after completing a task, which is, often, selling a certain number of products or services.

Selling products or services is challenging. **Professionals** who are into sales and marketing deal with tough competition. Employers offer a commission to motivate their employees and make them more productive and generate more sales and attract customers.

## **TRAVEL GUIDE**

A **guide** book or **travel guide** is "a book of information about a place designed for the use of visitors or tourists". It will usually include information about sights, accommodation, restaurants, transportation, and activities. ... **Travel guides** can also take the form of **travel** websites. A book or other work designed to give tourists and other visitors information about a particular country or area.

## **CHANNEL DECISIONS**

It involves selecting, managing, and motivating intermediaries such as wholesalers, distributors, brokers, and retailers that help a firm make a product or service available to customers. These intermediaries, sometimes called resellers, are critical to the success of a company's marketing program.

## **WHAT IS THE TOURISM DISTRIBUTION CHANNEL?**

A **distribution channel** is a chain of businesses or intermediaries through which a good or service passes until it reaches the end consumer. ... It can include wholesalers, retailers, **distributors** and even the internet itself.

### **SUMMARY**

- Business marketers can use all of these variables along with operating variables, purchasing approaches, situational factors and personal characteristics.
- To be effective, market segments must be measurable, substantial, accessible, differentiable and actionable.
- Once a firm has identified its market-segment opportunities, it has to evaluate the various segments and decide how many and which ones to target.
- In evaluating segments, managers look at the segment's attractiveness indicators and the company's objectives and resources. In choosing which segments to target, the company can focus on a single segment, selected segments, a specific product, a specific market, or the full market..

### **QUESTIONS**

1. What do you mean by Tourism Distribution Strategy?
2. What is Distribution Policy? Enumerate the factors that affect it.
3. Write a short note on
  - a. Travel Agency
  - b. Commission
4. Who is travel agent? And Explain their functions
5. Explain the features of Travel Guides
6. What do you mean by channels of distribution?



## Unit V

### Tourism Promotions Strategy



## **TOURISM PROMOTIONS STRATEGY**

**Definition: 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.

**Description:** There are several types of promotions. Above the line promotions include advertising, press releases, consumer promotions (schemes, discounts, contests), while below the line include trade discounts, freebies, incentive trips, awards and so on. Sales promotion is a part of the overall promotion effort.

### **THREE TYPES OF PROMOTION**

1. **Informative promotion** is more important during the early stages of the product life cycle when owners of new resorts and other attractions will seek promotional outlets to inform the public of the facilities and amenities that would make their vacation experience worthwhile.

2. **Persuasive promotion** is used when an attraction is in its early stages of growth, so its owners put very much promotional effort in devising persuasive messages and sending them through several channels.

3. **Reminder** is important upon reaching a mature stage. Owners will then remind people of their positive experiences. These reminder messages serve to jog the memory and keep the product in the public.

### **PROMOTION MIX**

promotion mix are the tools that convey the message to the customers. The major types of the promotion mix are:

**Advertising**-any form of paid for, non personal presentation and promotion of ideas, products or services by a specific sponsor using some forms of mass media.

**Personal selling**- an oral presentation to one or more prospective customers on a face-to-face basis; Sales promotion-activities, other than advertising and Personal selling, that stimulate a purchase.

**Public relations-** the presentation of ideas, goods or services about an organization using mass media, unlike advertising it is not paid for. It is designed to create favorable image of the product, service or business unit.

Merchandising, Public relations and publicity, Internet marketing (sometimes called digital marketing).

**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.

**Definition of Sales Person.**

**SALES PERSON** can be defining as a person employed to represent a business to sell its merchandise to customers in a store or to customers to make the visited.

**PERSONAL SELLING**

Personal selling is a process of informing customers and persuading them to purchase products through personal communication in an exchange situation. Personal selling is a marketing Process with which consumers are personally persuaded to buy goods and services offered by a manufactures.

personal selling gives marketers the greatest freedom to adjust a message to satisfy customers' information needs. personal selling is the process whereby the seller or his

representative ascertains and activates the needs or wants of the buyer and satisfies the same to the industrial advantage of both the buyer and the seller.

### **FEATURES OF PERSONAL SELLING**

1. He must maintain lasting relations between the firm and its customers.
2. It is a creative art. He creates wants in customers. A human need may change into human want but because of salesmanship. He should possess the ability to convert needs into wants.
3. He must talk in the point of view of customers and engage their mind to his point of view. That is, the ability of the salesman must influence the customers' mind.
4. He must satisfy the consumers not only by selling products but also provides knowledge and assistance to satisfy the needs of consumers.

### **SKILL NEEDED FOR SELLING**

1. Positive Thinking
2. Interpersonal Skills
3. Confidence
4. Product Knowledge
5. Leadership Skills
6. Work Ethic
7. Learning Skills.

### **SALES SEQUENCE:**

1. Prospect and qualify
2. Preapproach
3. Approach
4. Presentation
5. Overcome objections
6. Close the sale

## **Advertising Selection of Media**

Advertising is one of the most important factors that help the tourism industry to generate tourists from both the local and international marketplace. The tourism sector is responsible for promoting the natural resources, culture, heritage etc that help every visitor in experiencing the destination. Tourism advertising helps the visitor to get familiar with the place even before visiting it personally.

Advertising is important for any business. Similarly, in the travel business, it plays a key role to entice the customer (tourist). Technically, tourism is not a product. It is intangible so unlike products, industries can not sell it to their customers. So the industries sell the destination on the basis of the customer's imagination skills.

An improper advertisement can lead to a loss in the tourist business. Effective advertising does not guarantee success but will surely increase the chances for it.

There are three major roles that advertising plays in the tourism industry:

- To inform tourists to visit a destination and everything tourists need to know about the place.
- Persuade tourists to visit a destination.
- To remind tourists about a destination and where to do all the bookings from.

### **ADVERTISING AGENCIES:**

Advertising agency, often referred to as a creative agency or an ad agency, is a business dedicated to creating, planning, and handling [advertising](#) and sometimes other forms of [promotion](#) and [marketing](#) for its clients.

#### **The Role of Advertising Agencies**

- Small businesses often undertake their own advertising, and in New Zealand this is very common. Profit margins are low and using an advertising agency adds to the marketing cost.
- A small business may use a company to purchase advertising space on their behalf but they still create their own ads.

- Advertising agencies can achieve lower costs through ‘bulk buying’ on behalf of their clients, and their knowledge of the industry is invaluable when preparing ad campaigns

- A typical advertising agency is involved in creative planning, development of concepts and ideas, design and production of visual materials, media planning, scheduling and buying, monitoring and evaluation of advertising performance.

- Ad agencies are usually selected through a competitive tender process and once selected build-up a long term relationship with their clients.

- Ad agencies will appoint an account director or executive who liaises between the agency team and the client.

## **TESTING ADVERTISING EFFECTIVENESS**

The evaluation of advertising is divided into media research, copy research and sales results research. The multivariable forces influencing sales make it almost impossible to measure with high precision the sales effect of advertising.

most advertising research measures the characteristics of an advertisement, such as exposure, and the ability of the receiver to comprehend, retain and believe in the advertisement. If all of these are present, it is inferred that the advertisement will be effective in producing sales.

## **SALES PROMOTION**

Sales promotion is a part of the [promotional mix](#) where the business uses many short-term customer-oriented strategies to stimulate the demand for its product by making it look more attractive and/or worthy.

## **TOOLS OF SALES PROMOTION**

To increase the sales of a product, the producers or manufacturers use various measures like free samples, bonus, etc. These measures are called the tools or techniques of sales promotion

## **ADVANTAGES OF SALES PROMOTION**

Sales promotion can prove useful for marketers in several ways. These include:

1. **Helps Create Awareness of New Products** – Sales promotion is a highly effective methods for exposing customers and business partners to new products and for moving customers to take an action (e.g., sample a product).
2. **Strengthens Customer Involvement and Loyalty** – Sales promotion can be the primary mechanism organizations use to interact with their customers and ultimately build a stronger connection (e.g., offer customer rewards).
3. **Can Be Quick to Develop** – Compared to other types of promotion, some sales promotions can be quickly created and made available within a market (e.g., creation and distribution of email coupon).
4. **Used to Support Other Promotions** – Sales promotion is often used as a supporting feature of other methods of promotion (e.g., salespeople may give promotional items to give to sales prospects).
5. **Helps Reduce Inventory** – Sales promotion can be used to rapidly reduce inventory in situations where product replacement is needed (e.g., products nearing expiration date; clearing inventory to make room for new models).

### **Disadvantages of Sales Promotion**

While the benefits of sales promotion are very attractive to a marketer's promotional plan, there are downsides to this type of promotion. These include:

1. **May Condition Customers to Wait for Promotion** – Repeated use of sales promotion may condition customers to wait until a product promotion is available before making their next purchase resulting in the marketer not maximizing a product's revenue potential (i.e., customer will not pay full price).
2. **Can Lower Perception of the Brand** – The overuse of some sales promotions may condition customers to believe the lower price is the regular price, which may cause them to not believe the product's quality compares to similar competitors' products that offer less frequent or no price reductions.
3. **Issues With Promotion Clutter** – While in the same way an advertisement competes with other ads for customers' attention, promotional clutter may also be an issue with sales promotions (e.g., excessive promotion sent by email, postal mail).

**Distributors May Not Be Willing to Accept** – Some sales promotions targeted to consumers require the assistance of distributors (e.g., retailers), however, not all distributors may

accept a consumer sales promotion, especially if the promotion requires the distributor to perform extra work

### **Summary**

- The various tools of communication are advertising, direct marketing, personal selling, public relations, sales promotion, trade shows, the Internet, sponsorship, point of purchase and word of mouth.
- In developing an IMC mix for different types of tourism, a tourism firm can use one of the following strategies: undifferentiated marketing strategy, differentiated marketing strategy and concentrated marketing strategy.
- While determining what strategy to choose, an agency should take into account some factors: resources, homogeneity of the tourist packages, homogeneity of the market and strategies of competitors.
- Tourism can be classified into the following six main categories: extreme tourism, cultural or cognitive tourism, ecological tourism, medical tourism, recreational tourism and business tourism.
  - The main factors determining the attractiveness of a tourist region are availability of region, nature and climate, attitude of local population towards visitors, infrastructure of region, standard of prices, level of the retail shopping, sporting, recreational, and educational possibilities and cultural and social descriptions

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### **Questions**

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1. Write a short note on Tourism Promotions Strategy.
  2. What is mean by personal selling?
  3. Explain the various Skills requirement for sales man ship.
  4. Explain the various factors considered by the salesman for testing effectiveness of advertising.
  5. List out the classification of advertising media.
  6. What is sales sequence?
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