

AIRLINE AND TOURISM MARKETING



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ROLE OF SELF INSTRUCTIONAL MATERIAL IN DISTANCE LEARNING

The need to plan effective instruction is imperative for a successful distance teaching repertoire. This is due to the fact that the instructional designer, the tutor, the author (s) and the student are often separated by distance and may never meet in person. This is an increasingly common scenario in distance education instruction. As much as possible, teaching by distance should stimulate the student's intellectual involvement and contain all the necessary learning instructional activities that are capable of guiding the student through the course objectives. Therefore, the course / self-instructional material are completely equipped with everything that the syllabus prescribes.

To ensure effective instruction, a number of instructional design ideas are used and these help students to acquire knowledge, intellectual skills, motor skills and necessary attitudinal changes. In this respect, students' assessment and course evaluation are incorporated in the text.

The nature of instructional activities used in distance education self- instructional materials depends on the domain of learning that they reinforce in the text, that is, the cognitive, psychomotor and affective. These are further interpreted in the acquisition of knowledge, intellectual skills and motor skills. Students may be encouraged to gain, apply and communicate (orally or in writing) the knowledge acquired. Intellectual- skills objectives may be met by designing instructions that make use of students' prior knowledge and experiences in the discourse as the foundation on which newly acquired knowledge is built.

The provision of exercises in the form of assignments, projects and tutorial feedback is necessary. Instructional activities that teach motor skills need to be graphically demonstrated and the correct practices provided during tutorials. Instructional activities for inculcating change in attitude and behavior should create interest and demonstrate need and benefits gained by adopting the required change. Information on the adoption and procedures for practice of new attitudes may then be introduced.

Teaching and learning at a distance eliminates interactive communication cues, such as pauses, intonation and gestures, associated with the face-to-face method of teaching. This is

particularly so with the exclusive use of print media. Instructional activities built into the instructional repertoire provide this missing interaction between the student and the teacher. Therefore, the use of instructional activities to affect better distance teaching is not optional, but mandatory.

Our team of successful writers and authors has tried to reduce this.

Divide and to bring this Self Instructional Material as the best teaching and communication tool. Instructional activities are varied in order to assess the different facets of the domains of learning.

Distance education teaching repertoire involves extensive use of self- instructional materials, be they print or otherwise. These materials are designed to achieve certain pre-determined learning outcomes, namely goals and objectives that are contained in an instructional plan. Since the teaching process is affected over a distance, there is need to ensure that students actively participate in their learning by performing specific tasks that help them to understand the relevant concepts. Therefore, a set of exercises is built into the teaching repertoire in order to link what students and tutors do in the framework of the course outline. These could be in the form of students' assignments, a research project or a science practical exercise. Examples of instructional activities in distance education are too numerous to list. Instructional activities, when used in this context, help to motivate students, guide and measure students' performance (continuous assessment)

PREFACE

We have put in lots of hard work to make this book as user-friendly as possible, but we have not sacrificed quality. Experts were involved in preparing the materials. However, concepts are explained in easy language for you. We have included many tables and examples for easy understanding.

We sincerely hope this book will help you in every way you expect. All the best for your studies from our team!

AIRLINE AND TOURISM MARKETING

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Airline and Tourism Marketing

BLOCK 1 : INTRODUCTION TO TOURISM MARKETING

- UNIT 1 EVOLUTION OF MARKETING
- UNIT 2 UNDERSTANDING MARKET
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INTRODUCTION TO TOURISM MARKETING

Block Introduction :

Marketing is one of the prime activities of business. It allow businessman to understand the market and customer. The marketing is essential activity to understand the need of the market and offer the products which is desired by the customers in market. This not only reduces cost but also satisfy the customer. We are going to learn about the services, which is an intangible product and its marketing in this block. Service is a unique offering to customer because of its unique features. The learner will also learn and understand these features of service marketing in this block. Tourism products are different from any physical product due to intangibility factor. In this block learner will learn about the types of tourism products and characteristic of it. This is very important block to understand since it teaches about the basic of marketing and service marketing to the learners.

Block Objectives :

After understanding this block learns will have knowledge about the :

- Existence of concept prior to marketing concept
- Evolution of Marketing Concept from various concepts
- Meaning of market and how it is different from marketing
- Various types of markets
- Service, its meaning and definition
- Features of service marketing
- Classification of service marketing
- Meaning of tourism products
- Characteristics of tourism products
- Types of tourism products available in service industry

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1.0 LEARNING OBJECTIVES :

After reading and understanding this unit you will be able to comprehend :

- Concepts and Principles of Marketing
- Evolution process of marketing in present time
- The significance of marketing in our life
- Various components of marketing management
- Differentiate between marketing and selling

1.1 INTRODUCTION :

Tourism marketing refers to the many marketing techniques employed by enterprises in the tourism industry for making the respective customer about the offerings by company as a whole. Hotels and other forms of lodging, as well as airlines, vehicle rental services, restaurants, entertainment venues, travel brokers, and tour operators, are all examples of this.

Tourism marketing is to promote a business, distinguish it from competitors, attract customers, and raise brand awareness. The internet is used in many current tourism marketing methods, with websites, online advertisements, email, and social media platforms all playing a vital role.

1.2 MARKETING CONCEPTS & PRINCIPLES :

The process through which a company encourages the purchase or sale of a product or service is known as marketing. Marketing includes activities like advertising, selling, and delivering goods to customers or other businesses. It all boils down to creating, promoting, distributing goods and services to customers at the end of the day. Marketing is the process by which a company encourages others to buy or sell a product, service, or good. Marketing is considered as a drive to convert the leads into sales. Sales and marketing is used interchangeably however both are different. In sales we convert potential customer to actual customer and as we said marketing doesn't involve selling or purchasing it is just a medium of assimilating information.

It is necessary to fulfil organisational goals such as revenue generation, maximising profit by selling, cost minimisation and so on, a company should hence foresee the needs and wishes of potential customers and meet there requirements more effectively than its competitors, according to the marketing principle.

Given the importance of client expectations and desires in marketing, a good understanding of these principles is essential:

Needs : Humans require certain things in order to live a healthy, stable, and secure life. Needs can be objective and physical, such as the desire to be a part of a family or social group and the desire for self-esteem, or subjective and psychological, such as the desire to be a part of a family or social group.

Wants : Something that is desired, aspired to, or wished for. Wants aren't required for basic survival, and they're often impacted by culture or peer groups.

Demand : Economic demands can arise from needs and wants that are backed by the ability to pay.

Marketing research is the systematic collection, recording, and analysis of qualitative and quantitative data about topics related to marketing products and services. The goal is to determine and assess how various parts of the marketing mix influence customer behaviour.

This includes defining the data needed to address these concerns, as well as developing, organising, and implementing a data gathering mechanism. After the data has been analysed, the conclusions and results, as well as their implications, are conveyed to those who have the authority to act on them.

1.3 DEFINING MARKETING :

According to the American Marketing Association (AMA) Board of Directors, Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.

Dr. Philip Kotler defines marketing as "the science and art of exploring, creating, and delivering value to satisfy the needs of a target market at a profit. Marketing identifies unfulfilled needs and desires. It defines measures and

quantifies the size of the identified market and the profit potential. It pinpoints which segments the company is capable of serving best and it designs and promotes the appropriate products and services."

Once you read the term carefully, you'll notice that marketing consists of four activities or components:

- **Creating** : The process of collaborating with suppliers and customers to provide value in the offerings.
- **Communicating** : Broadly, describing those offerings and learning from customers are all part of the communication process.
- **Delivering** : Getting those offerings to the consumer in a way that maximises value.
- **Exchanging** : Getting something in exchange for something else.

1.4 EVOLUTION OF MARKETING – TOP 3 STAGES :

The notion of marketing has evolved through numerous stages from the earliest periods when people met their needs, wants, and demands by utilising natural resources (resource utilisation stage) until present times.

1.4.1 Production Concept/Production – Orientation Stage :

Manufacturers anticipated that purchasers would seek out and acquire reasonably priced, easily available products, they focused on increasing output. As a result, the industrial revolution occurred. The enterprises were run by engineers and personnel with a history in manufacturing. Demand for commodities significantly outstripped supply at this stage, and enterprises had no trouble finding customers. As a result, they focused primarily on improving manufacturing and delivery efficiency.

1.4.2 Product Concept :

According to the product concept, consumers will favour products with higher quality, distinctive characteristics, and good performance. As a result, companies should concentrate their efforts on continuous product improvement via aggressive R & D.

1.4.3 Selling Concept/Sales – Orientation Stage :

On the market, consumers have a wide choice of products to choose from. Only if they are cajoled through large-scale selling and advertising activities will they buy enough of the organization's items. As a result, a major emphasis on promotional efforts to sell the product the company sought to place during this sells-orientation stage.

The company expects consumers to show buying inertia or hesitation unless it has promotional and marketing tools to encourage them to buy more. Rather than creating goods that the market want, a business strives to sell whatever it has created. At this period, sales-related activities and sales executives received respect and accountability from corporate management.

1.4.4 Marketing Concept/Marketing – Orientation Stage :

During the marketing-orientation stage, companies understand what customers want and change their actions efficiently and effectively to meet the demands in the best possible manner.

Instead of providing what has been produced, modern marketing strategies focus on identifying the customer and customising the product/service to meet their demands. As a result, the seller must decide whether the product/service meets the end users' needs, wants, and demands.

As a result, according to the marketing concept, accomplishing organisational goals requires recognising the needs and wants of target markets and offering the desired satisfaction more effectively and efficiently than competitors. Meeting demand alone cannot fulfil the marketing objective but the firms need to be focused on competitors too so that level of customer satisfaction and profit maximisation with the help of revenue can also be achieved.

1.5 IMPORTANCE OF MARKETING :

Following the various parts of modern marketing concepts it is useful not only to consumers, but also to the businesses that serve them. The significance of the modern marketing concept can be summarised as:

a. Helpful in Product Development :

The current marketing concept is particularly useful in the discovery and creation of new products since it is based on thorough study of consumer needs, wants, and behaviour. The business looks for new and improved items based on their study in order to enhance production and demand of the product. A company is to develop a product before it's sold. The goods are to be produced as per conclusion of the study conducted.

b. More Social Satisfaction :

Modern marketing philosophies revolve around the satisfying consumer needs and wants. It starts with analysis of consumer wants, and service providers and industrial firm activities are based on it. Under this concept, consumers receive desired quality products at reasonable prices, at their convenient place, distribution channel and with best after-sale-services. Therefore this concept gives higher level of social satisfaction as well as it provides establishment and maintaining of quality of living of the society.

c. Importance Towards National Economy :

The modern marketing strategy creates significant amount of job as well as a great turnover for business. Hence it has significant effect not just from the consumers and producers point of view, but from the perspective of the nation too. In other view we can say it utilise and maximise the available resources of the country. By doing so, industrial production can be increased and waste is getting minimised. Along with that the significant rises in standard of living can be seen. Modern concepts of marketing continuously providing adequate amounts of products and services to society hence the demand and supply get balanced. Due to this national growth and development in terms of economy is also achieved.

Those within the role of products and service providers, marketing entails making decisions like determining who our customers are, what goods and services to supply, where to sell these goods and services, marketing-related communication agendas to emphasize, pricing to charge, and creating and maintaining demand. Marketing considerations also include whether or to not sell items worldwide (as well as domestically) and the way to conduct business ethically and socially.

Marketing was once regarded to be a booster of business objectives. Marketing has assumed the lead in setting organisational strategy in today's environment. Successful firms are marketing organisations where "everyone can be a marketer." Marketing isn't a job for a select few; rather, successful businesses are marketing organisations where "everyone can be a marketer." Marketers must constantly rethink their market dynamics in order to get what their customers want and serve them more effectively than their competitors.

1.6 COMPONENTS OF MARKETING :

Modern marketing concepts are extensive in scope. To provide perfect customer service, modern marketing emphasises the need of integrated departmental relationships and the ability to collect and analyse consumer data.

a. Customer-Oriented :

The customer-oriented approach is the first and most important base of the current marketing concept. According to this theory all of actions of a producer, must centre on the consumer's choice or behaviour.

Hence, it assumes that we should produce the quality that our customer desire, in the quantity that they demand, at a price that they can pay, through the channels that they prefer, and at the time and place that they prefer. As a result, a successful manufacturer is one that prioritises marketing research and implements the necessary product adjustments as a result.

The main components of this concept are :

- (i) The market's ruler is the customer. Customers are not depending on the producer, but the producer is reliant on his customers.
- (ii) Only those things and services that are in line with customer tastes and preferences can be sold in the market.
- (iii) An organisation should always emphasise the development of innovative and developed items in order to attract more clients.

b. Integrated Marketing :

Marketing is a system, according to the second essential principle of current marketing philosophy. It doesn't merely pertain to physical product and service delivery. According to this theory, a company must meet the needs of its customers by establishing good coordination among various divisions.

The marketing department must coordinate the activities of all other departments within organisation so that each department can perform to its full potential and contribute to customer satisfaction.

All the departments are managed through the marketing department, and the marketing manager's decisions are regarded as the most significant, and all other departments must follow these decisions.

c. Consumer Satisfaction as a Source of Profits :

A company's goal, according to this new marketing strategy, should be to maximise profits while assuring maximum customer satisfaction. This strategy is based on the idea that satisfying consumer needs is a significant success for the organisation. When a company's clients are satisfied, demand for its products increases.

It will result in an increase in both sales as well as profits. As a result, rather of emphasising sales, this concept emphasises profit maximisation through customer satisfaction.

d. Consumer Welfare :

The modern marketing concept emphasises consumer wellbeing. It starts with identifying customer needs and ends with meeting those needs. And every effort is made to provide the highest-quality products and services at the lowest possible cost. As a result, it is a societal concept centred on the welfare of customers.

1.7 MARKETING VS. SELLING :

We are frequently exposed to marketing and sales concepts. The customer's needs come first in the marketing concept, followed by the methods to meet those wants. In marketing, the customer creates market demand. The notion of selling, on the other hand, is completely focused on the demands of the seller, and as a result, the seller has complete control over the market.

Though marketing and selling appear to be identical, there is a clear distinction between the two concepts, which includes meaning, activity, technique, perspective, and management, among other things.

In simple words we can say, selling is the act of converting goods into cash, whereas marketing is the process of satisfying and meeting customer needs. A product's or service's price, promotion, and distribution are all elements of the marketing process.

➤ **Selling :**

According to the selling concept, Customers would not buy enough of the company's goods if companies and customers were separated. The concept could be utilised to make an argument in the situation of non-sought commodities.

When a business is functioning at full capacity, it strives to sell what it creates rather than what the market demands, and when commodities aren't sought, i.e. commodities that the client hasn't considered buying, the concept can be used to argue.

During the sales process, a salesperson sells whatever the production department has produced. The sales strategy is aggressive, and genuine consumer needs and satisfaction are presumed.

➤ **Marketing :**

The marketing concept is a business concept that asserts that a profit of company comes from becoming more efficient than its competitors, manufacturing, producing, and giving excellent customer value to the target market.

It is a broad and significant operation of a company. Identifying client needs, satisfying those needs, and obtaining feedback from clients are all part of the job. In the interim, production, packaging, pricing, promotion, distribution, and, finally, selling will all take place. Consumer requirements are a major priority, and they are driving all of these initiatives. Their main objective is to run a profitable company for a long time.

Integrated marketing, target market, profitability, and consumer demands are the four elements that decide it. The approach starts with a specific market, focuses on client demands, supervises consumer-related activities, and benefits from providing them.

❑ **Check Your Progress :**

1. Tourism industry comprise of _____
 - a. Airlines
 - b. Hotels
 - c. Events, Exhibitions & Conferences
 - d. All of the above options
2. Marketing doesn't include activities like _____
 - a. Advertising
 - b. Selling
 - c. Production
 - d. Customer Feedback
3. Need is a _____
 - a. Desire or aspire to have certain products or services
 - b. Certain products necessary for life
 - c. Both a and b options
 - d. None of the above options
4. Want is something which is _____
 - a. Necessity of life
 - b. Desired to have certain thing
 - c. Both a and b options
 - d. Can't say
5. Marketing consists of four activity, find the odd one out among the mentioned below :
 - a. Creating an offering for the customer
 - b. Communicating the available products or services
 - c. Delivering process of product or service
 - d. None of the above
6. Which among the below mentioned concept existed first.
 - a. Selling Concept
 - b. Marketing Concept
 - c. Production Concept
 - d. Product Concept
7. Modern marketing concept is not just good for customer but also for _____
 - a. Manufacturer of the product/services
 - b. Company employees
 - c. Both a and b options
 - d. None of the above options
8. According to customer orientation approach the company focuses on _____
 - a. Customer Behaviour
 - b. Customer Choice
 - c. Customer Spending Capacity
 - d. All of the above options
9. Profit maximisation can be achieved by _____ as a marketing strategy.
 - a. Reducing cost
 - b. Paying less salary to the employees
 - c. Customer Satisfaction
 - d. All of the above options

10. Marketing and selling are two different concepts, where marketing is creating awareness of product and services and selling is _____
- Act of converting product/service into cash
 - Promotion of product/service
 - Both a and b options
 - None of the above options

1.8 LET US SUM UP :

Tourism marketing has become a critical topic for all businesses in the tourism industry, and we'll introduce you to the phrase today. The way we sell tourism products and services has evolved in tandem with the travel industry and visitor behaviour. This is when tourism marketing enters the picture. Tourism marketing, in a nutshell, is a marketing strategy that employs a specific marketing plan and strategies to promote touristic products and services such as destinations, hotels, and transportation services, among other things.

In this entire unit focus is been kept on learning basic concept of tourism, its significance, evolution over the years and various components

1.9 ANSWER FOR CHECK YOUR PROGRESS :

Check Your Progress :

- | | | | | |
|------|------|------|------|-------|
| 1. d | 2. c | 3. b | 4. b | 5. c |
| 6. c | 7. a | 8. d | 9. c | 10. a |

1.10 GLOSSARY :

Marketing Mix (MM = 4P) : The combination of factors that can be controlled by a company to influence consumers to purchase its products.

Goods : Physical objects or devices that provide benefits for customers through ownership or use.

High-Contact Services : Services that involve significant interaction among customers, service personnel, and equipment and facilities.

Intangible : Something that is experienced and that cannot be touched or preserved especially service products.

Low-Contact Services : Services that require minimal or no direct contact between customers and the service organization.

Loyalty : A customer's commitment to continue patronising a specific firm over an extended period of time.

Marketing Research : Systematic design, collection, analysis, and reporting of customer and competitor data and findings relevant to a specific marketing situation facing an organization

Needs : Subconscious, deeply felt desires that often concern long-term existence and identity issues.

1.11 ASSIGNMENT :

- Explain the term Market with example. Also elaborate how market is physical and non-physical place.

2. What is the difference between term marketing and selling? Support your answer with examples.
3. How is evolution of marketing took place over the years? Explain the stages of evolution also.
4. Why is marketing so important for companies these days?
5. Differentiate between the terms marketing and selling.

1.12 ACTIVITIES :

1. Prepare a table having example from the companies have instance of Production Concept, Product Concept, Selling Concept and Marketing Concept.

1.13 CASE STUDY :

Case Study in Hotel Marketing – How to Drive Direct Sales

Hotel Internet Marketing Case Study I would like to share with you the hotel marketing success story of 3 of our hotels for which we have been working hard to push direct sales this year. The hotels are in completely different categories, demonstrating that if you work hard and have a focused strategy, you can generate a good level of direct sales, and divert business from OTA directly to your hotel website.

Let me take you through some the actions we have taken for our hotels and the results that have been achieved. The properties we will review are:

- Hotel de Londres y de Inglaterra in San Sebastian, Spain
- Hotel Es Moli, in Deia Mallorca
- Townhouse Hotel, in Maastricht, the Netherlands

Our 2014 hotel internet marketing actions :

1. **SEO (Search Engine Optimization)** : penetrating both short-tail and long-tail destination keyword combinations to optimize the organic positioning on search engines. Adjusting and fine-tuning meta-tags, page titles, content and internal links, plus seeding content on themed blogs to build up a strong overall infrastructure both internally and externally.
2. **Brand Protection** : Submitting the hotel's TradeMark to Google to block adds with the hotel name / brand.
3. **SEM (Search Engine Marketing):**
 - Keyword bidding / advertising on the hotels name, to divert more traffic to the hotel website from 3rd party websites.
 - Remarketing with banner adds to visitors of the hotel website.
4. **Reputation Management** : here we have a 4 fold approach
 - Monitoring review with review management tools to structurally identify areas of improvement
 - Post-stay emails to all guests requesting their feedback on public review websites (TripAdvisor, Google+, Zoover, etc)
 - Responding to reviews by the hotel manager (without exception)
 - Marketing on the hotel website the external review scores to emphasize on what our guests think about the hotel.

5. **Meta–Search** : Displaying direct hotel rates in price comparison websites including TripAdvisor, Google HPA (hotel price adds) / HotelFinder, Trivago, Kayak, HotelsCombined, etc.

How did we do? Let's have a look at the results ...

1. Hotel de Londres y de Inglaterra
 - website sales up 26% ytd
 - more than €100.000 in incremental website sales
 - direct sales 41% of total sales
2. Hotel Es Moli
 - website sales up 31%
 - more than €115.000 in incremental website sales
 - direct sales 47% of total sales
3. Townhouse Maastricht
 - website sales up 20%
 - more than €50.000 in incremental website sales
 - direct sales 30% of total sales

Now we are working on the 2015 strategies, during which we will expand on the most successful areas, and of course include some new actions :

1. **Visitor Recovery** : People that entered the booking process, but did not complete a reservation will be targeted by email to increase conversion.
2. **Discount Codes** : Membership discounts for people who have stayed at the hotel before, or if you sign up through the website.
3. **Business Listings** : Hotel listing pages with high traffic will be optimized and the hotel website url, email and phone number will be featured. Discount codes will also be provided.
4. **Mobile** : we are redeveloping and further optimizing our mobile hotel websites, working with fully responsive design techniques.

Overall not to be underestimated is the impact your hotel booking engine can have. We just changed The Student Hotel from a well known solution to our fully dynamic and responsive booking engine and conversion jumped up by about 39% overnight.

<https://www.xotels.com/en/marketing/case-studies-in-hotel-internet-marketing>

1.14 FURTHER READING :

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UNIT STRUCTURE

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2.0 LEARNING OBJECTIVES :

In this unit learner will be able to understand about :

- The meaning and definition of the term market
- The various types of market for the action
- Features of the organised market
- The difference between terms market and marketing

2.1 INTRODUCTION :

Market is the first concept to understand in marketing management. The word 'market' comes from the Latin word 'maratus.' This can refer to products, wares, traffic, trade, or a business location. Many people have defined this phrase in various ways. Its essential theme, though, is that trading is an activity that revolves around two key operations: buying and selling.

A market is a place where two parties can gather to facilitate the exchange of goods and services. The parties involved are usually buyers and sellers. The

market may be physical like a retail outlet, where people meet face-to-face, or virtual like an online market, where there is no direct physical contact between buyers and sellers.

Physical sites where transactions are done can be used to depict markets. Retail stores and other comparable enterprises that sell specific things to wholesale markets that sell to other distributors are examples of this. They could also be virtual. For example Internet-based stores and auction sites like Flipkart, Amazon, Snapdeal and so on where, complete transactions can be done online with no physical contact between the parties involved.

2.2 DEFINITION OF MARKET :

"A market is an aggregate demand of the potential buyers for a product/service." – *American Marketing Association*

"A market is an area for potential exchanges." – *Philip Kotler*

"Any person or group with whom an individual or organisation has an existing or potential exchange relationship can be considered as market."

– *W. J. Stanton and Others*

From above definitions, we can conclude that a market is more than just a place where buyers and sellers meet. It's a gathering of buyers and sellers who want to talk about the terms of buying and selling goods and services. The negotiation can take place in person or via any other means of communication, such as phone, correspondence, teleshopping, or email.

2.3 CHARACTERISTICS OF MARKET :

The characteristics of all organised markets are as follows :

- (1) Buyers and sellers can meet at location convenient to them.
- (2) The best facilities for maintaining close and continuous contact or interaction between total demand and total supply—both current and potential.
- (3) Price registering device with a high sensitivity.
- (4) All business is governed by rules and regulations that the exchange authorities scrupulously enforce.
- (5) Generally, the exchange is a self-disciplined, self-administered, and self-regulated autonomous body that enjoys informal autonomy.
- (6) There is complete freedom and unrestricted competition between the buyers and sellers. Commodity forward markets are often known as two-way auction markets. Sellers and buyers can make offers and bids in an open public outcry. They also employ symbols and finger signals to communicate their pricing and amounts, as well as whether they are buying or selling. Other mechanical devices, such as Ticker Tapes, are also employed for this purpose.
- (7) Each forward market has a clearing house that facilitates the clearing and settlement of all transactions. During the settlement period, the clearing house ensures that dues are paid and that goods are taken and delivered.
- (8) For forward trades, a margin system is prevalent. As a margin with the clearing house, each member is required to retain a specified cash deposit. The margin deposit automatically controls the amount of speculating. A

bigger margin, such as 50%, will significantly minimise the amount of speculation.

- (9) A forward market also serves as a price barometer and meets all of the criteria for a perfect market.

2.4 CLASSIFICATION OF MARKET :

The most popular classifications for markets are : area, importance, volume of business, economy, time, and nature of commodities.

- On the basis of geography
- On the basis of importance
- On the basis of business activity
- On the basis of economy
- On the basis of time
- On the basis of nature of goods

2.4.1 On Geographic Area Basis :

Markets can be classified as local, regional, national, or international based on their geographical location.

- i. Local Market :** These markets are specific to a location. Commodities are sold within geographical boundaries in these markets. It is difficult to sell such items outside of the local area. Commodities that are heavy and perishable, in general, have local markets. Local markets exist for vegetables, fruits, groceries, milk, and other items.
- ii. National Market :** The scope of the market has extended at the national level as a result of industrial expansion. The bulk of things are now sold on a national level, thanks to advancements in transportation and communication.
- iii. International Market :** The number of goods have acquired international recognition as transportation and communication systems have developed. Foreign markets are those where goods are sold outside of a national boundary.

2.4.2 On the Basis of Importance :

Markets may be divided into primary markets, secondary markets and terminal markets on the basis of importance markets.

- i. Primary Markets :** In primary markets, primary producers of agricultural or manufactured items sell to wholesalers, who assemble the goods from many sources of production.
- ii. Secondary Markets :** Wholesalers offer the items to retailers for resale in the secondary marketplaces. Secondary markets are where semi-processed and semi-manufactured commodities are sold and bought.
- iii. Terminal Market :** in terminal marketplaces final goods are sold to end users, i.e., where consumers buy things from retailers.

2.4.3 On the Basis of Business :

On the basis of volume of business, the market may be divided into Wholesale and Retail Market.

- i. Wholesale Market :** Goods are bought and sold in large numbers in the wholesale market. Wholesalers are the vendors in these markets, and retailers are the purchasers. Wholesalers buy items in large numbers and sell them in small amounts to retailers.
- ii. Retail Market :** In this market, retailers buy goods from wholesalers and sell them to end users in single units, or very small quantity or tiny numbers.

2.4.4 On the Economic Basis :

A market is defined by economists as a collection of buyers and sellers who trade over a specific product or product class. In economics, markets are classified into perfect market and imperfect market.

- i. Perfect Market :** There will be perfect competition in a perfect market between buyers and sellers who are fully aware of other buyers and sellers. As a result, just one price will prevail in the commodity market.
- ii. Imperfect Market :** This is contrast to perfect market. We see some sort of misalignment in demand and supply in this market; buyers and sellers have no awareness of other buyers and sellers.

2.4.5 On the Basis of Time :

On the basis of time markets may be classified into:

- i. Very Short Period Markets :** It refers to markets that are only open for a few hours or days. Fruits, flowers, vegetables, milk, and other items are commonly sold at such markets.
- ii. Short Period Markets :** Weekly markets in villages are included into these markets. This category includes fairs as well.
- iii. Long Period Markets :** Long-term markets are where durable items are bought and traded. Goods can be kept for a long time in these marketplaces without deteriorating in quality.

2.4.6 On the Basis of Nature of Goods :

On the basis of the nature of goods that are purchased and sold, markets may be divided into commodity market, capital market and foreign exchange market.

- i. Commodity Markets :** Different commodities are traded on these exchanges. Ultimate consumers acquire consumer things, while manufacturers purchase industrial goods.
- ii. Capital Markets :** Money markets, stock markets, and other financial markets are examples of this type of market. Borrowing and lending take place in these markets. Shares, debentures, bonds, and other securities are purchased and sold on the stock exchange.
- iii. Foreign Exchange Markets :** The foreign exchange market deals in the currencies of many countries. These marketplaces arrange for the payment of foreign currencies in order to pay for imports from other nations. They exchange domestic currency for foreign currencies.

Markets can be classified on the basis of the product itself, or on the basis of the end- consumer, or both.

The market is most commonly classified as following :

(1) Consumer Markets :

Consumer markets are markets for products and services purchased by individuals for personal or family use, such as automobiles, LCD televisions, refrigerators, toothpaste, ice cream, apparel, and air travel. Companies in the consumer market aim to understand and address consumer requirements through their product and service offerings.

Additionally, they also strive to position the products in the minds of the customers so that they are more aware of them and are more likely to buy them. Deodorants, hand-wash, dish-wash, and other goods have arisen as a new category within Fast Moving Consumer Goods in recent years (FMCG).

(2) Business Markets :

The buying and selling of firms takes place among businesses in the business market. Business purchasers purchase things with the intention of making or reselling a product for a profit to others. It encompasses for-profit and non-profit enterprises, as well as government entities and institutions. Business purchasing differs from consumer purchasing in that buyers are better informed and adopt a more professional approach when making purchases.

It includes completed commodities such as office furniture and computers, as well as raw materials and components such as steel, paint, wood, and plastics, as well as services such as security, courier, accounting, and legal services. In comparison to the consumer market, the number of buyers and sellers in the business market is very modest.

In most cases, consumer and commercial markets have identical items and services, such as travel-tourism service, cruise services, fan, television, or a courier service. The market's classification is determined by the consumer's or business entity's usage.

A laptop, washing machine or television purchased by a client for personal use falls into the consumer market, whereas the same brand of these items purchased by a hotels, cruise ships or educational institution falls into the business market.

(3) Non-Profit and Governmental Markets:

Companies sell their goods and services to non-profit organisations such as temples, churches, colleges, philanthropic institutions, and local, state, and federal government departments. Because these purchasers have limited purchasing power, organisations that promote their products and services must consider price.

The organisation has to face a pricing problem with these organisations. The majority of the time, pricing is a major factor in purchasing decisions. Generally, government purchases are made through tenders, in which different companies are invited to submit offers. The order is given to the lowest bidder. Non-profit organisations, on the other hand, have limited purchasing power, necessitating better price from businesses.

2.5 DIFFERENCE BETWEEN MARKET & MARKETING :

Market	Marketing
Market is the narrower idea in this comparison.	The term "marketing" refers to a far broader concept than "market."
The market is where buyers and sellers come together.	Marketing is the social activity of identifying and then satisfying human needs.
Market is a set-up, a place, or a point of interaction where human wants are identified and subsequently met.	Marketing is a process that entails a variety of activities in order to reach an organization's goal.
Markets can be classified into a variety of categories based on the items exchanged, the quantity traded, the geographical location, and so on.	Any type of product or service has a common marketing philosophy.

2.6 HOW TO DEVELOP MARKET ?

Conduct Market Research : One of the most important aspects of building a market strategy is conducting market research. It's all about gathering data that reveals your consumers' thoughts, buying habits, and geographic location. Furthermore, market research may help you create an initial sales projection, track market trends, and keep tabs on what your competitors are up to.

Identify the Market : Trying to reach out to everyone with your product or service can be costly and ineffective. Your marketing efforts will be more focused if you group your potential clients based on specific qualities. Geographical location, demography, behaviour, and other factors can all be used to group people.

Determine Unique Selling Proposition (USP) : A USP is the distinct reason your clients choose you over your competition – it's what makes your company stand out. It's critical to determine what sets you apart from the competition and be able to communicate that to potential customers. This usually shows your unique knowledge or abilities. The USP could be a new or unique offering or great customer service.

Develop Company's Brand : Every company, regardless of size, will require a brand. A brand is more than just a logo, a colour scheme, or a slogan. A well-crafted brand communicates who you are, what you stand for, and what you can give to your clients on an emotional level.

Choose Marketing Avenues : While there are numerous possibilities accessible, think about your target audience options when deciding which to utilise. A company website, social media, blogging, brochures and flyers, networking events, print advertising, word of mouth, cold phoning, and letter drops are all possibilities.

Set Goals and a Budget : Setting marketing goals can help you identify what you want to accomplish with your marketing efforts. Your objectives should be SMART, which stands for specific, measurable, achievable, relevant, and time-bound. You'll also need to set aside money for your marketing efforts.

Nurture the Loyal Customers : Customers are the lifeblood of your business, therefore it's critical to take care of them and foster loyalty. Exceptional customer service can keep customers coming back and help you stand out from the competition.

Monitor and Evaluate : It's critical to evaluate and monitor your market actions on a regular basis to see if they're reaching the desired result, such as expanding the exchange process. To verify that your activities are supporting your strategy, you should evaluate the plan every three months at first. When you offer a new product or service to your firm after it has grown, revisit your plan.

❑ Check Your Progress :

1. Market is physical and non-physical place. Which is not the example of non-physical market ?
 - a. Make my trip store
 - b. Expedia.com
 - c. Easemytrip.com
 - d. Bookmyholiday.com
2. Organised market is a place where all business activities are _____
 - a. Controlled and regulated by a governing body
 - b. Autonomous rules are levied
 - c. Both a and b options
 - d. None of the above options
3. Market classification cannot be done on the basis of _____
 - a. Geographic basis
 - b. Economy basis
 - c. Primary or secondary market
 - d. Customer perception
4. Dealing for domestic tourism for the local tourist is example of :
 - a. National Market
 - b. International Market
 - c. Both a and b options
 - d. Can't say
5. _____ Is called as wholesaler of the tourism industry.
 - a. Tour Operator
 - b. Travel Agency
 - c. Online Travel Portals
 - d. None of the above options
6. Incentive travel services is for _____ market.
 - a. Consumer Market
 - b. Business Market
 - c. Both a and b options
 - d. Can't say
7. Marketing is the social activity of _____ and satisfying needs.
 - a. Communicating
 - b. Identifying
 - c. Rewarding
 - d. All of the above options
8. Is it necessary to exchange goods or services in terms of money only ?
 - a. Yes
 - b. Can't say
 - c. Barter can also be done
 - d. None of the above option

2.7 LET US SUM UP :

An efficient market strategy will identify the market and make every effort to reach only that market which is potential for taking action. Tourism markets are defined geographically, demographically, and so on. Every tourism destination

can appeal to a wide range of market, with a lot of overlap between them. The tour manager must assess the market and identify which ones have the most promising opportunities for his or her service. In this unit the learner has accessed to the understanding of market and its type based on certain criteria. The understanding regarding importance of market and its feature is also developed in this unit.

2.8 ANSWER FOR CHECK YOUR PROGRESS :

Check Your Progress :

- | | | | |
|------|------|------|------|
| 1. a | 2. a | 3. d | 4. a |
| 5. a | 6. b | 7. b | 8. c |

2.9 GLOSSARY :

Business to Business (B2B) : Also known as e-commerce is the exchange of products/services between businesses.

Business to Consumer (B2C) : Businesses that sell products/services directly to consumers – has played a large role in the rapid development of the commercial internet.

Market : A location in physical space or cyberspace (see definition) where suppliers and customers meet to do business.

Profit Margin : It is the amount over and above cost which is earned by manufacturer, wholesaler and retailers in order to provide product/service.

Service : An economic activity offered by one party to another, typically without transfer of ownership, creating value from rental of, or access to, goods, labour, professional skills, facilities, networks, or systems, singly or in combination.

Ticker Tape : The ribbon of paper or electronic depiction of price quotes that appear in a linear way, delivering market information to investors.

2.10 ASSIGNMENT :

1. Define the term market and give example in this regard also.
2. What are the characteristics of travel and tourism market?
3. Write a short note on:
 - a. Categorisation of market on the basis of geography.
 - b. Categorisation of market on the basis of economy.
4. How can a successful business man develop market for his product?

2.11 ACTIVITIES :

1. Analyse the current travel and tourism market (in the present pandemic of Covid-19) and evaluate the market need for the potential tourist to be served.

2.12 CASE STUDY :

Zero Commission and Diversification of Revenue generation

Traditionally, travel agents used to depend largely on the ticket sales for the bulk of share of total revenue. With airlines selling tickets directly to travellers through multiple e-ticketing platforms, travel agents do not have any choice and

they are out from their dominant business haven. This direct sales method is a global trend resulting from the need for airlines to maximize revenues or minimize loss while keeping costs down. As such majority of airlines are facing the challenge of breakeven and other issues leading to the closure of the companies. For example, Kingfisher airlines shut down the services abruptly in 2011 due to the heavy losses. International and domestic airlines used to offer 8 and 5 per cent commission on a ticket sold to travel agents respectively. However, it was gradually reduced to one percent and it is now zero percent due to overheads cost. It is observed that several airline sites even offer reduced costs and extra incentives for customers ordering tickets online.

Zero percent commission and ticket booking through website is one of the 47 recommendations of Prof. Dholakia Committee Report on the cost cutting in Air India. The Ministry of Civil Aviation has accepted all these recommendations. The Zero Commission policy on ticket sales adopted by almost all airlines has forced the travel agencies to switch over to the new streams of revenue along with new services.

To reduce their reliance on airline commission payments, travel agencies are resorting to the following strategic options to sustain and survive in the business.

- Streamlining operations and controlling staff costs whilst ensuring the customer feels as little impact as possible
- Expanding or moving into the leisure business where commissions on non-air products remain high (cruise & hotel)
- Specializing in geographic areas or becoming niche players for specific leisure products (e.g. destination weddings, student travel, group travel & cruises only)
- Establishing a service fee driven business model

Diversification is a form of growth strategy. Growth strategies involve a significant increase in performance objectives (usually sales or market share) beyond past levels of performance. Diversification strategies are used to expand firms' operations by adding markets, products, services or stages of production to the existing business. Many organizations pursue one or more types of growth strategies.

- Coffee shops
- SMS marketing
- MICE
- Foreign exchange:
- Courier service
- Film Ticket booking.

Travel agencies are now adopting the E-business revenue models, Digital Content Revenue Model, Advertising-Supported Revenue Model and Fee-for-Transaction Revenue Model.

Questions :

1. What triggered the airlines to stop paying usual commissions when travel agents still play dominant role in the airline markets?
2. What are the diversified sources of revenue for travel agents now?

3. What are the business strategies of travel agents to overcome this zero commission challenge?
https://www.hzu.edu.in/uploads/CASE_STUDY_for_Travel_agency_&_Tour_operations.pdf

2.13 FURTHER READING :

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UNIT STRUCTURE

- 3.0 Learning Objective**
- 3.1 Introduction**
- 3.2 Concept of Service**
 - 3.2.1 Historical Perspective of Service**
 - 3.2.2 Contemporary Perspectives**
- 3.3 Definition of Services**
 - 3.3.1 Alternative View**
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 - 3.5.1 On the Basis of End User**
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- 3.6 Importance Service Marketing**
- 3.7 Service Marketing Mix**
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- 3.8 Let Us Sum Up**
- 3.9 Answer for Check Your Progress**
- 3.10 Glossary**
- 3.11 Assignment**
- 3.12 Activities**
- 3.13 Case Study**
- 3.14 Further Reading**

3.0 LEARNING OBJECTIVES :

There is lot to learn and understand from this unit by the learner, the objectives of this unit are :

- Exploring the concept of service
- Understanding the historic and current perspective of service industry
- Defining the service and its features

- Classifying the service marketing
- Understand the traditional and extended marketing mix

3.1 INTRODUCTION :

Service marketing is a specialised branch of marketing. Services marketing emerged as a separate field of study in the early 1980s, following the recognition that the unique characteristics of services required different strategies compared with the marketing of physical goods.

To anticipate the consumer's need for an intangible product, a distinct set of tactics or strategies must be used. This type of marketing is based on trust and value, or in other words, it deals with intangible commodities. Service marketing is used to drive business in industries such as hospitality, tourism, financial services, and professional services it can be both B2B and B2C.

In Service market an expanded marketing mix which consists of the seven Ps: product, price, place, promotion, people, physical evidence and process are used. A modern approach known as service-dominant logic claims that the artificial distinction between items and services that existed throughout the twentieth century hid the fact that everyone offers service. The service-dominant logic approach is transforming the way marketers think about value generation and the role of the customer in service delivery operations.

Services are activities, benefits or satisfactions which are offered for sale or are provided in connection with the sale of goods.

Services include a wide range varying from airline industry, hospitality, education, transportation, finance, real estates, accounting, banking, insurance, taxation, consultancy, health care etc. These services are together called the services sector or the tertiary sector.

A service is a set of consumable and perishable benefits delivered by a service house to a customer to ensure customer satisfaction. The recent services are the ones related to IT, BPO, KPO, BT etc. These sectors are growing phenomenally.

3.2 CONCEPTS OF SERVICE :

Some of the earliest attempts to define services focused on what makes them different from goods. Late-eighteenth and early-nineteenth century definitions highlighted the nature of ownership and wealth creation. Classical economists contended that goods were objects of value over which ownership rights could be established and exchanged. Ownership implied possession of a tangible object that had been acquired through purchase, barter or gift from the producer or previous owner and was legally identifiable as the property of the current owner. In contrast, when services were purchased, no title to goods changed hands.

3.2.1 Historical Perspectives of Service :

Adam Smith's seminal work, *The Wealth of Nations* (1776), distinguished between the outputs of what he termed "productive" and "unproductive" labor. The former, he stated, produced goods that could be stored after production and subsequently exchanged for money or other items of value. But unproductive labor, however "honourable, useful, or necessary" created services that perished at the time of production and therefore didn't contribute to wealth.

French economist Jean–Baptiste Say argued that production and consumption were inseparable in services, coining the term "immaterial products" to describe them. In the 1920s, Alfred Marshall was still using the idea that services "are immaterial products."

In the mid nineteenth century John Stuart Mill wrote that services are "utilities not fixed or embodied in any object, but consisting of a mere service rendered ...without leaving a permanent acquisition."

3.2.2 Contemporary Perspectives :

When services marketing emerged as a separate sub–branch within the marketing discipline in the early 1980s, it was largely a protest against the dominance of prevailing product–centric view. In 1960, the US economy changed forever. In that year, for the first time in a major trading nation, more people were employed in the service sector than in manufacturing industries. Other developed nations soon followed by shifting to a service based economy. Scholars soon began to recognise that services were important in their own right, rather than as some residual category left over after goods were taken into account. This recognition triggered a change in the way services were defined. By the mid twentieth century, scholars began defining services in terms of their own unique characteristics, rather than by comparison with products.

3.3 DEFINITION OF SERVICES :

The following set of definitions shows how scholars were grappling with the distinctive aspects of service products and developing new definitions of service.

"Goods are produced: services are performed." (Rathmell)

"A service is an activity or a series of activities which take place in interactions with a contact person or a physical machine and which provides consumer satisfaction." (Lehtinen)

"Services are deeds, processes and performances." (Zeithmal and Bitner,

The most comprehensive definition of a service has been given by Philip Kotler, who defines a service as an act or performance that one party can offer to another that is essentially intangible and does not result in the ownership of anything. Its production may or may not be tied to a physical product.

A comprehensive definition of services must include the following elements:

- i. Lack of physical output or construction
- ii. Benefit to the receiver from the service rather than the product offered
- iii. The intangible nature of services
- iv. The possible combination of a service with the production of goods
- v. Marketing of an idea or a concept.

3.3.1 Alternative View :

A recently proposed alternative view is that services involve a form of rental through which customers can obtain benefits. Customers are willing to pay for inspirational experiences and solutions that add value to their lifestyle. The term, rent, can be used as a general term to describe payment made for use of something or access to skills and expertise, facilities or networks (usually for a

defined period of time), instead of buying it outright (which is not even possible in many instances).

The above definitions make it very clear that, anything that comes / provided along with the product is called services. These cannot be seen only experienced as they are intangible. But, without these, tangible goods may lose value. Services add value to the goods. As there is no ownership assigned, it cannot be transferred. Services are to be used, as most of them cannot be postponed to future-period.

3.4 CHARACTERISTICS OF SERVICE MARKETING :

1. Intangibility :

Services cannot be felt, handled, smelt, or tasted since they are intangible (physical senses). This is due to the fact that service is an activity in and of itself. A service, on the other hand, can be experienced. A service also provides consumers with a particular level of satisfaction. In the case of services, there is no ownership generated due to intangibility. A service can only be created and consumed; it cannot be created.

2. Perishability :

A service must be consumed at the same time as it is being created. A service cannot be stored in the same way that a real item can. In terms of delivery and timing, services are perishable. An vacant seat on a plane can never be used and charged after the flight has taken off.

This particular service irreversibly evaporates as it has been eaten by the seeking service consumer once it has been fully delivered to the requesting service consumer. For example, after a passenger has been brought to his destination, he cannot be transported to the same spot at the same time again.

3. Inseparability :

Commodities, once produced, can be sold at a later date, but this is not possible with services. For example, in the instance of a doctor providing care to a sick or a teacher providing instruction to a student, both the producer and the consumer of the service must be present at the same time.

Because he must quickly develop and offer the service to the requesting service consumer, the service provider is essential for service delivery. As a result, the service provider, the service, and the service customer are all intertwined.

4. Simultaneity :

During the same time span, services are created and consumed. When a service customer requests a service (delivery), the service must be created from the ground up as fast as possible. To satisfy his desires, the service client consumes the rendered benefits immediately. As a result, service production and consumption are constantly concurrent.

5. Variability :

Every service is distinct. There is a lack of consistency in services. A tour guide, for example, serves to two groups of tourists on the same day. After the interaction, the amount of satisfaction in the thoughts of these tourists will never be the same. Factors such as the tour guide's mood, the tourist's weariness level, and how the service is perceived by the individual tourist all contribute to the disparity.

This is due to the fact that the tourist's and tour guide's moods differing on both occasions. Even if they are created by the same person, no two units of service are similar. Quality control, standardisation, and other factors that can be successfully adopted in the production of physical items cannot be applied to the production of services. Services are constantly different from one another.

6. Ownership :

In the case of services, no ownership is established. The service provider does not own the service when it is created or delivered. He just owns the physical infrastructure that the service requires. Similarly, the service customer does not own the service at the time of consumption or afterward. He is solely interested in using the service.

The consumer would only have the experience after consumption, but the service itself would be non-existent. Because a service is essentially an intangible product, it cannot be held by anyone.

3.5 CLASSIFICATION OF SERVICE MARKETING :

Though it is really difficult to classify all the services, the following classifications have been accepted:

3.5.1 On the Basis of End User :

- i. **Consumer Services :** package vacations, restaurant, laundry in hotels, and other services are given directly to end consumers are included into this.
- ii. **Business to Business Services :** Marketing research, consultancy to hotels, advertising, and other services are supplied to firms.

3.5.2 On the Basis of Tangibility :

- i. **Tangible Services :** These are services related to the time frame in which the seller's products, such as televisions, laptops, cars, and watches, are acquired.
- ii. **Intangible Services :** These are services that do not give tangible things to customers. Consultancy to hotels, spa services, and massage to tourist are just a few examples.

3.5.3 On the Basis of Specialization :

- i. **Professional Services :** These are services that can only be given by qualified and experienced personnel. Some of these service providers are also recognised by the appropriate authorities. Counselling, auditing in hotels, legal services to tourist, and wellness facilities to tourist are among the examples.
- ii. **Nonprofessional Services :** These are services that can be offered by people who have no formal education or professional training. Kitchen stewards, gardening, painting, and so forth are examples.

3.5.4 On the Basis of Profit Orientation :

- i. **Commercial Services :** These are services provided on a commercial basis with the goal of making a profit. Tour operation, multi cuisine restaurant, foreign exchange and other such businesses are examples.
- ii. **Social Services :** These are services provided on a charity basis with no goal of profit. These are referred to as social services since they are

supplied with the goal of benefiting society. Orphanages, charitable trusts, and other organisations provide examples of services.

3.5.5 On the Basis of Labour Intensiveness :

- i. People Based Services :** These are services that need a significant amount of workforces. These people are the ones that give these services. Catering, event management, and tour guide services are just a few examples.
- ii. Equipment Based Services :** These are services that rely heavily on certain equipment. Labourers have either a minor or non-existent role to play. Vending machines, ATMs, and self-activating machines are some examples.

3.5.6 On the Basis of Contact and Interaction :

It is based on contact and interaction between the Service Provider and the Service Consumer:

- i. High Contact Services :** These are services in which there is a lot of touch or engagement between the service provider and the service customer. Without such communication or interaction, the service cannot be given. Tour guiding, Medical Tourism, and other procedures are examples.
- ii. Low Contact Services :** These are services in which there is relatively little communication or interaction between the service provider and the service consumer. Even without such a touch or engagement, the service can be delivered. Booking a cab for visit is one of such example.

3.6 IMPORTANCE SERVICE MARKETING :

The following are some of the main reasons why service marketing is so important for increasing a brand's reach, conversions, and profits:

- 1. Support to Primary and Secondary Sector :** Primary and secondary sectors both require a variety of services in order to run their daily operation properly. As a result, services are critical to the smooth operation of these industries.
- 2. Creates Employment Avenues :** Tourism, hospitality, aviation, retail, BPOs, entertainment, brokerages, and other service sectors all provide a lot of job opportunities since they require human being to perform different service for customer satisfaction, retention etc. This, in turn, fosters and enhances the national growth.
- 3. Contribution to National Income :** Other market sectors are seeing equal growth and development as a result of the service sector's growth and development. Furthermore, due of the quick growth and development of all market sectors, it is contributing directly to the national income.
- 4. Provision for Basic Services :** Hospitality, transportation, educational institutions, courts, telecommunications, insurance firms, banks, post offices, and a variety of other services is provided by the service sector. This makes it easier for ordinary people like us to go about our daily lives.
- 5. Adds to Comforts and Leisure :** The service industry provides adequate comfort and relaxation to the average person's life. It undoubtedly makes our lives easier and smoother by giving various services.

6. **Improvement in India's Image :** Telecommunications, BPOs, software development, and Information Technology Enabled Services (ITES) are just some of the services available in the Indian market that have helped to improve our country's image around the world. When it comes to its service industries, other countries have begun to consider India on par with them.
7. **Increases in Export Opportunities :** The country's exports have increased dramatically as a result of the improvement in the service industry and its quality. As a result, the country is seeing significant growth and development in terms of earnings and rankings.
8. **Increase in Number of Working Woman :** The growth of the service sector, as well as the career prospects within it, has provided numerous opportunity for women. This has resulted in an increase in the number of working women in the country, which contributes to the general improvement of the economy.

3.7 SERVICE MARKETING MIX :

In today's competitive economy, businesses are doing everything they can to thrive and stay afloat. They're hard at work coming up with new ways to improve the quality of their service and set themselves apart from the competition. Employees are seen as an important aspect of the service process by many businesses.

The term Marketing Mix was developed by Neil Borden who first started using the phrase in 1949. Later, Bernard H. Booms and Mary J. Bitner worked together in developing the traditional marketing mix, in the year 1981. An American professor of marketing named Jerome McCarthy has developed the traditional marketing mix; however Booms and Bitner added the extension to the same thus making it as the 7 Ps of the marketing mix.

This service marketing mix is also known as the 7 P's model and somewhere 8P's model is also referred. People, Physical evidence and Process have been added to the marketing mix. The initial four Ps of the marketing mix are meant for the product industry whereas the extended version of it is meant for the service sectors in the market. People, process and physical evidence are known as the extended elements of the marketing mix to the traditional one. Because of the high level of direct contact between service providers and their clients, the highly visible character of the service process, and the simultaneity of production and consumption, the extension is required.

To match the service sectors, the service marketing mix might be based on any of the factors or a combination of them. Though the first four aspects of the marketing mix were designed for product-oriented industries and the last three for service-oriented industries, any element can be used depending on the product/positioning.

3.7.1 Traditional Marketing Mix :

The traditional marketing mix elements are one of the most fundamental concepts in marketing because they describe how an organisation regulates, satisfies, or connects with clients. The four Ps of the traditional/classic marketing mix are Product, Price, Place, and Promotion. In any marketing strategy, these are the key decision variables.

(a) Products :

Products are the way by which businesses try to meet the wants of their customers. In this context, a product is everything that the company gives to potential customers, whether tangible or intangible. Most marketers, with some hesitation, refer to an intangible service as a product.

Process descriptions, rather than tangible descriptions of outcomes, are the only way to define pure services. A product's quality becomes a crucial differentiating feature. A goods marketer may be familiar with other aspects of the product mix, such as design, dependability, brand image, and product range.

(b) Price :

Price mix decisions include strategic and tactical decisions concerning the average price to be charged, discount schemes, payment conditions, and the degree of price discrimination between different categories of clients. Differences do exist, however, where the intangible character of a service causes pricing to become a very important signal of quality.

Many services are personal and non-transferable, creating extra potential for price discrimination within service marketplaces, whereas many services are offered by the government at a subsidised or free cost, complicating price fixing.

(c) Promotion :

The classic promotion mix consists of a variety of strategies for expressing a service's benefits to potential customers. Advertising, sales promotion, personal selling, and public relations have historically been part of the mix.

When it comes to service promotion, boosting the seeming tangibility of a service is generally a priority. Production employees might also become an important part of the promotion mix in the case of services marketing.

(d) Place :

The ease of access that potential clients have to a service is referred to as location. Physical location, decisions about which intermediaries to utilise in making a service accessible to a consumer, and non-location considerations are all examples of place decisions that are used to make services available.

Decisions concerning how to physically move a good are of minimal strategic importance in pure services. Most services, on the other hand, include the transfer of products in some way. These can be materials required to produce a service or the service itself, as the movement of products is its sole purpose.

3.7.2 Extended Marketing Mix

Customers are often present in the firm's location, engage directly with the firm's people, and are literally part of the service production process because services are typically provided and consumed at the same time. Customers will often look for any concrete clue to help them grasp the nature of the service experience because services are intangible.

Because of the significance of these extra variables, services marketers have adopted the concept of an expanded marketing mix for services, which includes Process, Physical Evidence, and People.

a. Process :

The service delivery and operating systems are made up of the methods, mechanisms, and flow of activities that are used to supply the service.

Customers will be able to rate the service based on the actual delivery, which improves customer experiences or the operational flow of the business. Some services are extremely sophisticated, requiring the consumer to complete a lengthy and complicated set of steps in order to complete the process.

These process qualities are another kind of evidence used by the customer to rate service. None of these service characteristics are necessarily better or worse than the others, but they are another form of evidence used by the consumer to measure service.

Consumers of high-contact services, where they can be considered as co-producers of the service, are frequently concerned about processes. The way a fast food restaurant's personnel serves them, as well as the amount of time they have to wait during the production process, have an impact on the consumer.

b. Physical Evidence :

Customers are unable to appraise a service before it is consumed due to its intangible character, which increases the risk associated with a purchasing choice. As a result, one of the most significant aspects of marketing strategy is to reduce risk by providing actual evidence of the service's nature.

All tangible representations of the service, such as letterheads, business cards, report forms, signage, and so on, are included in the physical evidence of service. In some circumstances, it involves the physical location where the service is provided, such as a retail bank branch, while in others, such as communications services, the location is unimportant.

A clean and bright environment in a service outlet might reassure potential consumers while they are considering purchasing a service. As a result, fast food restaurants and picture processing businesses utilise red and yellow colour schemes to communicate a sense of speed.

c. People :

People are an important part of the marketing mix for most services. All participants in the service delivery process, including the firm's employees, the client, and other customers in the service environment, have an impact on the buyer's perceptions.

The players in the delivery of a service give the client hints about the nature of the service. Customers' opinions of service are influenced by how these people are dressed, their personal appearance, and their attitudes and behaviours.

Customers can influence service delivery in numerous situations, thereby altering service quality and their personal satisfaction. When it comes to weight loss consumers, whether or not they follow the health regimens advised by the service provider has a significant impact on the quality of service they receive.

3.7.3 Need for Additional Three Marketing Mix Elements in Service :

The marketing mix notion is not founded on any theory; rather, it is based on the need for marketing managers to break down their decision-making process into some useful and productive acts. When it comes to using the 4Ps of marketing mix, which are product, pricing, promotion, and place, it is well known that these ideas have limitations when applied to services.

As a result, there was a need to broaden the notions of marketing mix in order to aid in their effective application.

☐ Check Your Progress :

1. Which of the mentioned below is not a service ?
a. Information Technology b. Knowledge Process Outsource
c. Timber Processing d. Tourism
2. Which P is not a part of the 7 P's of Marketing Mix ?
a. Promotion b. Price c. People d. Purpose
3. USP is defined as
a. Unique selling price b. Unique sales preposition
c. Unique selling proposition d. Unique strategy promotion
4. Which among these is not the nature and characteristic of a service.
a. Intangibility b. Durability c. Variability d. Perishability
5. Which of the following is not professional service ?
a. Tour guide b. Travel consultant
c. Kitchen stewards d. Restaurant Mangers
6. Tourism and travel service is a part of _____
a. Primary sector b. Secondary sector
c. Tertiary sector d. None of the above sectors
7. The term Marketing Mix was developed by Neil Borden who first started using the phrase in _____
a. 1947 b. 1948 c. 1949 d. 1950
8. Booms and Bitner added the _____ more marketing mix.
a. 3 b. 4
c. 5 d. None of the above options

3.8 LET US SUM UP :

Service marketing strategies strive to anticipate the demands of target audiences and address them in order to provide the most value to users/purchasers. A tour operator can be successful in the competitive tourism business if its whole marketing mix offer fits what tourists demand. It is planned and coordinated by marketers in order for the feedback to be contributed in such a way that the company may maximise tourist demand and satisfaction.

In 1949, Neil Borden popularised the concept of the marketing mix and the concepts that were known as the four P's. Bernard H. Booms and Mary J. Bitner later developed the traditional marketing mix with the help of marketing mix information, and service marketing mix was established. This service marketing mix notion is useful in developing plans for future marketing activities.

3.9 ANSWER FOR CHECK YOUR PROGRESS :

Check Your Progress :

- | | | | |
|------|------|------|------|
| 1. c | 2. d | 3. c | 4. b |
| 5. c | 6. c | 7. c | 8. a |

3.10 GLOSSARY :

Marketing Mix : A business tool used in product marketing that is frequently used to determine a product's or brand's unique selling point. The four Ps (price, product, promotion, and place) are frequently used interchangeably.

Intangible : Bank deposits, stocks, bonds, and promissory notes are examples of incorporeal property that is sellable but not material.

Lead : A person or company who shows interest in a product or service in some way, shape, or form.

Unique Selling Proposition (USP) : A factor that differentiates a product from its competitors, such as the lowest cost, the highest quality or the first-ever product of its kind.

Eight (8) Ps : eight strategic elements, each beginning with P, in the services marketing mix, representing the key ingredients required to create viable strategies for meeting customer needs profitably in a competitive marketplace.

Perception : process by which individuals select, organise, and interpret information to form a meaningful picture of the world.

3.11 ASSIGNMENT :

1. How will you define service? Explain it with example.
2. What are the different bases of service marketing classification?
3. Enlist the characteristics of service marketing and detail about each characteristic.
4. What is the importance of service marketing in present scenario?
5. Explain the need for additional marketing mix in service sector.

3.12 ACTIVITIES :

1. Take any service from tourism industry and elaborate the Intangible, Ownership, Variability, Perishability and Inseparability factor about that service product.

3.13 CASE STUDY :

Hospitality Brands and Integrating the Marketing Mix

Brands are central to the marketing of multi-unit hospitality businesses. Hospitality companies develop branded concepts, and then blend the elements of the marketing mix to provide target customers with a better brand offer than their competitors see Case study.

Travel Inn – An Integrated Approach to Marketing

In the 1980s, market demand for better quality low-cost accommodation in the UK grew significantly and ravelodge (the original developer of the concept) expanded rapidly. In 1987, Whitbread developed a competitor concept, called Travel Inn, which imitated the market leader in most aspects. Whitbread franchised the new brand to five of their company owned restaurant/pub chains, such as Beefeater. Despite intense competition from Days Inn, Express by Holiday Inn, and Accor, Travel Inn overtook Travelodge after ten years. With a marketing objective 'to be the customer's first choice' in the budget market, the Travel Inn brand team – who had complete control of all elements of the

marketing mix – focused on setting and maintaining consistent brand standards. Properties that failed the brand standard's inspections were de-branded. The marketing mix comprised:

Product : low-cost, mid-market accommodation standards, with factory-built standardized bedrooms, which are easy to install on site. Each room is refurbished on a regular cycle depending upon occupancy rates – the objective is that old rooms look as good as new rooms, and the product offer is consistent throughout the chain.

Location : there are three types of location. The core product units, called Travel Inns, are located on major roads and motorways; then there are units located in provincial cities and towns called Travel Inn Metro, and finally units located in London called Travel Inn Capital. All units are located adjacent to Whitbread-owned restaurants and inns.

Price : each brand has one single price structure, and there are no discounts.

Distribution : Travel Inn operates a computerized reservation system, with links from its website and a telesales call center. Although intermediaries like travel agents can book rooms, they do not receive any commission.

Marketing Communication : a major investment in branding, with standardized material, a new logo, and a £20 million television and radio advertising campaign over four years, promoted the key message 'a good night's sleep'.

Physical Evidence : the external signage was changed to incorporate the new logo, and the internal maintenance program is designed to keep product standards consistent.

Process : Travel Inn is a simple product, with minimum service levels (only reception and housekeeping); customers who want to eat visit the Whitbread restaurant or pub next door. The focus is on easy-to-use operating systems.

People : The manager of the Whitbread unit next door aims to recruit local, friendly staff who know the area, rather than 'professional hotel staff' for the Travel Inn. The company has an 'Investors in People' UK government training award.

Investment in the Travel Inn brand has been rewarded by continued growth. The aim is to double the number of properties every five years. The introduction of a 100 percent satisfaction guarantee for comfortable surroundings, quality rooms and friendly staff was a first in the UK market. Travel Inn's integration of all the elements of the marketing mix provides a consistent marketing offer, which is customer focused and financially successful.

https://www.hzu.edu.in/uploads/Case_Study_for_Hospitality_Marketing.pdf

3.14 FURTHER READING :

1. Christopher H Lovelock & Lauren Wright (1999). Principles of Service Marketing and Management, Pearson, London.
2. Ramasamy V.S. & Namakumar. S. (1990). Marketing Management: Planning & Control, Macmillan, New Delhi.
3. Philip T. Kotler, Gary Armstrong, Prafulla Agnihotri (2018). Principles of Marketing, Pearson, Chennai.

UNIT STRUCTURE

- 4.0 Learning Objective
- 4.1 Introduction
- 4.2 Tourism Product and Its Definition
- 4.3 Characteristics of Tourism Products
- 4.4 Classification of Tourism Products
 - 4.4.1 Natural Tourism Products
 - 4.4.2 Man–Made Tourism Products
 - 4.4.3 Symbiotic Tourism Products
 - 4.4.4 Event based Tourism Products
 - 4.4.5 Site based Tourism Products
- 4.5 Let Us Sum Up
- 4.6 Answer for Check Your Progress
- 4.7 Glossary
- 4.8 Assignment
- 4.9 Activities
- 4.10 Case Study
- 4.11 Further Reading

4.0 LEARNING OBJECTIVES :

After reading this unit learner will be able understand:

- The meaning of term product
- The features of products in tourism industry
- Various types of tourism products

4.1 INTRODUCTION :

Tourism is a service that is marketed to customers, and the tourist experience is an intangible and non–storable product. The quality of a tourism business's service is directly proportionate to the quality of the tourist experience as a product. The product must be designed to highlight its features and to satisfy the tourist's needs. If the product is branded, the customers find it more reliable.

4.2 TOURISM PRODUCTS & ITS DEFINITION :

A tourism/tourist product can be defined as the sum of the physical and psychological satisfaction it provides to tourists, during their 'travelling and sojourn' en route at the destinations.

Travel tourism sectors are referred to as travel vendors and their services and goods are called 'travel products' since this industry is an agglomeration of

too many sectors that promote travel related services. A tourism product includes five main components such as physical plant, services, hospitality, freedom of choice, and a sense of involvement.

Thus, tourism products refer to services that are provided to tourists for consumption, regardless of natural or man-made resources.

Product is anything that is offered in a market for use or consumption by the consumers as per the market requirement is called a Product. According to Philip Kotler, "A product is anything that can be offered to a market for attention, acquisition, use or consumption that might satisfy a want or need."

Tourism product can be defined as the sum of physical & psychological satisfaction it provides to tourists during their travelling route to the destination.

Tourism product is something that can be offered to tourists to visit a tourist destination. The products which satisfy the leisure, pleasure, religious or business needs at places other than the normal place of residence are known as tourism products. Tourism products are offered in the market with a cost. Tourism products are the prime reason for tourist to choose a destination. Tourism product helps in fetching revenue for the destination. So they should be properly marketed and preserved.

The tourism product is comprised of facilities and services that cater to the demands of visitors. It can be thought of as a composite product, consisting of a country's tourist attractions, transportation, lodging, and entertainment, all of which contribute to customer pleasure. Individual service providers, such as hotel corporations, airlines, and travel agents, provide each component of a tourist package. The tourist product can be evaluated in terms of its appeal, accessibility, and lodging options.

4.3 CHARACTERISTICS OF TOURISM PRODUCTS :

By now, you must have understood what a tourism product is. Now let us look at some of its characteristics :

(1) Intangible :

Tourism is an intangible product, which means it can't be felt or seen, and there's no transfer of ownership. However, the facilities are available for a set period of time and for a set purpose. For example, a hotel room is available for a specific period of time.

(2) Psychological :

The primary motivation for purchasing a tourism product is to satisfy a psychological demand by gaining experience when interacting with a new place after utilising it. Others may be enticed to buy the goods based on their own experiences.

(3) Highly Perishable :

Tourism products are perishable by nature, which means they cannot be stored for an extended period of time. While a tourist is there, production and consuming take place. If the goods go unused, i.e. if tourists do not purchase it, the chances are gone.

A tourist product cannot be stored by a travel agent or tourism operator who sells it. Only when the consumer is there can production take place. And once consumption begins, it is impossible to halt, interrupt, or change it. If a

product goes underutilised, the opportunity is lost; for example, if visitors do not visit a specific location, the opportunity at that moment is lost. During the off-season, hotels and transportation providers offer significant discounts due to the tourism industry.

(4) Composite Product :

A tourist product is a collection of several items. It is devoid of any self-contained entities. Various service providers add to the experience of a visit to a certain location, such as transportation. Unlike a produced commodity, the tourist product cannot be offered by a single firm.

The tourist product encompasses the entire experience of visiting a specific location. In addition, a variety of service providers contribute to the tourism experience. For example, an airline gives seats, a hotel provides rooms and restaurants, and travel brokers make reservations for lodging and sightseeing, among other things.

(5) Unstable Demand :

Seasonal, economic, political, and other factors influence tourism demand. There are periods of the year when demand is higher than others. During these periods, services such as hotel reservations, employments, and the transportation system, among others, are put under increased strain.

4.4 CLASSIFICATION OF TOURISM PRODUCTS :

Tourism items are important attractants to a tourist location. The destination's diverse tourism products attract a huge number of visitors. The inventorying of tourism products is a crucial stage in marketing them to the proper tourists. On the basis of relevant similarities, tourism items can be categorised.

Let us now discuss the classification of tourism products on the basis of relevant similarities :

4.4.1 Natural Tourism Products :

These are more closely linked to the natural world. Natural resources include the climate, setting, geography, and natural environment of the area. Natural resources are typically the most attractive aspects of a resort. Major natural resources could be:

- Countryside
- Climate
- Natural beauty—landforms, hills, rocks, gorges, terrain
- Water—beaches, lakes, ponds, rivers, waterfalls, springs
- Flora and fauna
- Wildlife
- Islands
- Scenic attractions

A tourist destination's temperature is a major draw because pleasant weather is crucial to a successful vacation. Most tourists, especially those who come from frigid winter places, prefer a warm, sunny, and dry climate. Beautiful beach resorts have been constructed throughout Europe by countries such as France, Italy, Spain, and Greece. Beautiful beaches in India, Sri Lanka, and

Thailand draw a large number of tourists seeking sun. All of these places benefit from good weather.

Winter destinations with appealing weather, warmth, and sunshine are also popular tourist destinations. Many locations have developed into popular winter vacation destinations, attracting a considerable number of visitors. Winter sport facilities have been built around these winter resorts to keep tourists entertained. Snowfall and a chilly temperature attract visitors from warm climates. Many upland cool regions have been constructed as "hill stations" in nations with tropical weather. As a result, climate is extremely important as a tourism product. Europe's winter tourism destinations include Switzerland, France, and Germany.

The climate and weather play crucial role in trip planning. People choose vacation spots based on favourable weather conditions. The tourist season in India runs from October to March, when the weather is ideal for participating in outdoor activities. Sightseeing, skiing, swimming, golfing, and other outdoor activities are made easier by the climate.

Tourists have long been drawn to countries because of its scenery and natural beauty. Landscapes that are attractive and interesting, such as the rolling green fields of the United Kingdom, the vineyards of Italy, and so on. Pleasure driving with stops at magnificent observation sites, hiking, picnicking, and camping are all activities connected with scenic beauty. Tourists appreciate nature in all of its forms. Mountains, canyons, coral reefs, cliffs, and other terrain features exist. Mountain ranges are only second to coastlines and islands in terms of popularity as tourist attractions. Clean air, a diverse landscape, a diverse biodiversity, visual beauty, snow, recreational activities, and culture are all factors that draw people to mountains. Tourists go to mountain ranges such as the European Alps, North American Rockies, South American Andes, Southern Alps of New Zealand, Asia's Himalayan Mountains, and Africa's Atlas Mountains.

The activities taken in mountains include :

- (a) Nature Walks– Walks provide tourists with an opportunity to view and learn about flora, fauna and landscape.
- (b) Land based adventure activities – It includes activities like cycling, mountain biking, horseback riding, rock climbing etc.
- (c) Freshwater–based recreational activities – It includes activities like canoeing, sailing, wind surfing, freshwater fishing etc.
- (d) Snow dependent based recreational activities – It includes skiing, snow–scootering, sledding etc.

Many travellers come to see the flora and fauna. Tourists are interested in learning about the many species of plants and trees they encounter, as well as which trees are visible during specific seasons. Many plants are unique to certain regions, and students and tourists frequently visit certain areas specifically to see those plant species. Tourists who prefer trekking are drawn to the dense forest cover. Tourists interested in birds, wild mammals, reptiles, and other unique and rare animals go to Fauna. Wildlife sanctuaries, national parks, zoos, aquariums, and botanic gardens are locations to see and learn about the flora and fauna. Wildlife enthusiasts will enjoy Yellow Stone National Park, the San Diego Zoo, the Botanic Gardens at Kew near London, Kandy in Sri Lanka, and Bogor in Java, Indonesia.

Rivers, lakes, waterfalls, geysers, and glaciers are examples of water formations. The Niagara Falls, which is shared by Canada and the United States, is an example of how people are drawn to gorgeous waterfalls.

Spas are becoming increasingly popular as modern tourism items throughout the world. Spas, sometimes known as mineral water springs, were thought to have medicinal properties. People visit spas and clinics for medicinal treatments and therapeutic baths. Spa treatments are highly valued in several nations, such as Italy, Austria, and Germany.

Tourists seeking relaxation and recreation go to beaches. With golden sands, rich green foliage, and a clear blue sky, beaches present stunning natural views. There should be no currents and the water should be clear. Beach tourism involves the exploitation of both ocean and land resources. Swimming, surfing, sailing, wind surfing, water scooting, parasailing, and motorboat rides are all examples of water activities. Sunbathing, tourist recreation areas (parks, playgrounds, clubs, theatres, amusement parks, casinos, cultural museums, and so on), lodging facilities (hotels, cottages, camping sites, and so on), car and bus parking areas, entertainment and shopping complexes, access roads, and transportation networks are all part of the land use.

Islands are rich in natural beauty, uncommon flora and fauna, and diverse tribes. As a result, islands are wonderful destinations for adventure, wildlife, and culture enthusiasts. Popular island tourism destinations include the Caribbean, Hawaii, Maldives, Mauritius, and the Andaman and Nicobar Islands, among others.

4.2.2 Man-made Tourism Products :

Man-made tourism products are created by man for pleasure, leisure or business.

- (a) **Culture :** Sites and areas of archaeological interest, Historical buildings and monuments, Places of historical significance, Museums and art galleries, Political and educational institutions and Religious institutions
- (b) **Traditions :** Pilgrimages, Fairs and festivals, Arts and handicrafts, Dance, Music, Folklore and Native life and customs
- (c) **Entertainment :** Amusement and recreation parks, Sporting events, Zoos & oceanariums, Cinemas and theatre, Night life and Cuisine
- (d) **Business :** Conventions, Conferences, Exhibitions, Events and Incentive
- (a) **Culture :**

Cultural tourism is based on the mosaic of places, traditions, art forms, celebrations and experiences that portray the nation and its people, reflecting the diversity and character of a country. Cultural tourism products are diverse and include pre-historical, historical, contemporary and economic activity.

Pre-historical attractions include rock paintings, carvings, mounds associated with indigenous people. Stonehenge in United Kingdom is good example of this category.

Historical monuments have achieved iconic status as widely recognized symbol of their respective cultures or nations. The Great Pyramid of Giza in Egypt, Great Wall of China, and Eiffel Tower in Paris are some of the important monuments.

(b) Traditions :

A custom (also called a tradition) is anything which lots of people do, and have done for a long time. A custom is more about practices, while culture is more about ideas or a group of customs. The native life and customs of people is an attraction because every part of the worlds has its own set of lifestyle in form of rituals, daily practices, food, religious beliefs etc. Indian wedding, rituals performed in Indian temples etc. attracts tourists.

A pilgrimage is a journey to and from sacred places for search of moral or spiritual significance undertaken collectively by communities. Typically, it is a journey to a shrine or other location of importance to a person's beliefs and faith. Many religions attach spiritual importance to particular places: the place of birth or death of founders or saints, or to the place of their "calling" or spiritual awakening, or of their connection with the divine, to locations where miracles were performed or witnessed, or locations where a deity is said to live or be "housed," or any site that is seen to have special spiritual powers. Such sites may be commemorated with shrines or temples that devotees are encouraged to visit for their own spiritual benefit. A person who makes such a journey is called a pilgrim.

Chaar Dhaam Yatra taken by Hindus to Badrinath, Jagannathpuri, Rameshwaram and Dwaraka, Fairs and festivals are related to celebrations of people. A fair is a gathering of people to display or trade produce or other goods, to parade or display animals and often to enjoy associated carnival or funfair entertainment.

Festivals are celebrations with some religious purpose or they may be secular in nature. Festivals related to local traditions and arts like Carnival in Rio de Janeiro, Mardi gras in New Orleans attract many tourists as well as residents.

The performing art forms include dance, music, folklore and the fine arts of painting and sculpture can be important attractions.

(c) Entertainment :

Entertainment is the driver of many tourist journeys. A great deal of tourist attractions has strong entertainment connections, being areas that are used primarily for an audience to be engaged or captivated, through sensory stimulation and / or emotion, i.e. entertainment venues. These include sports stadia, theatres and museums all of which could be considered to be tourist attractions, indeed a great many (but not all) entertainment venues are tourist attractions. Just to name a few there are amusement and recreational parks like Disneyworld in United States, Hong Kong, Paris, Singapore and theme parks in various countries sport is a key part of the tourism product whether people participate in a sporting activity or attend as spectators.

Sporting events like Olympics, Football World Cup, Formula One Race, adventure sports like mountaineering, trekking, scuba diving etc are important tourist attractions. Major tourism destinations are developing tourism product concepts revolving around pleasure sports. These concepts enable destinations to stand out amongst their competitors and increasing their competitive edge in the international arena.

Night Life is one of the prime attractions in a holiday. Tourists like to especially visit areas in cities where the night life activity is promoted. These areas are usually lit up with street stalls like flea markets and food areas. Bars,

night clubs, casinos and very often open air bands attract and add to the psychological satisfaction and experience of tourists.

Food plays a significant role in the overall experience of tourists. Food tourism shapes gastro destinations such as France, Italy and California. Now-a-days there is cuisine from all areas of the world which is found at most tourist destinations. Specialty restaurants serve Indian, Continental, Chinese, Italian, Japanese, Thai, Indonesian, Fast food, Mexican, Mediterranean, and Arabic and soon. However, tourists usually like to eat the local food of the areas they visit.

(d) Business :

People who travel in relation to their work come under the category of business tourism. Business tourist links their business trips to leisure activities like visiting places of tourist attraction at the destination, sightseeing and excursion trips. A business traveller is important to the tourism industry as it involves the usage of all the components of tourism like accommodation, transportation, attractions and entertainment. Business tourist travels for different business reasons- attending conventions, conferences, visiting exhibition, events, meetings, workshops etc.

Business tourists have a lot of leisure time at their disposal. The conference organizers market his leisure time very rewarding for them by organizing many activities for their pleasure and relaxation. The spouses and families accompanying the participants are also well looked after by the organizers. The organizers plan sightseeing tours and shopping tours for the participants and their families.

4.2.3 Symbiotic Tourism Products :

These tourism products are a fantastic combination of natural and man-made resources. Nature has provided the natural resource, and by managing it, man has turned it into a tourism product. Symbiotic tourism products include National Parks, Wildlife Refuges, and Marine Parks.

National parks, for example, are preserved as far as possible in their natural condition of beauty, but they must be managed by providing roads, transportation, parking facilities, resorts, and jeep safaris, among other things. Although nature is the main attraction in this type of tourism goods, these items are a synthesis of nature and man.

4.2.4 Event based Tourism Products :

It is an event-based tourism offering when an event serves as an attraction. An event is something that occurs or occurs, especially one that is significant. It's a social or public event that's been organised ahead of time. Tourists are drawn to events as viewers or as participants in the events, or both. Event-based tourism goods include sporting events such as the Olympics, the FIFA World Cup, and Formula One races, as well as cultural events such as Carnival in Rio de Janeiro and Mardi Gras in New Orleans. Tourists flock to Ahmadabad to participate in and watch kite flying. In the instance of the Snake Boat Race in Kerala, one can both watch and participate.

4.2.5 Site based Tourism Products :

When an attraction is based on a location or site, it is referred to as a site-based tourism product. Taj Mahal, sunset in Kanyakumari, sunrise in the Himalayas, snow-capped peaks, and so on are examples of site-based tourism products.

The United Nations Educational, Scientific, and Cultural Organization (UNESCO) works to promote the identification, protection, and preservation of cultural and natural heritage that is of exceptional significance to people around the world. With enormous enthusiasm, UNESCO's General Conference adopted a resolution in 1972, establishing a "Convention for the conservation of the World Cultural and Natural Heritage." The main goals were to define World Heritage in both cultural and natural terms, to enlist Sites and Monuments from member countries that are of exceptional interest and universal value, and whose protection is a concern for all mankind, and to promote cooperation among all nations and people to help keep these universal treasures intact for future generations. Heritage refers to our ancestors' legacies, as well as what we live with now and pass down to future generations. Our cultural and ecological heritage is both life-giving and inspiring resources. World Heritage sites belong to all peoples of the world, regardless of where they are located on the globe. Protected areas, particularly World Heritage Sites, are among the most popular tourist destinations. These sites attract a large number of tourists.

The World Heritage Sites of the United Nations Educational, Scientific, and Cultural Organization (UNESCO) are significant cultural or natural sites as defined by the UNESCO World Heritage Convention, which was established in 1972. On November 14, 1977, India ratified the convention, making its sites eligible for inclusion on the list.

The first sites to be inscribed were the Ajanta Caves, Ellora Caves, Agra Fort, and Taj Mahal, which were all inscribed during the World Heritage Committee's 1983 session. Dholavira, Gujarat, was the most recent site to be inscribed in 2021. As of July 2021, World Heritage Sites may be found in 19 of India's 36 states and union territories, with Maharashtra holding the most sites.

In India, there are currently 40 World Heritage Sites. According to the organization's selection criteria, 32 are cultural, 7 are natural, and 1 is mixed (matching both cultural and natural characteristics). India has the world's sixth-largest number of sites.

UNESCO World Heritage Sites in India as of 2021

	Natural World Heritage Site	State	Year of Notification
1	Kaziranga National Park	Assam	1985
2	Keoladeo Ghana National Park	Rajasthan	1985
3	Manas Wildlife Sanctuary	Assam	1985
4	Nanda Devi National Park and Valley of Flowers	Uttarakhand	1988, 2005
5	Sundarbans National Park	West Bengal	1987
6	Western Ghats	Maharashtra,	2012
		Goa,	
		Karnataka,	
		Tamil Nadu and Kerala	
7	Great Himalayan National Park	Himachal Pradesh	2014

	Cultural World Heritage Site	State	Year of Notification
8	Dholavira	Gujarat	2021
9	Kakatiya Rudreshwara (Ramappa) Temple	Telangana	2021
10	The Architectural Work of Le Corbusier	Chandigarh	2016
11	Victorian and Art Deco Ensemble of Mumbai	Maharashtra	2018
12	Historic City of Ahmedabad	Gujarat	2017
13	Jaipur City	Rajasthan	2020
14	Archaeological Site of Nalanda Mahavihara (Nalanda University)	Bihar	2016
15	Rani-Ki-Van	Gujarat	2014
16	Hill Forts of Rajasthan	Rajasthan	2013
17	The Jantar Mantar	Rajasthan	2010
18	Red Fort Complex	Delhi	2007
19	Champaner-Pavagadh Archaeological Park	Gujarat	2004
20	Chhatrapati Shivaji Terminus	Maharashtra	2004
21	Rock Shelters of Bhimbetka	Madhya Pradesh	2003
22	Mahabodhi Temple Complex at Bodhi Gaya	Bihar	2002
23	Mountain Railways of India	Tamil Nadu	1999
24	Humayun's Tomb, Delhi	Delhi	1993
25	Qutb Minar and its Monuments, Delhi	Delhi	1993
26	Buddhist Monuments at Sanchi	Madhya Pradesh	1989
27	Elephanta Caves	Maharashtra	1987
28	Great Living Chola Temples	Tamil Nadu	1987
29	Group of Monuments at Pattadakal	Karnataka	1987
30	Churches and Convents of Goa	Goa	1986
31	Fatehpur Sikri	Uttar Pradesh	1986
32	Group of Monuments at Hampi	Karnataka	1986
33	Khajuraho Group of Monuments	Madhya Pradesh	1986
34	Group of Monuments at Mahabalipuram	Tamil Nadu	1984

35	Sun Temple, Konarak	Orissa	1984
36	Agra Fort	Uttar Pradesh	1983
37	Ajanta Caves	Maharashtra	1983
38	Ellora Caves	Maharashtra	1983
39	Taj Mahal	Uttar Pradesh	1983
Mixed World Heritage Site		State	Year of Notification
40	Khangchendzonga National Park	Sikkim	2016

❑ **Check Your Progress :**

- Recreation is a _____
 - Product
 - Service
 - Privilege of a tour operator
 - Privilege of a tour guide
- Leisure is a _____
 - Tourism Concept
 - Tourism Activity
 - Adventure Tourism
 - Timeframe
- Accommodation in hotel is _____
 - Privilege of a tour operator
 - Product
 - Service
 - Commodities
- Travel package doesn't comprises _____
 - Visa service
 - Hotel booking
 - Shopping at the destination
 - Transportation
- Tourism is _____ product, which means it can't be felt or seen, and there's no transfer of ownership
 - Inseparable
 - Variable
 - Intangible
 - None of the above options
- Tourism products are _____ by nature, which means they cannot be stored for an extended period of time.
 - Intangible
 - Perishable
 - Variable
 - All of the above options
- Tourism product is collation of various products and services, that is the reason it is called as _____ product.
 - Intangible
 - Variable
 - Composite
 - Physiological
- Country side, climate, beaches, flora & fauna are _____ products.
 - Symbiotic
 - Natural
 - Man-made
 - All of the above options
- Culture, traditions, fair, festival are _____ products.
 - Natural
 - Man-made
 - Both a and b option
 - None of the above options
- There are _____ UNESCO world heritage sites in India (July 2021)
 - 38
 - 39
 - 40
 - 41

4.5 LET US SUM UP :

A tourism/tourist product can be described as the sum of the physical and psychological gratification it delivers travellers when they're en route to their destinations or at the destination.

The travel and tourism industry is linked with so many other sectors that promote travel related services. These businesses are known as travel vendors, and their services and goods are referred to as "travel products." Services, hospitality, freedom of choice, and a sense of involvement are among the five primary components of a tourism product. Thus, tourism products refer to services that are provided to tourists for consumption, regardless of natural or man-made resources.

Intangibility, perishability, lack of ownership, variability and inseparability are the main features of tourism the products.

4.6 ANSWER FOR CHECK YOUR PROGRESS :

Check Your Progress :

- | | | | | |
|------|------|------|------|-------|
| 1. b | 2. b | 3. c | 4. c | 5. a |
| 6. b | 7. c | 8. b | 9. b | 10. c |

4.7 GLOSSARY :

Brand : A name, phrase, design, symbol, or some combination of these elements that identifies a company's services and differentiates it from competitors.

Intangible : Something that is experienced and that cannot be touched or preserved.

Predicted Service : Level of service quality a customer believes a firm will actually deliver.

Product Elements : All components of the service performance that create value for customers.

Purchase Process : the stages a customer goes through in choosing, consuming, and evaluating a service.

Service Concept : what the firm offers, to whom, and through what processes.

4.8 ASSIGNMENT :

1. What is the meaning of tourism product with example?
2. Write a short note on Symbiotic Products.
3. Explain the characteristics of tourism products with appropriate examples.
4. Mention the natural UNESCO world heritage site in Gujarat with explanation.

4.9 ACTIVITIES :

1. Visit the nearest UNESCO world heritage site and write speciality for which it is considered UNESCO site.

4.10 CASE STUDY :

Challenges of Online Travel Agents

Global competition has forced local travel industry to adopt new global business standards to compete in its traditional markets. In return, the local travel and tour operation companies are finding much diversification of business in the new overseas and domestic tourism markets. Travel agencies are becoming increasingly aware and prepared to face the burgeoning growth of online travel agents as a result of Internet. Tour operators have found the dependence on online business to decrease the transactional costs, including the costs for users of tourism services. For the sale of airlines tickets, airlines do take the help of online travel portals and hotels also take the help of online travel agents for the sale of hotel rooms. The online travel companies are aware of the consequences of online transactions and are taking the advantage of the information and communication technology for the larger market share.

Giving varied discounting is a major trend of online travel agents to increase the sales. The effect of B2B and B2C model has significantly reduced the cost and that results in the reducing the prices of airline tickets, hotel rooms, etc. For example, consolidator like Group on has entered into the market offering discounts of 50 per cent or more when more customers sign up for a vendor's offer. The range of products and services being sold continues to find better market areas.

In addition, hotel chains increasingly bank on the social media sites like Facebook and Twitter to build a network of potential customers. Hotels offer limited-time special offers to sell off the unused room inventory during the off season. A second key trend is personalization of tourism services. Everyone wants the tailored-made programmes to their needs.

Traditional travel agencies still face the big challenges in their shift online. The first challenge is to develop the multi-channel strategy that is not an easy task to accomplish as far as the constraints of travel business is concerned. Travel agencies trace the background of customers and reach them over the Internet, mobile and social media channels.

The most important challenge that traditional travel agencies are facing is to find the right mix in their online product and services offers. In order to make their online channel more profitable and alluring, they include additional products such as hotels, (dynamic) holiday packages and flight related ancillary services like airport VIP lounges and fast tracks or priority boarding.

Low internet penetration was the major challenge for the online travel companies. Another challenge is the habit of Indian travellers. The habit of buying an air ticket through a travel agent and booking a hotel room through calling the hotel directly takes long time to change. It is essential to change the habit that online travel agents are doing all possible efforts to covert the traditional customers to tech-savvy users of online services.

Online travel is the driving force in the e-commerce segment and has brought about revolution in the travel market in India. It has global contribution of 70 per cent of all e-commerce activities. However, the internet availability, broadband penetration and the prevalence of online banking and credit/debit card is very low India. The volatility in the aviation industry not only impacts the inventory and pricing, but also the consumer sentiment while buying a travel

product. It is reported that that the online travel portals are facing numerous new challenges such as rapidly rising costs, meeting customer expectations and enormous economic pressures. At the same time, the challenges of the India Online travel agents are given below.

- Problems in deciding the distribution of products through multiple online and offline sales channels while managing inventory.
- Pressure to up sell and proper management of the seats sold out.
- Difficulty in deciding the charges as a flat fee or a commission.
- Changing economic conditions
- New financial regulations

In view of the above challenges, the online travel agents are still bleeding with losses or many of them are toying hard to reach the breakeven point. In one hand, the users of online purchase of travel services and solutions are becoming more and the dependence is also becoming more. Can these challenges be overcome ? How long it will take ?

Questions :

1. What are the critical features of an online travel agent?
2. Why there is an increase in number of market share of online travel agents?
3. Why the online travel agents are bleeding with losses?
4. What are the challenges before the online travel agents?
5. Can the challenges be overcome? Suggest your ideas to handle the challenges

https://www.hzu.edu.in/uploads/CASE_STUDY_for_Travel_agency_&_Tour_operations.pdf

4.11 FURTHER READING :

1. Philip T. Kotler, Gary Armstrong, Prafulla Agnihotri (2018). Principles of Marketing, Pearson, Chennai.
2. Ramasamy V.S. & Namakumar. S. (1990).Marketing Management: Planning & Control, Macmillan, New Delhi.
3. Manjula Chaudhary (2010). Tourism Marketing, Oxford Higher Education, Delhi.

BLOCK SUMMARY

Marketing is the control of marketing components, the establishing of a company's goals, the step-by-step organisation of plans, the making of firm decisions, and the execution of those decisions in order to maximise turn over by meeting consumer wants.

Tourism marketing refers to the many marketing methods employed by enterprises in the tourism industry as a whole. Hotels and other forms of lodging, as well as airlines, rental services, restaurants, entertainment venues, travel agents, and tour operators are examples of this.

A market is a gathering place for two or more parties to exchange products and services. Buyers and sellers are the most common parties engaged. The market may be tangible, such as a retail establishment where people meet face to face, or virtual, such as an online market where buyers and sellers may not have direct physical contact. In general, only two parties are required to complete a transaction; nevertheless, a third party is required to promote competition and bring the market back into balance. As a result, a market under perfect competition must have a large number of active buyers and sellers, among other characteristics.

The relationship and value supplied are the foundations of the service marketing idea. This idea is for promoting a service or a product. Service marketing has become a highly important issue in management studies, and it needs to be studied independently, since the spectrum of services grows in importance in the global economy.

Services Because of the distinct qualities of services, marketing is quite different from marketing of things. As a result, it is vital to comprehend them and develop marketing tactics accordingly.

The variety of experiences people have when travelling is referred to as a tourist product. Natural and man-made resources, tourist attractions, services, and other components make up tourism products. These goods are used to meet the leisure or business demands of travellers in locations other than their habitual domicile.

BLOCK ASSIGNMENT

Set – I : Short Question Answer

1. What are the different components of modern day marketing ?
2. Define the term Marketing and explain its concepts & principle.
3. How will you differentiate between the terms market and marketing ?
4. Differentiate between traditional and extended marketing mix.
5. Write a short note on classification of service marketing.

Set – II : Long Question Answer

1. How UNESCO promotes tourism sites all across the globe and classifies them into world heritage sites ?
2. What is market ? Write the features of tourism market and explain it with examples.
3. What are the different classifications of tourism products, explain with examples ?

**Airline and
Tourism Marketing**

❖ **Enrolment No. :**

1. How many hours did you need for studying the units ?

Unit No.	1	2	3	4
No. of Hrs.				

2. Please give your reactions to the following items based on your reading of the block :

Items	Excellent	Very Good	Good	Poor	Give specific example if any
Presentation Quality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____ _____
Language and Style	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____ _____
Illustration used (Diagram, tables etc)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____ _____
Conceptual Clarity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____ _____
Check your progress Quest	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____ _____
Feed back to CYP Question	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____ _____

3. Any other Comments

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AIRLINE AND TOURISM MARKETING



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ROLE OF SELF INSTRUCTIONAL MATERIAL IN DISTANCE LEARNING

The need to plan effective instruction is imperative for a successful distance teaching repertoire. This is due to the fact that the instructional designer, the tutor, the author (s) and the student are often separated by distance and may never meet in person. This is an increasingly common scenario in distance education instruction. As much as possible, teaching by distance should stimulate the student's intellectual involvement and contain all the necessary learning instructional activities that are capable of guiding the student through the course objectives. Therefore, the course / self-instructional material are completely equipped with everything that the syllabus prescribes.

To ensure effective instruction, a number of instructional design ideas are used and these help students to acquire knowledge, intellectual skills, motor skills and necessary attitudinal changes. In this respect, students' assessment and course evaluation are incorporated in the text.

The nature of instructional activities used in distance education self- instructional materials depends on the domain of learning that they reinforce in the text, that is, the cognitive, psychomotor and affective. These are further interpreted in the acquisition of knowledge, intellectual skills and motor skills. Students may be encouraged to gain, apply and communicate (orally or in writing) the knowledge acquired. Intellectual- skills objectives may be met by designing instructions that make use of students' prior knowledge and experiences in the discourse as the foundation on which newly acquired knowledge is built.

The provision of exercises in the form of assignments, projects and tutorial feedback is necessary. Instructional activities that teach motor skills need to be graphically demonstrated and the correct practices provided during tutorials. Instructional activities for inculcating change in attitude and behavior should create interest and demonstrate need and benefits gained by adopting the required change. Information on the adoption and procedures for practice of new attitudes may then be introduced.

Teaching and learning at a distance eliminates interactive communication cues, such as pauses, intonation and gestures, associated with the face-to-face method of teaching. This is

particularly so with the exclusive use of print media. Instructional activities built into the instructional repertoire provide this missing interaction between the student and the teacher. Therefore, the use of instructional activities to affect better distance teaching is not optional, but mandatory.

Our team of successful writers and authors has tried to reduce this.

Divide and to bring this Self Instructional Material as the best teaching and communication tool. Instructional activities are varied in order to assess the different facets of the domains of learning.

Distance education teaching repertoire involves extensive use of self- instructional materials, be they print or otherwise. These materials are designed to achieve certain pre-determined learning outcomes, namely goals and objectives that are contained in an instructional plan. Since the teaching process is affected over a distance, there is need to ensure that students actively participate in their learning by performing specific tasks that help them to understand the relevant concepts. Therefore, a set of exercises is built into the teaching repertoire in order to link what students and tutors do in the framework of the course outline. These could be in the form of students' assignments, a research project or a science practical exercise. Examples of instructional activities in distance education are too numerous to list. Instructional activities, when used in this context, help to motivate students, guide and measure students' performance (continuous assessment)

PREFACE

We have put in lots of hard work to make this book as user-friendly as possible, but we have not sacrificed quality. Experts were involved in preparing the materials. However, concepts are explained in easy language for you. We have included many tables and examples for easy understanding.

We sincerely hope this book will help you in every way you expect. All the best for your studies from our team!

AIRLINE AND TOURISM MARKETING

Contents

BLOCK 2 : RELATION BETWEEN MARKET & CONSUMER

Unit 1 Marketing Environment

Introduction, Meaning of Marketing Environment, Features of Marketing Environment, Factors Affecting Marketing Environment, Level of Business Environment, Internal Marketing Environment, External Marketing Environment, Importance of Marketing Environment

Unit 2 Consumer Behaviour

Introduction, Meaning and Definitions of Consumer Behaviour, Significance of Studying Consumer Behaviour, Consumer Behaviour Types, Factor Affecting Tourist Behaviour, Market Segmentation & Its Objectives, Importance of Segmentation, Types of Market Segmentation, Steps in Market Segmentation, Customer Relationship Management (CRM) , Benefits of CRM for the Travel Industry

Unit 3 Public Relation, Branding & Service Quality

Introduction, Definition of Public Relation, Functions of Public Relation, Types of Public Relation, Meaning & Definition of Brand, Types of Brand, Tour Activities Branding, How to Create a Travel Brand ?, Service Quality – Meaning and Definition, Characteristics of Service Quality, Monitoring Service Quality, Service Quality Models – Gap Model & SERVQUAL Model, Gap Model, SERVQUAL Model



**Dr. Babasaheb Ambedkar
Open University Ahmedabad**

BBAATR-205

Airline and Tourism Marketing

BLOCK 2 : RELATION BETWEEN MARKET & CONSUMER

UNIT 1 MARKETING ENVIRONMENT

UNIT 2 CONSUMER BEHAVIOUR

UNIT 3 PUBLIC RELATION, BRANDING & SERVICE QUALITY

RELATION BETWEEN MARKET & CONSUMER

Block Introduction :

In this block learner will learn about the important concept of marketing environment. The unit in detail will explain factors affecting marketing environment such as internal and external factors of marketing environment. In the subsequent unit the focus is on consumer behaviour and factors affecting the behaviour of consumer. The unit also unveils the concept of segmentation, its types and steps to do segmentation. Further, customer relationship management is also studied in this unit. Last unit of this block will bring important concept of public relation and brand. An important concept of service quality, monitoring it and models are studied here in detail.

Block Objectives :

After reading and understanding this block the learner will be able to know :

- Meaning and features of Marketing Environment
- Factors affecting Marketing Environment
- Importance of Marketing Environment
- Meaning and definition of Consumer Behaviour
- Types and significance of Consumer Behaviour
- Market Segmentation objectives and types
- Meaning and Benefits of CRM
- Definition and features of Publicity
- Types of Publicity and its objectives
- Meaning of Brand and Types
- Service Quality meaning and characteristics
- Monitoring service quality
- Models of service quality

Block Structure :

Unit 1 : Marketing Environment

Unit 2 : Consumer Behaviour

Unit 3 : Public Relation, Branding & Service Quality

UNIT STRUCTURE

- 1.0 Learning Objective
- 1.1 Introduction
- 1.2 Meaning of Marketing Environment
- 1.3 Features of Marketing Environment
- 1.4 Factors Affecting Marketing Environment
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- 1.8 Answer for Check Your Progress
- 1.9 Glossary
- 1.10 Assignment
- 1.11 Activities
- 1.12 Case Study
- 1.13 Further Reading

1.0 LEARNING OBJECTIVES :

After successfully completion of this unit learner will understand :

- The meaning of Marketing Environment and its features
- The factors affecting Marketing Environment
- Internal and External Marketing Environment
- The importance of Marketing Environment

1.1 INTRODUCTION :

A marketing environment is vast and diverse, consisting of controllable and uncontrollable factors. The marketing environment is examined as part of the marketing planning process, and it examines the different internal and external influences that can influence a company's ability to operate. This can include influences like as suppliers, consumers, and competitors, as well as technical and cultural forces. Some of these elements can be managed, but others are out of a company's control (e.g. legal and political structures). Companies may properly lay out their marketing activities to counteract any unfavourable affects they may meet by being aware of the marketing environment.

1.2 MEANING OF MARKETING ENVIRONMENT :

The marketing environment encompasses all internal and external aspects that influence the organization's marketing decisions, either directly or indirectly.

An organization's internal factors are under its control; but, external factors are outside its control. Government, technological, economic, social, and competitive pressures are examples of external elements; internal aspects include an organization's strengths, limitations, and capabilities.

Marketers study the marketing environment in order to predict changes that may occur in the future. These changes may pose both a threat and an opportunity to the company. Marketers continue to adjust their strategy and plans in response to these shifts.

"The entirety of physical and social elements that are taken directly into consideration in the decision-making behaviour of individuals in the organisation" is how the business environment is defined.

1.3 FEATURES OF MARKETING ENVIRONMENT :

Today's marketing environment is characterised by numerous features, which are mentioned as follows :

1. **Specific and General Forces :** It refers to a variety of forces that have an impact on the marketing environment. Specific forces are those that have a direct impact on the organisation's operations. Customers and investors are examples of distinct forces. General forces are those that have an indirect impact on an organisation. Social, political, legal, and technological issues are examples of general forces.
2. **Complexity :** It means that a marketing environment is made up of a variety of factors, circumstances, and impacts. The complicated character of the marketing environment is due to the interaction of all of these variables.
3. **Vibrancy :** The dynamic aspect of the marketing environment is implied by vibrancy. The marketing environment is defined by a huge number of forces that are not constant and fluctuate over time. Marketers may be able to manage some of the forces, but they are unable to control all of them. Understanding the dynamic nature of the marketing environment, on the other hand, may provide marketers with an opportunity to gain edge over competitors.
4. **Uncertainty :** It indicates that market dynamics are inherently unpredictable. To establish strategies and update their plans, every marketer tries to foresee market forces. Some of the changes, which occur frequently, may be difficult to foresee. Customers' preferences, for example, shift regularly. As a result, the product/service need to be upgraded constantly to match the preferences.
5. **Relativity :** It outlines the reasons behind demand disparities between the customers in different countries. Depending on the country, area, or culture, the demand for a specific industry, organisation, or product may differ. Family vacation, for example, are the choice of Indian sub-continent customers, thus they are always in demand. But, in any other western country the demand for family vacation demand may be negligible. Rather they prefer vacation with friends or solo trips.

The marketing environment is a set of pressures that a firm must avoid in order to be profitable and, at the very least, retain an optimistic market valuation.

1.4 FACTORS AFFECTING MARKETING ENVIRONMENT :

A variety of elements influence travel marketing, some of which appear to have nothing to do with travel. To generate timely and effective marketing, the travel industry must respond to global events, financial considerations, changing demographics and interests of the travelling public, and accessible funding sources. Only by having a thorough grasp of these issues and how they may effect your business will you be able to ensure that your travel marketing is on track.

Events : Travel marketing is ramped up when a destination has a particular event, such as Christmas markets, annual festivals, or major events like Olympics. A kind of no-cost marketing is the increased media coverage and global focus on destinations and the local hotel business. Paid marketing is also timed to coincide with the event schedule in order to optimise return on investment, and the public at large, particularly in major tourism destinations, is encouraged to attend the main event. To develop a strong relationship between what's happening and the place, travel marketing may employ event organisers' branding and launch cooperative activities years before the event.

Political Climate Around the World : In international travel, global politics play a significant role. Travel can be slowed or halted while places face change, uncertainty, or, in some situations, bloodshed and conflict. Egypt, for example, has long been a dream destination for tourists from all over the world. All of that changed in 2011, and tourism to the area decreased as a result. If political events aren't as all-encompassing as the Egyptian example, marketing efforts can be constructed around them, or they can be diverted to other, substitute destinations to address the current situation while also catering to the needs of the visiting public. Rather than Egypt, tourism promotion has shifted to Jordan and Israel, both of which have old historical sites and Middle Eastern environments.

Seasons : At least one set of high and low seasons exists for most tourist destinations and related tourism products. Low season usually means lower prices, cheaper flights, and less general interest. In preparation for peak season, all expenditures involved with visiting the location rise, as do marketing dollars needed to spread the word. Many suppliers and tourism boards will allocate a large portion of their marketing expenditure to the busy season and a small portion to the low season. This has an impact on the amount of marketing done during each time period, as well as the sorts of marketing done.

Fluctuations in the Major Currencies : Currency fluctuations have a direct impact on the cost of travel for millions of people. Travellers get less for their money when the dollar is down versus a certain currency, and more when it is up. The same may be said of marketing. Currency values are always a consideration when multinational destinations begin marketing efforts in foreign markets. They assist in determining the demographics of a certain ad's target market, distribution techniques, fit and finish, and even the marketing message. When the British pound soared, for example, all budget and many family travel campaigns were cancelled in favour of high-end brands and luxury-themed packages across the United States.

Trends in Travel : Travel trends evolve in the same way that other aspects of popular culture do. Economic reasons, events, new development, and other unforeseeable elements all have an impact on most style-driven trends. Trends have an impact on the destinations to which people go and the marketing

strategies used by those destinations to position themselves in the market. To fulfil the requirements and wants of the travelling public, trends might generate entirely new categories and forms of travel. To create a carryover effect, marketing should try to capitalise on emerging trends and link them to places and products. In regions where the message, approach, and target market no longer fit the trend, marketing should compensate by modifying the message, approach, and even sometime target market also.

Investment by the Government : The quantity and direction of tourist and travel marketing budget set aside by municipal, state, and national governments has a significant impact on the volume and direction of marketing around the world. While private corporations such as hotel chains and airlines support a substantial percentage of travel marketing, it is also driven by government organisations that want to increase traffic. What will be spent is defined by annual budgets set by lawmakers, while how will be chosen by tourism boards. Depending on the point of view of the locality, economic success might lead to increased or decreased investment. Some governments want to rely on tourism for long-term prosperity, while others hope that tourism investment would help them get out of a rut.

This is possibly the most important notion in the marketing world. The main principle is to let the market affect you if you can't influence it. Decisions you make and those made by other businesses might have an impact on your marketing environment, so don't go against the grain; always go with the big numbers. This is a fundamental small company marketing concept.

Effect of Time : In every sphere of life, prompt intervention is critical. There is a penalty for being late in most organisations, and this also applies in the marketing environment. Any change in your marketing environment should be acted on quickly, and if you aren't familiar with the new change at the moment, hire qualified personnel to avoid flooding the market with poor goods.

1.5 LEVEL OF BUSINESS ENVIRONMENT :

There are three levels of the environment are as follows :

- Internal environment – the internal elements of the organisation used to create, communicate and deliver market offerings.
- External micro environment – small forces external the company that affect its ability to serve its customers.
- External macro environment – larger societal forces that affect the survival of the organisation.

The purpose of analysing the macro marketing environment is to gain a better understanding of the environment, adapt to the social environment, and modify in order to reach the corporate marketing goal.

1.5.1 The Internal Environment :

The internal environment "consists of those relevant physical and social factors within the boundaries of the organization or specific decision unit that are taken directly into consideration in the decision-making behavior of individuals in that system". This includes all departments such as management, finance, research and development, purchasing, Business operations and accounting. Each of these departments influences marketing decisions. For example, research and development have input as to the features a product can perform and accounting

approves the financial side of marketing plans and budget in customer dissatisfaction. Marketing managers must watch supply availability and other trends dealing with suppliers to ensure that product will be delivered to customers in the time frame required in order to maintain a strong customer relationship. These internal factors can be controlled by the organization to a certain extent. Internal environmental factors are in control of business organization.

The internal environment as a component of the marketing environment is important forces within the boundaries of a company. Let's break it down with these 5Ms. Men, Money, Machinery, Materials, Marketing strategy.

Men : An efficient and effective workforce with a good work ethic and interpersonal relationship is handy if you must have a decisive advantage over your competitors in the market. And each person in every department must work with the concept of the marketing environment in their mind.

Money : You need a good budget for the finance at your disposal as this will help in your marketing and sales activities. For example, a small business that can't afford a full-fledged in-house marketing team can resort to hiring outside contractors.

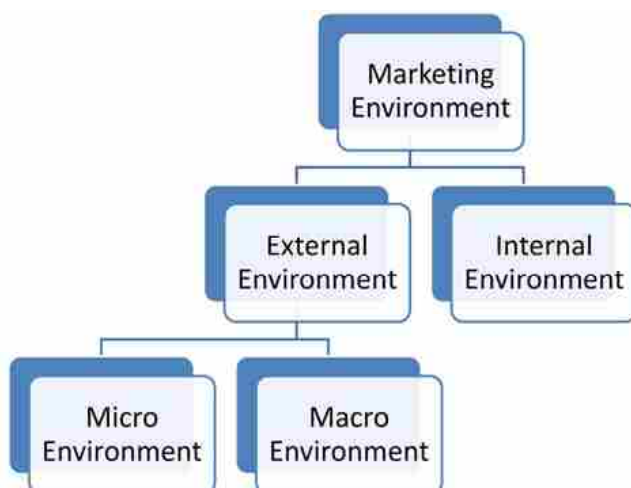
Machinery : You can have the best team in the world but with a below standard working tool. They will find it difficult to squeeze out good success from the market because this will affect their efficiency.

Materials : You should work hard always to deliver products that are appealing to your customers. Therefore, make improvements, introduce innovations, and retain the ones that sustain the audiences' interest. Google is a good example of this, they make too many innovations, after some years they archive the ones that didn't thrive well in the market and keep those that are doing a great job.

Marketing Strategy : A comprehensive review of marketing strategies should be done by businesses from time to time to know the ones that are most compatible with their marketing environment.

1.5.2 The External Environment :

The external environment consists of factors outside the boundaries of the company. The factors that are under this component of marketing environment would be further divided into the micro and macro external environment. These 2 components of the external marketing environment are not as within control of the business owner as the internal marketing environment.



Micro Component of the External Marketing Environment

Airline and Tourism Marketing

The forces close to the company that affects its ability to serve its customers include—the internal environment, suppliers customers, marketing intermediaries, competitors and publics.

These elements are further defined as follows :

Customers : Every business depends around meeting the demands and desires of its customers. As a result, our marketing approach is customer–centric, focusing on understanding consumers' wants and providing the greatest product to meet those demands.

Employees : Employees are the most important part of every company and play a critical role in its success. Employee quality is determined by the training and motivating sessions provided to them. As a result, training and development are essential for instilling marketing skills in a person.

Suppliers : Suppliers are the people from whom the materials to manufacture a finished good are purchased, and they are thus vital to the company. It is critical to identify the market's available suppliers and select the best one that meets the firm's needs.

Retailers and Distributors : The channel partners are critical to the success of marketing campaigns. They can make suggestions about a customer's desires for a product and its services because they are in direct contact with them.

Competitors : Keeping a careful eye on competitors allows a business to tailor its marketing strategy to the current market trend.

Shareholders : Shareholders are the company's owners, and every company's goal is to maximise shareholder value. As a result, marketing operations should be carried out with a focus on shareholder returns.

Government : Government departments create a variety of policies, such as pricing policies, credit policies, education policies, housing regulations, and so on, all of which have an impact on marketing tactics. A business must keep track of these policies and adjust its marketing strategies accordingly.

General Public : The Company has a social duty to the community in which it operates. As a result, all marketing operations should be structured to improve the overall welfare of society.

Let's move on to the macro–component of the external marketing environment now that we've covered the micro–component of the external marketing environment.

Macro Component of the External Marketing Environment

The larger societal forces that affect the whole micro environment include—the demographic environment, the political environment, the cultural environment, the natural environment, the technological environment and the economic environment.

This component is the most remote from a company's control; it comprises of elements that affect the entire industry in which a company operates. Demography, economy, natural factors, technology, politics, and culture are among them.

The following is a detailed description of Macro Factors :

Demography : A tour operator is holding the huge inventories of star category hotel rooms in the lean season may jumble up in a mess. As a result,

a tour operator should keep up with the market's important demographic data on a regular basis.

Political and Legal Factors : As political parties change, the market undergoes changes in terms of trade, taxes, and duties, codes and practises, market laws, and so on. As a result, the company must comply with all of these changes, and failure to do so could result in the company's operations being penalised.

Economic Factors : Every business operates in the economy and is influenced by its various stages. In the event of a recession, marketing techniques should differ from those used during periods of high inflation.

Social Factors : Because business is part of society and bears some responsibility for it, it must adhere to marketing tactics that do not harm people's feelings. Companies must also contribute in the general welfare of the public by building public restrooms, parks, and funding education, among other things.

Technological Factors : As technology advances, businesses must keep up to date in order to meet customers' needs with more precision.

As a result, the marketing environment is critical to a company's operations and must be assessed on a frequent basis to minimise problems.

1.6 IMPORTANCE OF MARKETING ENVIRONMENT :

According to Philip Kotler, "marketing environment refers to "external factors and forces that affect the company's ability to develop and maintain successful transactions and relationships with its target customers".

Marketers place a high value on analysing the marketing environment for the reasons. Let's take a look at the importance of the marketing environment.

A good grasp of your marketing environment helps to :

Identify Opportunities : Understanding your marketing environment allows you to spot and capitalise on market possibilities before you lose your competitive advantage. Let's imagine your marketing team notices an increase in digital purchases over in-store purchases. To increase sales, you can decide to devote additional resources to your online marketing funnel.

Identify Threats : Analysis of your marketing environment might help you spot potential dangers to your marketing efforts. A market leader, for example, can vary their product portfolio in order to compete with your company. Knowing this ahead of time can help you rethink your marketing strategy in order to maintain and grow your market share.

Manage Changes : In a dynamic economy, paying attention to the marketing environment also aids in managing changes and maintaining development. By analysing their marketing environment, marketing managers can foresee and establish timely marketing campaign plans.

Understanding Customers : You can instil this relevance in your mind using any approach. Every firm exists solely to serve its customers. As a result, if you go against them, you might not enjoy the outcome.

Understanding Competition : The marketing environment concept aids firms in recognising and seizing every opportunity offered by competitors.

☐ **Check Your Progress :**

1. Market expansion means _____
 - a. Hiring more staff
 - b. Buying more products
 - c. Buying more companies
 - d. Adding new customers
2. Marketing environment can be influenced by _____
 - a. Supplies
 - b. Consumers
 - c. Competitors
 - d. All of the above options
3. Which of the mentioned below is not external environmental factor ?
 - a. Economic
 - b. Technology
 - c. Competition
 - d. Money
4. Which of the mentioned below is not internal environmental factor ?
 - a. Men
 - b. Machine
 - c. Funds
 - d. Socio-economic
5. Shareholders are the _____ factor of marketing environment.
 - a. Internal
 - b. Micro external
 - c. Macro external
 - d. None of the above
6. Political situation in country is _____ factor of marketing environment.
 - a. Internal
 - b. Micro external
 - c. Macro external
 - d. None of the above
7. Finance, analysis and development, purchasing, and manufacturing are all activities that are a part of that element of the microenvironment ?
 - a. the suppliers
 - b. the internal environment
 - c. the marketing channel firms
 - d. the publics
8. Marketing environment assist in finding opportunity and analyse the threats in market.
 - a. Yes
 - b. No
 - c. Can't say
 - d. None of the above options

1.7 LET US SUM UP :

The factors or variables of a firm's external and internal environment that impact marketing management's capacities to build and maintain flourishing connections with customers are referred to as marketing environment. The marketing strategy of a corporation is influenced by a variety of external factors. Some are tolerable, while others are unmanageable. The marketing manager's job is to keep the company's policies up to date with the changing environment. The structure of the marketing environment is made up of macro and micro environments.

Thus, when a marketing manager considers presenting a marketing plan, he must examine both the internal and external marketing environments, as well as both opportunities and dangers to the organisation; only then will he be able to make the best business decisions.

1.8 ANSWER FOR CHECK YOUR PROGRESS :

Check Your Progress :

- | | | | |
|------|------|------|------|
| 1. d | 2. d | 3. d | 4. d |
| 5. a | 6. c | 7. b | 8. a |

1.9 GLOSSARY :

Internal Marketing : marketing activities directed internally to employees to train and motivate them and instill a customer focus.

Environmental Analysis : Gathering data regarding political, cultural, social, demographic, economic, legal, international and ecological forces , identifying trends affecting agency

External Environment : The complex set of physical and social stimuli in the external world of consumers.

Life Style : The manner in which people conduct their lives, including their activities, opinions and interests (AIO).

Macro–Environment : The conditions facing a company including demographic, economic, natural, technological, political, and cultural forces.

Micro–Environment : The set of forces close to an organization that have direct impact on its ability to serve its customers, including channel member organizations, competitors, user markets, publics and the capabilities of the organization.

Patronage Motives : The motives that drive an individual/user toward selection of a particular outlet, retailer, or supplier of services.

Psychographic Analysis : A technique that investigates how people live, what interests them, what they like—also called lifestyle analysis or AIO because it relies on a number of statements about a person's activities, interests and opinions.

1.10 ASSIGNMENT :

1. What is the meaning of the term Marketing Environment ?
2. Explain the features of Marketing Environment with example.
3. Write a short note on Factors affecting businesses in present scenario.
4. How is internal business environment is different from external business environment ?

1.11 ACTIVITIES :

1. Analyse a macro business environment of any Travel Agency of your choice. Present the factors which you have studied in this analysis.

1.12 CASE STUDY :

An Owner – Manager Based Travel and Tours Company in a Highly Competitive Online Environment

Technology has gradually been changing the landscape of business since the advent of computers and the use of the internet. Every facet of day to day life has been in a state of continual evolution since then and still continues to evolve. The tourism and travel industry is no exception. As a matter of fact, it is now more dependent on ever on the ever–changing technology and the internet. The last 15 years have seen the mushrooming of online travel companies who follow the online business model. The fact that the airlines, hotels and other key industry players have increasingly digitized their inventory and put it online has compelled the average Indian travel agent to go the online way. While this has

posed a major challenge to the traditional travel agent, some have been quick to adapt and made the most of it, and some others continue to follow a hybrid model comprising of the online as well as offline. Some have been successful while others are still struggling to come to grips with the ever-evolving scenario.

D Paul's Travel and Tour Ltd is primarily an owner manager business model with limited use of digitalization in the day to day operations. Though been awarded the "Top Agent Award" several times, Mr Singh, the owner of D Paul is apprehensive about the future. New players with online E-business model which enabled the Indian travellers to purchase railways and flight tickets were emerging as strong competitors. Will D Paul, which had been a renowned Travel and Tourism agency operating since 1992, offering holiday tours and honeymoon travel packages, sightseeing tours and transfers, hotels, cruises, flights and other travel related services, will be able to cope up with such a situation? What are the challenges thrown open to D Paul. What should be their survival and expansion strategies?

https://apps.aima.in/ejournal_new/articlesPDF/376-DPaulscasestudyrewritten.pdf

1.13 FURTHER READING :

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UNIT STRUCTURE

- 2.0 Learning Objective
- 2.1 Introduction
- 2.2 Meaning and Definitions of Consumer Behaviour
- 2.3 Significance of Studying Consumer Behaviour
- 2.4 Consumer Behaviour Types
- 2.5 Factor Affecting Tourist Behaviour
- 2.6 Market Segmentation & Its Objectives
- 2.7 Importance of Segmentation
- 2.8 Types of Market Segmentation
- 2.9 Steps in Market Segmentation
- 2.10 Customer Relationship Management (CRM)
- 2.11 Benefits of CRM for the Travel Industry
- 2.12 Let Us Sum Up
- 2.13 Answer for Check Your Progress
- 2.14 Glossary
- 2.15 Assignment
- 2.16 Activities
- 2.17 Case Study
- 2.18 Further Reading

2.0 LEARNING OBJECTIVES :

After successfully comprehension of this unit learner will understand :

- Meaning and definition of Consumer Behaviour
- Significance and types of Consumer Behaviour
- Factor Affecting Tourist Behaviour
- Segmentation, its objective and type
- Customer Relationship Management meaning and benefits

2.1 INTRODUCTION :

Consumer behaviour is the study of people, groups, or organisations, as well as all actions related to the purchase, use, and disposal of goods and services, as well as how the consumer's emotions, attitudes, and preferences influence their purchasing decisions. It started as a sub-discipline of marketing in the 1940s and 1950s, but has since evolved into an interdisciplinary social science that incorporates elements of psychology, sociology, social anthropology, anthropology, ethnography, marketing, and economics (especially behavioural economics).

In order to understand people's wants and consumption patterns, the study of consumer behaviour formally investigates individual characteristics such as demographics, personality lifestyles, and behavioural variables (such as usage rates, usage occasion, loyalty, brand advocacy, and willingness to provide referrals). Influences on consumers from social groups such as family, friends, sports, and reference groups, to society in general are also being researched.

2.2 MEANING AND DEFINITIONS OF CONSUMER BEHAVIOUR :

Buying behaviour refers to the procedures and actions that people/potential customers engage in when purchasing and consuming things.

It assists in comprehension by :

1. Why do people make the purchases they do ?
2. What elements impact a consumer's decision to buy something ?
3. Our society's changing factors

The ultimate consumer's buying behaviour is referred to as consumer buying behaviour.

Definitions of consumer behaviour are as follows :

1. According to Engel, Blackwell, and Mansard, 'consumer behaviour is the actions and decision processes of people who purchase goods and services for personal consumption'.
2. According to Louden and Bitta, 'consumer behaviour is the decision process and physical activity, which individuals engage in when evaluating, acquiring, using or disposing of goods and services'.

2.3 SIGNIFICANCE OF STUDYING CONSUMER BEHAVIOUR :

Consumer behaviour research is significant because it allows marketers to better understand what factors impact consumers' purchasing decisions. They can fill in the gap in the market and identify the items that are needed and the ones that are outmoded by studying how consumers choose things.

Consumer behaviour research also aids marketers in determining how to promote their products in a way that has the most influence on customers. Understanding consumer buying behaviour is the key to connecting with and engaging your customers, as well as converting them to make a purchase from you.

An examination of consumer behaviour should disclose the following :

- What consumers think and feel about different options (brands, products, etc.)
- What encourages consumers to choose amongst different options
- Consumer behaviour while researching and shopping
- The influence of the consumer's environment (friends, family, media, etc.) on their behaviour.

Various factors have an impact on consumer behaviour. Consumer purchase patterns and buyer trends should be studied by marketers.

2.4 CONSUMER BEHAVIOUR TYPES :

Consumer behaviour can be divided into four categories :

1. **Complex Buying Behaviour** : When consumers purchase expensive, infrequently purchased goods, they engage in this type of behaviour. They are heavily involved in the purchasing process and the research that consumers conduct before making a high-value buy. Consider the purchase of European countries tour package; this is an example of complex buying behaviour.
2. **Dissonance – Reducing Buying Behaviour** : The customer is actively involved in the purchasing process, yet has difficulty distinguishing different brands. When a customer is concerned that they may regret their decision, this is known as "dissonance." Assume you're purchasing a Mangolia trip package from India. You've decided on one based on a lower currency exchange rate, but once you've completed your purchase, you'll want to be sure you've made the right decision.
3. **Habitual Buying Behaviour** : The fact that the consumer has virtually little engagement in the product or brand category characterises habitual purchasing. If you need a cab to get to a nearby location, you'll probably choose between Ola or Uber cab service. You are exhibiting a habitual pattern, not strong brand loyalty.
4. **Variety Seeking Behaviour** : In this case, a customer buys a different product because they want variety, not because they were dissatisfied with the prior one. As an example, visiting unexplored tourism destination in Himachal Pradesh.

2.5 FACTORS AFFECTING TOURIST BEHAVIOUR :

One of the most studied aspects of tourism is consumer behaviour. This research looks into why a tourist picks a particular destination and what elements impact his decision to visit.

The following elements have a significant impact on tourist behaviour :

Geographical Factors : Some physical factors, such as geographical and climatic circumstances, facilities and amenities offered at the location, and tourism industry advertising and marketing, influence tourists' decision-making.

Social Factors : Several social factors, such as a person's social network, might influence a person's decision to attend or not visit by providing first-hand information.

Tourist Behaviour : Depending on where they are from, there can be a wide range of tourist behaviour. North Americans like to stick to their own cultural norms. Tourists from Japan and Korea prefer to travel in groups.

Tourism Destination : It is a significant aspect that influences tourist behaviour. When a place has all of the essential utilities, such as power, water, clean surroundings, good accessibility, and amenities, as well as its own historical value, it draws a significant number of tourists.

Education of Visitor : The better educated a tourist is, the more options, curiosity, and knowledge about destinations he will have. When it comes to choosing a destination, this is what drives the decision.

2.6 MARKET SEGMENTATION & ITS OBJECTIVES :

Market segmentation can be defined as the subdivision of the market into compatible subsections of customers where any subsection may be selected as a market target to be reached with a unique marketing mix.

Objectives of Marketing Segmentation

The main objective of marketing segmentation or the goals to be achieved through marketing segmentation can be understood through the following points :

- To label potential customers
- To avail additional privileges for their customers
- To acknowledge the convenient place to purchase
- To pay additional benefits willingly
- To pay proper attention to some precise area
- To ensure proper database marketing usage
- To acknowledge real competition in the market
- To enhance productivity

These are the objectives an organization should keep in mind in order to design the marketing mix and increase its promotion.

2.7 IMPORTANCE OF SEGMENTATION :

To achieve the objectives stated above, one has to clearly know the need of market segmentation in the first place. Following are some points outlining the importance of market segmentation.

- It promotes proper selection of target market.
- It assists planning and marketing exercises.
- It aids the tapping of market.
- Marketing effort is made more effective.
- It assists in accessing the strength and weakness of the company.
- It assists in effective usage of marketing resources.
- It balances proper coordination between the customers and the company.

Based on these points of importance of market segmentation, we will further look at the levels of market segmentation.

2.8 TYPES OF MARKET SEGMENTATION :

The type of marketing segmentations is dependent on the marketing plan of the marketer and the product attributes. There are four different types of market segmentation.

The 4 basic types of market segmentation are :

1. Demographic Segmentation
2. Psychographic Segmentation
3. Geographic Segmentation
4. Behavioral Segmentation

1. Demographic segmentation (the who)

Demographic segmentation might be the first thing people think of when they hear 'market segmentation'. This is perhaps the most straightforward way of defining customer groups, but it remains powerful. Demographic segmentation looks at identifiable non-character traits such as :

- Age
- Gender
- Ethnicity
- Income
- Level of education
- Religion
- Profession/role in a company

Example of demographic segmentation might target potential customers based on their income, so your marketing budget isn't wasted directing your messaging at people who likely can't afford your product.

2. Psychographic Segmentation (the why)

Psychographic segmentation is focused on your customers' personalities and interests. Here we might look at customers and define them by their :

- Personality traits
- Hobbies
- Life goals
- Values
- Beliefs
- Lifestyles

Compared to demographic segmentation, this can be a harder set to identify. Good research is vital and, when done well, psychographic segmentation can allow for incredibly effective marketing that consumers will feel speaks to them on a much more personal level.

3. Geographic Segmentation (the where)

By comparison, geographic segmentation is often one of the easiest to identify, grouping customers with regards to their physical location. This can be defined in any number of ways :

- Country
- Region
- City
- Postal code

For example, it's possible to group customers within a set radius of a certain location – an excellent option for marketers of live events looking to reach local audiences. Being aware of your customers' location allows for all sorts of considerations when advertising to consumers.

4. Behavioural segmentation (the how)

Behavioural segmentation is possibly the most useful of all for e-commerce businesses. As with psychographic segmentation, it requires a little

data to be truly effective – but much of this can be gathered via your website itself. Here we group customers with regards to their :

- Spending habits
- Purchasing habits
- Browsing habits
- Interactions with the brand
- Loyalty to brand
- Previous product ratings

Marketing segments are determined depending on the targeted consumer groups for particular products.

2.9 STEPS IN MARKET SEGMENTATION :

Segmentation is the process of creating small portions within a broad market to choose the right target market for various brands. Market segmentation assists the marketers to devise and execute relevant strategies to sponsor their products amongst the target market.

A market segment consists of people who have identical choices, interests and preferences. They generally think on the same lines and are biased towards similar products. Once the enterprise selects on their target market, they can easily codify strategies and plans to make their brands fashionable amongst the consumers.

Let us now discuss the steps in market segmentation :

Step 1 : Determine the need of the segment

What are the clients' needs, and how can you categorise them? You must consider client consumption or what each of your customers would prefer.

Step 2 : Identifying the segment

After you've figured out what your customers want, you'll need to figure out "who" will buy your product over others. Simply put, you must determine which form of segmentation you will employ in this situation. Is it going to be based on geography, demographics, or psychology? The first phase creates a crowd, and the second step requires you to distinguish individuals inside that throng.

Step 3 : Choosing the most attractive segment

In the processes of market segmentation, we are now approaching the targeting phase. You must choose the most appealing section for you from the numerous segments you have identified via demography, geographical, behavioural, or psychographic data. Because one of them will be left out, this is a difficult question to answer.

If you use psychographic segmentation, you'll need to focus on the psychology of your customers, which will take time. As a result, you won't be able to expand more quickly. If your offering is simple, however, you can use demographic segmentation as a foundation and develop much more quickly in neighbouring areas. As a result, this phase entails deciding on ALL of the many sorts of segmentation you can employ.

The firm's attractiveness is also influenced by the level of competition in the market. If there is too much rivalry in a particular section, it is not worthwhile to consider that segment. In truth, that market isn't that appealing.

Step 4 : Checking segment is profitable or not

As a result, many methods of segmentation are currently being evaluated for their appeal. In the third phase, you must pick which group you believe will bring you the most people. However, in the fourth phase, you must decide which of those segments is the most profitable. This is also another targeting phase in the segmentation process.

Step 5 : Positioning for the segment

Following the procedures of market segmentation to identify the most profitable segments, you must position your product in the minds of consumers. The fundamental idea is that the travel agency must assign a monetary value to its services.

2.10 CUSTOMER RELATIONSHIP MANAGEMENT (CRM) :

Customer relationship management (CRM) is one of the most commonly discussed subjects across all industries. This is because the value of CRM cannot be overstated, and without adequate implementation, businesses will be unable to effectively acquire and keep customers. CRM has a direct impact on the profits created by the company.

This is especially true in the service industry, particularly tourism, when it comes to providing personalised treatment. CRM systems have been implemented by enterprises in order to retain customers and expand corporate operations.

In the aftermath of the COVID-19 outbreak, the travel industry has seen a significant drop in recent months. The process of restoring the travel industry is on the cards now, with many vaccine programmes in the works. However, despite the government's best efforts, the destiny of many travel companies remains uncertain. Despite this, things are beginning to look up. Several countries are marketing domestic tourism in the hopes of reviving the economy, despite the fact that international travel services (for leisure purposes) are still suspended in several countries. As a result, it's a fantastic time for small-to-medium-sized travel agencies to cut their losses and establish a presence in the market.

Travel companies can use bespoke CRM software development to reach out to clients, reinforce sales techniques, and improve customer service. Above all, it allows them to make the most of their client data and cultivate long-term consumer connections.

Activities in CRM

Database Accessibility : All customer information, including as name, prior reservations, address, financial information, and attributes, will be maintained in a single area and accessible at any time. This data will help tourism companies and hotels better understand their customers' preferences and offer them with the services they want. Companies will be able to give individualised services as a result of this successful targeting. Automated channel tracking will also enable you to determine which mediums are being utilised to make bookings, allowing you to adapt your marketing efforts in the future.

Complaint Management : Since there are so many people to serve, traditional techniques may cause some complaints to go unnoticed, resulting in a bad customer experience. To avoid such scenarios, the CRM system will enable you to effectively handle complaints. Employees will be able to track complaints and the progress made in resolving them thanks to the workflow support. In fact, the details may come in helpful if you're dealing with a recurring problem or one that's happened before to see how it was addressed earlier and whether that method worked.

Duplicate Management : Duplicate data puts a lot of strain on the system and makes it difficult to provide individualised customer care. CRM software will help you to consolidate all duplicate data into a single master database, as well as combine critical information like contact information, bookings, client history, and brochures. This is particularly crucial when approaching a customer about a special offer or event. Duplicate data will result in the information being transmitted twice, resulting in a disgruntled customer.

Brochure Management : Even though technology has advanced in leaps and bounds, the tourism sector still relies heavily on brochures as a marketing tool. It is widely regarded as the most effective tool for providing detailed information about all of your services to customers in one location. Orders for brochures can be easily managed using CRM software designed specifically for the tourism business.

Data Enrichment : Customers can be automatically allocated profiles and criteria based on their booking behaviour. After that, the data will be loaded into their profile. This categorical separation will enable the organisation to target marketing operations at certain clients based on their previous preferences.

Customer loyalty and retention will rise as a result of the distribution of relevant information.

2.11 BENEFITS OF CRM FOR THE TRAVEL INDUSTRY :

It is for the travel and tourist business, CRM software development services have become increasingly vital. As your company grows and expands, you'll need to upgrade your CRM software to keep up with the latest technology. The key advantages of developing CRM for the travel business are listed below.

Improved Customer Interactions : It is for the travel organisations, custom CRM software creation increases client relations and allows for a fluid conversation flow. It also ensures that clients from all segments have access to the system at all times. The usage of chatbots and virtual assistants to automate client interactions is one of the most recent technology developments in CRM. These AI-powered bots can handle hundreds of client interactions in real time and can answer simple questions without the need for human intervention. These bots forward discussions to customer service representatives in the case of more complex difficulties.

Smooth Information Flow : CRM for the travel sector allows clients and travel agents to share information more easily. CRM enables travel agents to engage with a variety of prospects in a seamless manner, assisting them with bookings, reservations, and the planning of travel itineraries.

Improved Customer Service Management : Customer relationship management software's basic capability is that it enables travel companies to manage their customer services as efficiently as possible and to provide the

highest level of customer satisfaction. At the same time, by enabling automation across the most crucial business domains, it greatly decreases human labour. As a result, travel firms may concentrate on enhancing both their core business processes and customer service management.

Reporting and Analytics : Powerful business intelligence, data analytics capabilities, and reporting options are all available with a custom-built CRM for the tourism sector. Travel companies may receive real-time insights into their client data using advanced analytics technologies. They can gain important insight into their consumers' likes, preferences, and purchasing behaviours by doing so. Companies can utilise this information to improve their marketing campaigns and provide customers with customised travel experiences.

❑ Check Your Progress :

1. Any individual who purchases goods and services from the market for his/her end-use is called a _____
 - a. Customer
 - b. Purchaser
 - c. Consumer
 - d. All of the above options
2. " _____ is the action and decisions process or people who purchase goods and services for personal consumption."
 - a. Consumer behaviour
 - b. Consumer interest
 - c. Consumer attitude
 - d. Consumer interpretation
3. A person's reaction to a marketing message is influenced by their views and attitudes.
 - a. Personal factors
 - b. Psychological factors
 - c. Social factors
 - d. Cultural factors
4. _____ is the most basic cause of a person's wants and behaviors.
 - a. Culture
 - b. Social class
 - c. Personality
 - d. Lifestyle
5. Lifestyle is an example of which type of segmentation variable ?
 - a. Psychographics
 - b. Demographics
 - c. Geographic
 - d. behavioural
6. Income and age are examples of which type of segmentation variable ?
 - a. Psychographics
 - b. Demographics
 - c. Geographic
 - d. Behavioural
7. Product motive and Patronage motive are the types of _____
 - a. Product development
 - b. Buying behaviour
 - c. Both a and b options
 - d. None of the above options
8. Which is the importance of segmentation of market ?
 - a. Segmentation helps in tapping market
 - b. Segmentation assists in selection of target market
 - c. Segmentation assists in effective use of resources
 - d. All of the above options

9. CRM software will help you to consolidate all _____ data into a single master database.
 - a. Duplicate
 - b. Improved
 - c. Both a and b options
 - d. None of the above options
10. In the STP five-stage process, what follows on from stage two, identify market segments ?
 - a. Profiling customers/consumers
 - b. Identifying the total market
 - c. Selecting target market
 - d. Positioning against competing brands

2.12 LET US SUM UP :

In this unit three concepts were studied as mentioned below :

Firstly Consumer Behaviour, it is the activities and decision-making processes of people who buy products and services for personal consumption are referred to as consumer behaviour. The study of customers and how they behave while deciding to buy a product that meets their needs is known as consumer buying behaviour.

Secondly, Market segmentation is the process of dividing a large consumer or company market, usually made up of present and future customers, into sub-groups based on shared or common features.

Last Concept Studied was Customer Relationship Management (CRM), it is a tool for managing all of your company's customer and potential customer relationships and interactions. The objective is straightforward: to improve commercial relationships. A customer relationship management system (CRM) aids businesses in staying in touch with customers, streamlining procedures, and increasing profits.

2.13 ANSWER FOR CHECK YOUR PROGRESS :

Check Your Progress :

- | | | | | |
|------|------|------|------|-------|
| 1. a | 2. a | 3. b | 4. b | 5. a |
| 6. b | 7. b | 8. d | 9. a | 10. c |

2.14 GLOSSARY :

Aggregation : A concept of market segmentation that assumes that most consumers are alike.

Consumer Behaviour : The behaviour of the consumer or decision maker in the market place of products and services.

Market Segmentation : The process of subdividing a market into distinct subsets of users that behave in the same way or have similar needs.

Psychographic Segmentation : Dividing markets into segments on the basis of consumer life styles.

Target Market : The particular segment of a total population on which the retailer focuses its merchandising expertise to satisfy that sub market in order to accomplish its profit objectives.

Segment : A group of current or prospective customers who share common characteristics, needs, purchasing behaviour, or consumption patterns.

Target Segments : Segments selected because their needs and other characteristics fit well with a specific firm's goals and capabilities.

2.15 ASSIGNMENT :

1. Define the term Consumer Behaviour. What is the significance of studying Consumer Behaviour ?
2. Explain the types of consumer behaviour with example.
3. What are the natures of consumer behaviour ?
4. What is Market Segmentation ? Enlist the objectives of Market Segmentation.
5. Write the steps of market segmentation process.
6. What are the benefits of CRM for the business ?

2.16 ACTIVITIES :

1. Analyse the Customer Relationship policy Thomas Cook Travel Company with keeping focus on international tourists from India.

2.17 CASE STUDY :

Consumer Protection

Mr. Ali heard about the latest promotion at the food and beverage outlet in a hotel which claims that they offered Halal chicken chop made from chicken reared in Japan at half the price. The advertisement is very attractive as it showed the serving of the chicken chop to be so large till it almost covered the whole plate. Mr. Ali, feeling hungry on seeing the advertisement went to the outlet on the hotel to order the chicken chop for his dinner. Subsequently, the chicken chop was served and to his surprise, the chicken chop is only about the size of a quarter of the plate and not almost full plate as the advertisement had shown. Feeling not very happy, he ate the entire chicken chop and left the outlet. Half an hour later, he felt pain in his stomach and went to a clinic for treatment. He was told that it might be due to food poisoning from the chicken chop. In addition he was told that there are no Halal certifications of the Chicken reared in Japan. Ali is very angry and decides to sue the hotel for compensation.

First of all, before the explanation of Mr. Ali's case scenario, it is good to know that consumer interests such as Mr. Ali's are protected through both contract law and acts of parliament. This shall be further elaborated in the following paragraphs. The normal principles of contract law will apply in consumer protection as well. The onus is on the consumer to show that there is a proper formation of the contract with an offer, acceptance, consideration and an intention to be legally bound by the law. Also, the consumer needs to establish that there are no vitiating factors to the contract. Finally, the burden of proof is on the consumer to find evidence to support claims that the counterparty has breached the contract. Mr. Ali in this case would need to show that the chicken chop is much smaller than suggested and that the chicken chop is not Halal and also that it is not properly prepared.

The Food and Beverage outlet which is the seller of the chicken chop to Mr. Ali in this case is subjected to the Sale of Goods Act imposes various legal

obligations on the seller. For example, under Section 13, when there is a contract for the sale of goods by description, there is an implied term that the goods will correspond to the description. This means that the outlet should not put an advertisement which does not describe the actual size of the chicken chop. Also it should not claim the food to be Halal when it is not. This implies it is not satisfactory as in Section 14(2) further provides that when the seller is selling the goods in the ordinary course of business, it is an implied term that the goods supplied will be of satisfactory quality.

Last but not least, the chicken chop is not properly prepared as shown in the food poisoning of Mr. Ali. This is high lighted in Section 14(2B) clarifies on certain factors that might make a good unsatisfactory. These factors include the appearance and finishing of the goods, safety of the goods in use and the durability of the goods. Finally, Section 14(3) states that the goods must fit the purpose for which the goods are bought for. At times, the seller might include a term in the contract stating that goods sold are not refundable. In this situation, the Unfair Contract Terms Act Section 6(2) provides that any clause trying to prevent liability for breach of Section 13, 14 and 15 is invalid. Hence, consumers are protected from these unfair disclaimers and liability exclusions.

In conclusion, Mr. Ali could sue the outlet in the hotel for compensation for the inaccurate information provided on the advertisement and also the inability of the seller, namely the outlet in the hotel.

<https://www.lawteacher.net/free-law-essays/travel-law/law-for-travel-and-tourism-industry.php>

2.18 FURTHER READING :

1. Kotler P. (2012). Marketing Management, Pearson Education, New Delhi.
2. Stanton W. J. (1999). Fundamentals of Marketing, McGraw Hill, New York.
3. Ramasamy V. S. & Namakumar. S. (1990). Marketing Management: Planning & Control, Macmillan, New Delhi.
4. Stone, Marilyn A., Desmond, John.(2007). Fundamentals of Marketing, Routledge, New York.

UNIT STRUCTURE

- 3.0 Learning Objective**
- 3.1 Introduction**
- 3.2 Definition of Public Relation**
- 3.3 Functions of Public Relation**
- 3.4 Types of Public Relation**
- 3.5 Meaning & Definition of Brand**
 - 3.5.1 Types of Brand**
 - 3.5.2 Tour Activities Branding**
- 3.6 How to Create a Travel Brand ?**
- 3.7 Service Quality – Meaning and Definition**
- 3.8 Characteristics of Service Quality**
- 3.9 Monitoring Service Quality**
- 3.10 Service Quality Models – Gap Model & SERVQUAL Model**
 - 3.10.1 Gap Model**
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- 3.11 Let Us Sum Up**
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- 3.17 Further Reading**

3.0 LEARNING OBJECTIVES :

After successfully comprehension of this unit learner will be able to know about :

- Definition of Public Relation
- Functions and types of Public Relation
- Meaning and definition of Brand
- Branding activities of tour
- Meaning of Service Quality
- Characteristics and Monitoring Service Quality
- Models of Service Quality

3.1 INTRODUCTION :

The process of controlling and disseminating information to the public from an individual or an organisation (such as a business, government agency, or non-profit organisation) in order to influence public perception is known as public relations (PR). A public relations professional is responsible for developing and implementing a public relations strategy, which involves assisting a company or individual in cultivating a positive reputation through a variety of unpaid or earned channels and formats, such as the press, social media, and in-person engagements. They also assist clients in defending their reputations in the event of a crisis that jeopardises their credibility. Rather than paying for marketing or advertising, public relations tries to generate or receive free media attention for customers, also known as earned media. However, in the early twenty-first century, advertising is also a part of broader public relations efforts.

Its main objectives are to convey key company news or events, maintain a positive brand image, and put a positive spin on negative occurrences in order to reduce their impact. A company press release, news conference, journalist interviews, social media posting, and other venues are all examples of public relations.

3.2 DEFINITION OF PUBLIC RELATION :

The World Assembly of Public Relations Associations defined it as, "the art and social science of analyzing trends, predicting their consequences, counselling organizational leaders and implementing planned programs of action, which will serve both the organization and the public interest.

"Public relations is a strategic communication process that builds mutually beneficial relationships between organizations and their publics."

Public relations can also be defined as the practice of managing communication between an organization and its publics.

Public Relations Society of America defined it as, "Public relations helps an organization and its publics adapt mutually to each other."

3.3 FUNCTION OF PUBLIC RELATION :

Public relations functions are intended to aid in the development of trust and credibility among key stakeholders in your organisation. They assist in raising awareness about your organisation as well as allowing it to define, control, and distribute its message to both internal and external audiences. Effective public relations functions may also assist your organisation advertise itself, communicate during a crisis, and defend its reputation from media attacks.

Representation in the Media : One of the more well-known responsibilities of public relations is representing a firm or people to the media. Developing and delivering written and video press releases, presenting stories to journalists, and reacting to reporter questions are all part of media management. Depending on the organisation, the public relations department may also be in charge of spokesperson tasks. Monitoring and measuring the organization's or individual's news coverage is also part of media representation.

Crisis Communication : Another function of public relations is to protect a company's reputation from harm. While media representation is a part of crisis communication, a public relations department is in charge of creating a crisis

communication plan and training leadership and staff on its components. A public relations team's crisis communication plan typically includes determining specific logistics for expected reporters, naming an official crisis spokesperson, developing targeted messages for internal and external audiences, and training for company leadership on how to handle tough or hostile questions.

Development of Content : Another aspect of public relations is the preparation of printed and electronic publications. Company newsletters, blogs, speeches, and annual reports are examples of content created by a public relations department. A letter to employees from the CEO, for example, could be written for another member of the organisation. A public relations department will frequently collaborate with another department to ensure that a project is consistent with the company's overall messaging. A public relations department, for example, might collaborate with advertising and marketing departments to create a description, report, or other piece of material for a new product or service.

Relations with Stakeholders : Stakeholders include employees, lenders, and government agencies, among others, who have an interest in or may be affected by an organization's objectives or activities. Another purpose of public relations is to represent an organisation to various stakeholder groups. For example, you'll want to project a positive image of the company to current and future employees, making it appear relevant, successful, and essential so that people want to work for you.

Management of Social Media : Another role of public relations is to establish, manage, and grow an organization's or individual's online presence. Typical responsibilities include building or updating Facebook sites, tweeting material, and monitoring what others are saying about an organisation on the internet.

3.4 TYPES OF PUBLIC RELATION :

Owned, paid, and earned media are the three basic types of public relations. Each type strives for the same aim of establishing a positive brand image, but they employ various tactics to achieve it.

All three should be included in your public relations strategy since they provide distinct ways of reaching, engaging, and creating trust with your target audience.

Owned Media : Any content that your company owns is referred to as owned media. It's frequently the go-to method for companies wishing to launch a public relations campaign.

It's understandable, given it's arguably the most crucial sort of PR-related media to concentrate on. This is because, unlike the other two media strategies, you have complete control. Owned media includes:

- Social media posts
- Blog content
- Website copy
- Email newsletters

Owned media serves as a "home base" for your public relations efforts. When people write about your business or products, they'll almost certainly mention (or link to) your owned media.

Paid Media : In the marketing business, it's not uncommon to pay to promote your content. It's no different when it comes to public relations.

Paid media is when you pay to get your content seen. Promoting owned media is routine procedure. Paid media includes:

- Social media advertising
- Influencer marketing
- Pay-per-click (PPC)

Investing in public relations content is getting increasingly popular. Paid media is a great method to make sure your content gets in front of the people you want to view it, especially since most social platforms are decreasing organic reach for business accounts.

Earned Media : It is a strategy for increasing brand awareness through social media. It's essentially word-of-mouth, and it's undoubtedly the most effective PR strategy for establishing your brand.

The most difficult sort of PR media to achieve is earned media. To achieve it, it takes a lot of effort, perseverance, and hard work, which is why it's called "earned." Earned media includes:

- Mentions in industry news and reviews
- Praise from customers on social media
- High rankings on search engines

Similar to your marketing, all of these media outlets offer opportunities to use PR to raise brand awareness, generate leads, and convert those leads into paying consumers.

3.5 MEANING AND DEFINITION OF BRAND :

The term brand refers to a business and marketing concept that helps people identify a particular company, product, or individual. Brands are intangible, which means you can't actually touch or see them. As such, they help shape people's perceptions of companies, their products, or individuals. Brands often use identifying markers to help create brand identities within the marketplace. They provide enormous value to the company or individual, giving them a competitive edge over others in the same industry.

A brand is the image and personality of a product or service that a business provides. A product's features, such as logos or slogans, make it unique and different.

3.5.1 Types of Brands :

The type of brand used depends on the particular entity using it. The following are some of the most common forms of brands :

Corporate Brands : Corporate branding is a way for companies to market themselves in order to give themselves an edge against their competition. They make a series of important decisions in order to accomplish this, such as pricing, mission, target market, and values.

Personal Brands : As mentioned above, branding isn't just for companies anymore. People use tools like social media to build their own personas, thereby boosting their brands. This includes regular social media posts, sharing images and videos, and conducting meet-and-greets.

Product Brands : This type of branding, which is also known as merchandise branding, involves marketing one particular product. Branding a product requires market research and choosing the proper target market.

Service Brands : This kind of branding applies to services, which often requires some creativity, as you can't actually show services in a physical way.

3.5.2 Importance of Tour Activities Branding

Tours activities should not be the sole things that tourists remember. Guests should also remember the name of your tour company. This is where the significance of branding enters the picture.

As a marketing strategy, branding gives your tourism company a face. It provides you a voice, appearance, personality, and ideals, making you more relatable to your visitors and other travellers. Finally, having a clearly defined brand allows you to appeal to the proper demographic while also leaving a lasting impression.

When tour operators rely significantly on Online Travel Agents (OTAs) for bookings, they lose sight of their brand. Although these mediums can help you reach a wider audience, they don't always do your brand justice. Because you're just another listing on their site, you're instead absorbed into their brand identity.

Consider it in this way, When any local travel agent schedules tour and activities for the tourist on TripAdvisor, travel agent is dealing with the TripAdvisor brand, not his own company. As a result, tourist don't have much of an opportunity to learn about the travel agent company who scheduled the entire tour. Tourist remember TripAdvisor and they will find it hard to remember the travel agency who scheduled the entire tour when it comes to referrals or repeat bookings.

While listing on OTAs is still a good marketing tactic, it's also crucial to expand your brand beyond these platforms. Here are four major causes for this:

- 1. Branding Gets More Bookings** : Guests will be more likely to book with you if your tour and activity organisation appears polished and legitimate. That's because professionalism equates to dependability. You'll make your business stand out as the finest option for a safe and memorable experience if you have a distinct brand voice and stunning brand design.
- 2. Branding Improves Recognition** : Without a doubt your brand is the face of your company. Guests will not only remember name, but also your logo. So they'll be able to recognise your company whenever they contact with you – whether it's browsing your website, reading your emails, or seeing your Facebook advertisements.
- 3. Branding Makes Your Experiences Memorable** : Many people associate branding with a logo and a slogan. But there's a lot more to it than that. A brand is a visual, emotional, and tactile experience that you build for your guests from beginning to end. When you get this correctly, your guests will remember you for a long time, not just a few weeks after the trip or activity. Those who think of you are likely to be loyal to you.
- 4. Branding Boosts Your Value** : The value of your brand name is known as brand equity. Having a well-known brand name will assist your company establish itself as a leader in your niche and provide a boost for future expansion, such as opening a tour office in another region. Since

brand equity is all about recognition, you can boost your value by strengthening your brand and providing constant exposure.

3.6 HOW TO CREATE A TRAVEL BRAND?

Make this a priority if you're launching your own tour company and haven't yet identified your brand. Early branding will provide your team direction and help customers understand the nature of your tourism firm.

It's never too late to fine-tune your brand, even if you're well-established. Instead of going after a broad audience, try coming up with new tourism and hospitality business ideas and focusing on a specific niche. Why? Because it can offer you a leg up on the competition and boost your internet visibility.

So, to improve your brand identity, follow these steps :

1. Create a Brand Narrative :

Every company has a history. There is always a reason for a business to exist. A tourist business may begin as a result of an opportunity, but it is more often than not the result of passion – excitement for adventure, the location, or the community.

Knowing why you began helps aid in the discovery of your brand values, which are the foundation of a compelling brand story. You'll have principles to guide your business decisions as well as a reference point to develop trust and credibility if you write them down and share them publicly.

Ask yourself the following questions to learn more about your company's mission :

- How did you start your tour and activity business ?
- Where'd you get the idea? What inspired you ?
- How is your company different from your competitors ?
- What does your tour and activity business strive to do ?
- What makes your team outstanding ?

Incorporate these responses into your brand story to describe who you are as a company and what makes you unique. Keep in mind that it doesn't have to be long – in fact, the shorter the better. It also doesn't have to be perfect; genuineness goes a long way.

2. Identify Your Target Audience :

It's much easier to match your brand to your target audience than it is to match your target audience to your brand. You might already appeal to a specific group of individuals based on your offers – different types of travellers want different types of travel experiences. As a result, branding before knowing your target audience may result in something that is incomprehensible.

Let's say you're in charge of a craft beer bike tour. It's safe to suppose that eco-conscious millennials fever want to test this out. There will be a gap if you establish a brand that appeals more to DIY, suburban mothers, and you will have a much tougher time engaging individuals who were initially intrigued.

So, who's most likely to sign up for your excursions and activities? What is their background, age, and lifestyle, as well as their interests and personality? These are just a few of the demographic, physiographic, and geographic factors to think about.

Make use of this knowledge to develop a brand identity that your target audience will recognise. You can also utilise it to learn about their communication style, preferred booking method, and favourite online hangout spots. All of these things can aid your marketing efforts.

3. Align With Your Destination Brand :

What is the meaning of a destination brand? It's a common goal to pique visitor attention by offering a one-of-a-kind travel experience based on what a location has to offer. Typically, a Destination Marketing Organization (DMO) develops the destination brand and gives local businesses instructions on how to follow suit.

Take, for example, Ireland. The Emerald Isle is known for its pub culture, castle hopping, and traditional folklore. As a result, Tourism Ireland promotes it as a place to "fill your heart." This brand stance gives tour and activity operators insight into what new tourists want out of their trip while also making new visitors believe they'll have heart warming moments.

It's for this reason that it's a good idea to get a position within your destination brand. As a result, visitors arrive with predetermined expectations and, naturally, book activities that correspond. If you provide them exactly what they want, they'll have a great and memorable experience that will influence their perception of the destination as well as your company.

This does not imply that you must copy and paste the destination's logo. While participating in the main destination storey, you may still convey your brand personality. It all boils down to establishing a link between the two. In the same way that a bus tour company might make its brand more enchanting to match Tourism Ireland's, a bus tour company might make its brand more enchanting to match Tourism Ireland's.

4. Figure Out Your Brand Voice and Tone :

When you communicate with others, your personality, attitude, and values reflect through. The same can be said for your tour and activities company. Every written statement, whether online or offline, shows the traits and mission of your firm. This is referred to as your brand voice.

A clear and distinct brand voice aids in market positioning and association with your target audience. To be effective, it must be consistent across all media. Being sarcastic on social media yet helpful on the blog simply confuses visitors, leaving them with a skewed impression of your company.

Your tone of voice, on the other hand, is interchangeable since it expresses your mood. Its goal is to elicit an emotional response from the reader based on the message's context. A serious tone is appropriate for a payment request, whereas a happy tone is appropriate for a booking confirmation.

Begin by determining your brand's voice and tone by :

- Examining the mission statement and values of your company
- Considering how your target audience communicates
- Examining your present content for similar themes
- Taking a look at the brand messaging for your destination

Break down whatever you come up with into three or four words. For all of your messaging, these will be your major voice attributes. You may further define your brand voice with a content style guide that includes writing dos and

don'ts. When it comes to tone, you have a little more leeway, but it shouldn't deviate too much from your brand voice.

5. Give Your Travel Brand a Makeover :

Here's where the good times start. Nothing is more thrilling than creating a look for your tour and activities company. You get to make your business pop while providing your guests a terrific first impression with everything from a memorable logo to innovative typography.

Visual components are also the most important for brand awareness. When someone thinks of Google, for example, the primary colours are the first thing that comes to mind. Contiki stands out in the tourism sector to young travellers with imagery that plays on the Fear of Missing Out (FOMO). So, what does your brand design require to stand out?

- a. **Logo :** It appears everywhere – on your website, social media, goods, promotional materials, and more – your logo is the core of your brand identity. The design should be simple, distinctive, timeless, and appropriately represent your company's objective and culture, whether it's a logomark or logotype.
- b. **Typography :** Believe it or not, fonts have personalities of their own. Serif fonts (Arial, Verdana) are dependable and mature, whereas Modern fonts (Impact, Rockwell) are bold and progressive. Knowing this, you can employ a certain typeface to impact how customers see your establishment.
- c. **Color Scheme :** Colors, like fonts, have an emotional impact on individuals. For example, red denotes passion, green denotes nature, and blue denotes trust. You can convey a lot about your company while also making your visitors feel a certain way by using the proper colour combination.
- d. **Imagery :** Photographs and videos depict the types of experiences you provide. Images, on the other hand, engage and inspire viewers, allowing them to imagine themselves participating in the experience. As a result, you should incorporate visuals whenever possible. Remember that brand pictures should be consistent as well, so use presets to help with that.

6. Build Consistency into Your Tour Website :

This is the point at which everything comes together. Your website serves as both a digital storefront and the public face of your firm. Visitors who come to your website looking for additional information about your excursions and activities go there. They also get a clear sense of who you are as a company while doing so.

As a result, it's critical to maintain brand consistency throughout. That is to say, each page should be identical to the previous one. Your brand should be obvious no matter where someone clicks, from the look to the voice to the experience.

On your website, you can display your brand in a variety of ways. So here are a few things you should do today to get back on track :

- a. **Create an About Us Page :** Online visitors may want to learn more about your company than what is on the Booking page. So, in your About Us section, tell them about your brand. It's also a good idea to state your

mission and fundamental values here. As a result, a conscientious traveller will be able to see what makes you an ethical tourism role model.

- b. **Use Relevant Keywords :** Once you've figured out who your target audience is, you can figure out what search terms they use most frequently when looking for travel deals. These terms will determine the long-tail keywords you should use in your page titles, headers, body text, meta-descriptions, picture alt-text, and URLs to optimise your website.
- c. **Maintain a Uniform Design :** Your brand should be recognisable just by looking at it. So, on each page of your website, be sure to employ the same colour palette, typography, and imagery. Place your logo at the top of the page, and make a branded favicon (the icon next to the URL) to remind visitors where they are.
- d. **Remember Your Brand Voice :** Your website is littered with written content. As a result, now is a great time to build your brand by ensuring that all of your text follows your brand voice. You might even consider starting a blog to help with this. Just keep in mind that everybody who contributes should adhere to your content style code.
- e. **Customise Your Booking Process :** After putting so much effort into your website's branding, it would be a shame if your Booking page fell short. When people book online, they shouldn't feel like they're leaving your site. That's why it's better to utilise an online booking system that doesn't require a separate domain and can be customised.

3.7 SERVICE QUALITY – MEANING AND DEFINITION :

It's a blend of two words service and quality, with the emphasis on providing high-quality services to end consumers. The term quality refers to the standard or specification that a service provider promises. There can't be a clear distinction between good and bad service. For quality generation, the sky is the limit.

Since not all competitors can provide the level of service quality that consumers want, a quality-based service marketing approach is long-term. As a result, service organisations that build their tactics on quality have a good reputation, and this quality aspect makes it difficult to develop competitive marketing plans.

It is important to note that service quality satisfaction is the result of resources and activities expanded to provide service that meets users' expectations. It is also suggested that service quality might be divided into two categories: technical and functional.

It is important to note that service quality satisfaction is the result of resources and activities expanded to provide service that meets users' expectations. It is also suggested that service quality might be divided into technical and functional categories.

Philip Kotler (1997) defined service as 'an action or an activity which can be offered by a party to another party, which is basically intangible and can not affect any ownership. Service may be related to tangible product or intangible product' On the other hand, Zeithaml and Bitner mentioned that, 'Service quality is a focused evaluation that reflects the customer's perception of specific dimensions of service namely reliability, responsiveness, assurance, empathy,

tangibles.' Based on the assessment of service quality provided to the customers, business operators are able to identify problem quickly, improve their service and better assess client expectation.

3.8 CHARACTERISTICS OF SERVICE QUALITY :

The following are the main criteria of good service :

1. Clients are active participants in the transaction, carrying with them perceptions and expectations that become part of their contact with you.
2. Unlike a product, which can be manufactured, examined, and controlled for quality before being delivered to the customer, service quality cannot be evaluated prior to delivery.
3. Since clients are completely involved in the transaction, they are interested with both the transaction's output or result and the process for achieving that result.
4. In providing service, clients are more likely to be satisfied if the service is tailored to the specific conditions of each transaction than than eliminating variance. The key to giving quality service is to apply certain principles consistently rather than responding to each transaction in the same way.
5. Client satisfaction is a matter of opinion. Expectations and delivery perceptions are the two most important components. Clients have distinct expectations based on their personal circumstances and requirements. They each have their own interpretation of the information they were given. Any discrepancy between what they expected and what they believe they received will have an impact on their satisfaction.

3.9 MONITORING SERVICE QUALITY :

Organizations should constantly check their service quality, in addition to applying quality management approaches and implementing service quality improvement plans. This will assist management in ensuring that clients receive the high-quality service that their company promises.

The following methods can be used by management to monitor service quality :

1. **Company Defined Standards of Service Delivery :** In many cases, businesses prefer to create their own criteria for service delivery. These goals normally set within the bounds of the company's capacity to carry them out. This is the grade of delivery that is commonly prevalent or acceptable in the market, according to the service provider.
2. **Customer Defined Standards :** It is critical to establish standards that match the expectations of customers. Conducting a poll of present and potential customers about their expectations would be part of the standard-setting process. If a retail bank wants to examine its operating standards, it can use a questionnaire to perform a poll of existing clients.

Customers' opinions become obvious when they are given the option of receiving services via automation technology or via personal delivery.

3. **Benchmarking :** The term "benchmark" comes from land surveyors' practise of measuring the surrounding land against a local reference or norm. Benchmarking is desired when absolute quality measurement standards

do not exist or when competition amongst service providers requires that the service provider comply to industry or competitive norms in order to survive.

4. **Complaints Solicitation and Analysis** : Customer perceptions of service failure and enterprise perceptions of service failure may differ significantly. As a result, soliciting and analysing complaints on a regular basis will help the company better comprehend frequent and chronic service issues.
5. **Lost Customer Analysis** : A 'lost customer' is a customer who has previously used the service but has decided to switch or has actually switched to another service provider in preference to the original. As a result, the consumer may be lost either momentarily or permanently.
6. **Critical Incident Study** : To improve customer service, the critical incident analysis technique is applied. Implementation is relatively straightforward and cost-effective. A critical incident is a defining, unique, troublesome, unpleasant, or even delicate event that has an impact on a customer's view of a service's quality.

This technique has the advantage of allowing both the consumer and the service provider to put their fingers on something concrete, as it displays the customer's assessment of the service.

3.10 SERVICE QUALITY MODELS – GAP MODEL & SERVQUAL MODEL :

Various concepts such as service quality, customer satisfaction, customer perceptions, expectations, and loyalty, different measurement criteria are necessary. They will need to apply a variety of measuring scales, as well as a wide range of ideas, attitudes, and conduct while analysing these concepts.

SERVQUAL, observation studies, focus group discussions, and in-depth interviews are some current methods of measuring customer expectations and perceptions, and these approaches are evaluated in terms of their relevance and appropriateness for services marketing in various situations.

3.10.1 Gap Model :

In four distinct industries, including retail banking, credit cards, securities brokerage, and product repair and maintenance, Parasuraman constructed a conceptual model of service quality in which they found five gaps that could affect the consumer's judgement of service quality.

These gaps were :

Gap 1 : Consumer Expectation – Management Perception Gap :

Service providers may not always grasp what features a service must have to meet customer expectations, or what levels of performance on those features are required to provide high-quality service. As a result, consumers' perceptions of service quality are influenced.

Gap 2 : Management Perception – Service Quality Specification Gap :

This gap occurs when a corporation recognises what customers want but has the resources to meet their expectations. Resource limits, market conditions, and management indifference may all play a role in this disparity. These factors may influence the consumer's opinion of service quality.

Gap 3 : Service Quality Specifications – Service Delivery Gap :

Companies may establish principles for providing excellent service and treating customers fairly, but this does not guarantee great service quality. Employees have a critical role in ensuring a positive perception of service quality, and their performance cannot be standardised. This has an impact on service delivery, which in turn has an impact on how customers perceive service quality.

Gap 4 : Service Delivery – External Communications Gap :

Consumer expectations of service, as well as consumer opinions of the actual service, can be influenced by external communications. Consumers' views of service quality may be influenced if companies fail to inform them of extra measures to ensure quality that are not obvious to them.

Gap 5 : Expected Service – Perceived Service Gap :

According to their findings, meeting or exceeding what customers expect from a service is the key to assuring good service quality, and judging high and bad service quality is based on how customers view actual performance in the context of what they expected.

3.10.2 SERVQUAL Model :

The SERVQUAL model for measuring service quality is based on Parasuraman, Zeithaml, and Berry's groundbreaking work. The model describes how a customer compares the expected and perceived service quality to determine service quality.

The SERVQUAL model is a multi item scale designed to analyse customer perceptions of service quality in service and retail enterprises.

Service = Service expectations – Service perceptions

The outcome of such comparisons can take three forms–

- Confirmed or met expectations,
- Unmet expectations
- Exceeded expectations.

Service quality is perceived to be :

1. Satisfactory minus when service delivery = the expected service.
In this customer is happy and there is no situation of surplus or deficit.
2. **Poor** : when customer expectations are not met. The perceived service falls short of expected service.
3. **Surplus** : Customer expectations are exceeded, then the service quality is good. This comparison is the key building block of this model.

Before beginning the measuring procedure, be sure you know what you're measuring. When comparing expected and perceived service, it's crucial to figure out what the measure is for the expected service, as this will serve as the comparison's foundation.

Customers evaluate service quality using five main criteria :

Assurance : It refers to employees' expertise, competency, and kindness, as well as their capacity to instil faith and confidence in customers in the service firm. The term "competency" refers to having the necessary abilities and expertise to provide the service. Courtesy entails contact personnel's civility, respect, friendliness, honesty, and trustworthiness.

Tangibles : Physical facilities, equipment, staff, and communication materials are examples of tangibles. The appearance of the organization's physical buildings, equipment, employees, and communication materials used to market their products/services are also mentioned.

Responsiveness : It refers to an organization's employees' willingness to assist customers by offering prompt service.

Reliability : The Company guarantees that the service will be delivered on time and accurately. The service is completed correctly the first time and keeps its promises.

Empathy : It is the level of attention that a company pays to its customers. Approachability, ease of contact with service providers, and making an effort to understand the customer's needs are all examples of caring and personalised attention.

These dimensions, according to the developers, represent the key characteristics of service quality.

❑ **Check Your Progress :**

1. If the brand positioning is conceptualized and executed well, it can be used by the company in various _____ activities.
a. Marketing b. Commercial c. Social d. Promotion
2. A _____ is a graphic mark, emblem or symbol commonly used by commercial enterprises, organisations and even individuals to aid and promote instant public recognition.
a. Logo b. Slogan c. Tag line d. Symbols
3. Public Relations (PR) is the practice of managing and _____ information from an individual or an organization.
a. Disseminating b. Collecting
c. Both a and b options d. None of the options
4. Which is the type of Publicity
a. Press Release b. Events
c. Product Release d. All of the above options
5. Brand assets include :
a. The name of the brand b. Reputation, relevance, and loyalty
c. Less quality complaints d. All of the given options
6. The element of service quality which is defined as 'the knowledge and courtesy of employees and their ability to convey trust and confidence.
a. Tangibles b. Reliability c. Assurance d. Empathy
7. A tool for assessing the level of service quality based on the difference between users expectations and the service experience delivered is :
a. The service dashboard b. The service quality gap model
c. The balanced scorecard d. The information value model
8. According to Parasuraman, Zeithaml & Benny, the most important determinant of service quality is :
a. Responsiveness b. Reliability
c. Assurance d. Empathy

9. Services that do not meet customer expectations are called :
- a. Service failures
 - b. Critical incidents
 - c. Servuction failures
 - d. Service recovery
10. _____ is an attitude formed by a long-term, overall evaluation of a firm's performance.
- a. Customer satisfaction
 - b. Negative disconfirmation
 - c. Positive disconfirmation
 - d. Service quality

3.11 LET US SUM UP :

The technique of managing and guiding views of your business in order to acquire new customers and strengthen existing customer loyalty is known as public relations, or PR. While marketing is concerned with advertising actual items and services, public relations is concerned with raising awareness, changing opinions, and changing behaviour.

Branding is critical since it not only creates a lasting impression on customers, but it also informs them about what to expect from your business. It's a technique of standing out from the crowd and stating exactly what makes you the better option.

A measure of how well a service meets a client's expectations is called service quality. Customers' service quality is frequently assessed by service business operators in order to improve their service, promptly discover problems, and better gauge client satisfaction.

3.12 ANSWER FOR CHECK YOUR PROGRESS :

Check Your Progress :

- | | | | | |
|------|------|------|------|-------|
| 1. a | 2. a | 3. a | 4. d | 5. b |
| 6. c | 7. b | 8. b | 9. a | 10. d |

3.13 GLOSSARY :

Brand : a name, phrase, design, symbol, or some combination of these elements that identifies a company's services and differentiates it from competitors.

Quality : the degree to which a service satisfies customers by consistently meeting their needs, wants, and expectations.

Service Quality : customers' long term, cognitive evaluations of a firm's service delivery.

Loyalty : A customer's commitment to continue patronising a specific firm over an extended period of time.

Perception : Process by which individuals select, organise, and interpret information to form a meaningful picture of the world.

Service Quality : Customers' long term, cognitive evaluations of a firm's service delivery.

3.14 ASSIGNMENT :

1. What is Public Relation? State the objectives of Public Relation ?
2. How can we classify the Public Relation, explain with examples ?

3. Explain the meaning and give definition of Service Quality.
4. What are the various tour activities branding ?
5. Write a short note on SERVQUAL Model.

3.15 ACTIVITIES :

1. Study a Travel Company preferably not the branded one. Find the service gap which customer can evaluate to judge service quality.

3.17 CASE STUDY :

Market Research Case Studies

Written by PortMA

The Brand Challenge

How do you convince consumers to spend significant money on something that exists only as an experience? This was the challenge of a tourist destination with a dusty reputation. The client needed to get consumers to rethink what they thought they knew about the destination and open their eyes to a whole new set of experiential possibilities. What better marketing to meet this challenge than an experiential marketing campaign?

The Campaign

The campaign team brought the destination to the consumer. With a number of haulers, the team transplanted their large footprint to state fairs, local festivals, and other major events across the country to share the vacation experience firsthand. With interactive games, virtual reality rides, immersive multi-walled video displays, and multiple branded take-aways the agency set out to dismiss past stereotypes stop consumers in their tracks, and get them to reconsider their next vacation destination. And it worked. Really well. Consistently.

The Measurement Strategy

Insights for this campaign couldn't focus just on the immediate impact on consumer travel intention; we needed to have a plan that would clearly demonstrate if consumers actually visited. But how do you do this when a family may wait as long as 6 months before they actually book a trip? We asked them.

- **Exit Surveys.** As patrons exited the event, we surveyed them on their past experiences, past points of view, and a new view of the tourist destination.
- **Post-Event Survey.** Any patron to the event registered with the tour team and provided his email address. We used these email addresses to follow-up three weeks later to ask what they remember, what actions they'd taken, and what actions they planned to take.
- **Follow-Up Survey.** Using the same email addresses, we reached back out to patrons after six months and asked again what they remember, what they've done, and what they plan to do.

The results were consistently remarkable. (**Hint :** You can double your response rate with a survey to patrons after the event if you offer a \$50 drawing. No more, no less. We tested a number of amounts and a \$50 gift card was the optimal level for a gift card.)

The Results

We delivered a report after each event to the agency. The agency forwarded these on to their client. The data from the exit survey showed that for most event locations, the impact was strong, with as much as 25% of event patrons experiencing a significant shift in their attitudes about the destination as a great vacation option. The post-event surveys showed that this positive shift continued with the majority (90%) of patrons three weeks and six months later. After three weeks, 10 to 15% of patrons reported they had planned a trip and 20 to 30% said they intended to take a trip. Six months after the experience 11% (consistently across events) reported that they had booked a trip to the destination for a vacation.

With an average spend of \$1,100 or more per visit, it was easy to see the ROI. The typical event engaged 3,934 consumers over a week with the full immersive experience. With 11% visiting the destination at a value of \$1,100 each (a client provided figure), each stop was generating upwards of \$476,000 in incremental value. It was easy for everyone involved to see the value and importance of the program.

<https://portma.com/resources/articles/measuring-changes-in-behavior-event-marketing/>

3.16 FURTHER READING :

1. Jaishri Jethwaney & N.N Sarkar (2015). Public Relations Management, Sterling Publishers, Delhi.
2. Valarie A. Zeithaml (2009). Delivering Quality Service, Free Press.
3. S. Ramesh Kumar (2007). Marketing and Branding: The Indian Scenario, Pearson, India.
4. Kotler P. (2012). Marketing Management, Pearson Education, New Delhi.

BLOCK SUMMARY

The terms "market environment" and "business environment" refer to the variables and forces that influence a company's capacity to create and sustain effective customer connections. "The entirety of physical and social elements that are directly considered in the decision-making behaviour of persons in the organisation" is how the business environment is defined.

The process of gathering and organising information in order to make a purchasing decision, as well as using and reviewing items and services, is referred to as consumer behaviour. The processes of searching for, purchasing, utilising, assessing, and discarding products and services are all included in this process.

Public Relations entail sending precisely crafted messages to the public using non-paid/earned media in order to establish mutually beneficial partnerships. Advertising, on the other hand, is a paid communication message designed to inform or persuade people to purchase or try something.

Branding is the process of instilling meaning in a firm, its products, or its services by forming a brand in the eyes of consumers. It's a strategy for helping people recognise and experience their brand, as well as giving them a cause to choose it over the competition's, by defining what this brand is and isn't. The goal is to attract and keep loyal customers by providing a product or service that is consistent with the brand's promises.

Service quality is an achievement in customer service from the standpoint of business administration. It is reflected in every interaction with a customer. Past experiences, word of mouth, and marketing messages all help customers create service expectations. Customers, in general, compare perceived service to expected service, and they are disappointed if the former falls short of the latter.

BLOCK ASSIGNMENT

Set – I : Short Question Answer

1. What are the factors studied in External Macro Environment ?
2. Explain the term internal environment with suitable example.
3. What are the factors affect tourist behaviour, explain the impacts ?
4. What is the types of Market Segments, explain each with an example.
5. Explain the meaning of term Customer Relationship Management.

Set – II : Long Question Answer

1. What is Service Gap Model ? Explain various service related gap with examples.
2. How can we create a memorable travel brand ?
3. What are the ways through which we can monitor service quality ?

**Airline and
Tourism Marketing**

❖ **Enrolment No. :**

1. How many hours did you need for studying the units ?

Unit No.	1	2	3
No. of Hrs.			

2. Please give your reactions to the following items based on your reading of the block :

Items	Excellent	Very Good	Good	Poor	Give specific example if any
Presentation Quality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____ _____
Language and Style	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____ _____
Illustration used (Diagram, tables etc)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____ _____
Conceptual Clarity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____ _____
Check your progress Quest	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____ _____
Feed back to CYP Question	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____ _____

3. Any other Comments

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AIRLINE AND TOURISM MARKETING



**DR. BABASAHEB AMBEDKAR OPEN UNIVERSITY
AHMEDABAD**

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ROLE OF SELF INSTRUCTIONAL MATERIAL IN DISTANCE LEARNING

The need to plan effective instruction is imperative for a successful distance teaching repertoire. This is due to the fact that the instructional designer, the tutor, the author (s) and the student are often separated by distance and may never meet in person. This is an increasingly common scenario in distance education instruction. As much as possible, teaching by distance should stimulate the student's intellectual involvement and contain all the necessary learning instructional activities that are capable of guiding the student through the course objectives. Therefore, the course / self-instructional material are completely equipped with everything that the syllabus prescribes.

To ensure effective instruction, a number of instructional design ideas are used and these help students to acquire knowledge, intellectual skills, motor skills and necessary attitudinal changes. In this respect, students' assessment and course evaluation are incorporated in the text.

The nature of instructional activities used in distance education self- instructional materials depends on the domain of learning that they reinforce in the text, that is, the cognitive, psychomotor and affective. These are further interpreted in the acquisition of knowledge, intellectual skills and motor skills. Students may be encouraged to gain, apply and communicate (orally or in writing) the knowledge acquired. Intellectual- skills objectives may be met by designing instructions that make use of students' prior knowledge and experiences in the discourse as the foundation on which newly acquired knowledge is built.

The provision of exercises in the form of assignments, projects and tutorial feedback is necessary. Instructional activities that teach motor skills need to be graphically demonstrated and the correct practices provided during tutorials. Instructional activities for inculcating change in attitude and behavior should create interest and demonstrate need and benefits gained by adopting the required change. Information on the adoption and procedures for practice of new attitudes may then be introduced.

Teaching and learning at a distance eliminates interactive communication cues, such as pauses, intonation and gestures, associated with the face-to-face method of teaching. This is

particularly so with the exclusive use of print media. Instructional activities built into the instructional repertoire provide this missing interaction between the student and the teacher. Therefore, the use of instructional activities to affect better distance teaching is not optional, but mandatory.

Our team of successful writers and authors has tried to reduce this.

Divide and to bring this Self Instructional Material as the best teaching and communication tool. Instructional activities are varied in order to assess the different facets of the domains of learning.

Distance education teaching repertoire involves extensive use of self- instructional materials, be they print or otherwise. These materials are designed to achieve certain pre-determined learning outcomes, namely goals and objectives that are contained in an instructional plan. Since the teaching process is affected over a distance, there is need to ensure that students actively participate in their learning by performing specific tasks that help them to understand the relevant concepts. Therefore, a set of exercises is built into the teaching repertoire in order to link what students and tutors do in the framework of the course outline. These could be in the form of students' assignments, a research project or a science practical exercise. Examples of instructional activities in distance education are too numerous to list. Instructional activities, when used in this context, help to motivate students, guide and measure students' performance (continuous assessment)

PREFACE

We have put in lots of hard work to make this book as user-friendly as possible, but we have not sacrificed quality. Experts were involved in preparing the materials. However, concepts are explained in easy language for you. We have included many tables and examples for easy understanding.

We sincerely hope this book will help you in every way you expect. All the best for your studies from our team!

AIRLINE AND TOURISM MARKETING

Contents

BLOCK 3 : 8 P'S OF MARKETING MIX

Unit 1 Marketing Mix – Product & Price

Introduction of Marketing Mix, Tourism Marketing Mix, Factors Determining the Marketing Mix, Market Mix – Product, Product Mix, Product Levels, Tourism Product Life Cycle, Marketing Mix – Pricing, Pricing Strategy, Pricing Components, Common Pricing Types, Discounts in Price

Unit 2 Marketing Mix – Place & Promotion

Introduction, Place or Distribution Network, Travel Agent as Retailers, Tour Operators as Wholesalers, Online Travel Companies, Promotion, Promotion Media & Its Selection, Sales Promotion, Methods of Sales Promotion

Unit 3 Marketing Mix – Physical Evidence and People

Introduction, Types of Physical Evidence, Peripheral Evidence, Essential Evidence, Components of Physical Evidence, Elements of Physical Evidence, Marketing Mix – People, Employees the most Important People in Travel & Tourism, Importance of Customer (Tourist) Participation

Unit 4 Marketing Mix – Process & Packaging

Introduction, The Tour Operation Process, Tourism Business Processes/Procedures, Benefit of Processes, Standards of Processes, How to Standardising Key Business Activities, Ways to Create Effective Processes, Marketing Mix – Packaging, Types of Tourism Package, The Role of Packaging in Tourism Marketing, Advantages of Package to Visitors, Advantages of Package for the Business, Packaging Development Strategy, Key Points Consider for Packaging



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Open University Ahmedabad

BBAATR-205

Airline and Tourism Marketing

BLOCK 3 : 8 P'S OF MARKETING MIX

UNIT 1 MARKETING MIX – PRODUCT & PRICE

UNIT 2 MARKETING MIX – PLACE & PROMOTION

UNIT 3 MARKETING MIX – PHYSICAL EVIDENCE & PEOPLE

UNIT 4 MARKETING MIX – PROCESS & PACKAGING

8 P'S OF MARKETING MIX

Block Introduction :

In this block understanding of concept of marketing mix will be explored by the learner. The traditional marketing mix and the extended marketing mix are discussed in detail. In the first unit learner will come across product and price apart from basic of marketing mix. In second unit place and promotion are discussed, similarly in unit three people and physical evidence and in last unit process and packaging. The examples related to concepts used throughout the text in this block.

Block Objectives :

- The basic concept of Marketing Mix and relation to tourism
- The knowledge of first P, i.e. Product
- The Product Mix & Product Life Cycle
- The knowledge of second P, i.e. pricing
- Components of pricing and its types
- The third P, i.e. place or distribution
- Place or distribution network
- The fourth P, i.e. promotion
- The promotion media and its selection
- The sales promotion and its methods
- Know the concept of fifth P, i.e. Physical Evidence
- Understand types and components of physical evidence
- Acquainted about the elements of physical evidence
- Familiar with the concept of sixth P, i.e. People
- Know about employee as people and customer participation
- To know the seventh P, i.e. Process
- To understand the benefits, standard process and create effective process
- To acquaint about the eight P, i.e. Packaging
- To know the role of packaging and advantage of packaging (to tourist & business)
- To develop packaging strategy and points to consider for packaging

Block Structure :

Unit 1 : Marketing Mix – Product & Price

Unit 2 : Marketing Mix – Place & Promotion

Unit 3 : Marketing Mix – Physical Evidence & People

Unit 4 : Marketing Mix – Process & Packaging

UNIT STRUCTURE

- 1.0 Learning Objective
- 1.1 Introduction of Marketing Mix
- 1.2 Tourism Marketing Mix
- 1.3 Factors Determining the Marketing Mix
- 1.4 Market Mix – Product
- 1.5 Product Mix
- 1.6 Product Levels
- 1.7 Tourism Product Life Cycle
- 1.8 Marketing Mix – Pricing
- 1.9 Pricing Strategy
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- 1.14 Answer for Check Your Progress
- 1.15 Glossary
- 1.16 Assignment
- 1.17 Activities
- 1.18 Case Study
- 1.19 Further Reading

1.0 LEARNING OBJECTIVES :

After studying the learner will be able to understand following from this unit :

- The basic concept of Marketing Mix
- The Marketing Mix related to tourism
- The knowledge of first P, i.e. Product
- The Product Mix & Product Life Cycle
- The knowledge of second P, i.e. pricing
- Components of pricing and its types

1.1 INTRODUCTION :

The tourism sector is a service industry, the product is unique. It sells nothing except experience and services as a product. A service product is an activity or a group of actions that a marketer offers to execute in exchange for money, resulting in the fulfilment of a customer's or target market's need. Tourism

Products are those that satisfy all of a tourist's enjoyment, leisure, or business needs and desires in locations other than their home country.

In tourism, a product can be either a tangible or intangible item. Intangible items such as the quality of services given by an Aircraft or scenic beauty at a hill Station, and physical items such as a comfortable seat in a Bus, Train, or aircraft, or the cuisine supplied in a restaurant or aircraft. As a result, we can conclude that the tourism product is nearly always a mix or blend of intangible and tangible elements. The traveller receives a whole trip experience and happiness as a result of this mix of different components.

1.2 TOURISM MARKETING MIX :

The marketing mix's various components have an impact on one another. They create a company's business plan, which, if executed properly, can lead to enormous success. However, if things go wrong, it could take years for the company to recover. The marketing mix necessitates a great deal of knowledge, market research, and consultation with a variety of people, ranging from users to trade to production, and so on.

As part of a comprehensive marketing plan, a marketing mix encompasses numerous areas of concentration. The term is frequently used to allude to the four Ps of marketing : product, price, place, and promotion.

Definition :

The marketing mix refers to the set of actions, or tactics, that a company uses to promote its brand or product in the market. The 4Ps make up a typical marketing mix – Price, Product, Promotion and Place. However, nowadays, the marketing mix increasingly includes several other Ps like Packaging, Positioning, People and even Politics as vital mix elements.

Understanding Marketing Mix :

E. Jerome McCarthy, a marketing professor and author, initially proposed the four Ps classifications for establishing an efficient marketing plan in 1960. Marketing managers may approach each of the four Ps differently depending on the industry and the marketing plan's goal. Each element can be analysed separately, but in fact, they are frequently interdependent.

1.3 FACTORS DETERMINING THE MARKETING MIX :

Before embarking on the task of finding the ideal pitch for their product, any corporation must examine a number of aspects. Any product's marketing mix will be defined by two factors :

Internal Factors : It contains aspects that are internal to the organisation or are concerned with the firm's internal atmosphere. The following are the primary internal factors :

- Nature of products
- Product stages in its overall life cycle
- Availability of funds
- Company objectives

External Factors : External influences are those that exist outside of the organisation. They consist of the following elements :

- Degree of competition
- Efficiency of channel
- The buying behaviour of a consumer
- Control from the government side

1.4 MARKETING MIX – PRODUCT :

A product is a good or service that a business provides to its customers. A product should, in theory, satisfy an existing consumer demand. Alternatively, a product may be so attractive that buyers believe they need it, resulting in a new demand. Marketers must understand a product's life cycle in order to be effective, and business executives must have a strategy for dealing with products at all stages of their life cycle. The sort of product also influences how much a company can charge, where it should be placed, and how it should be promoted in the marketplace.

Philip Kotler (Kotler and Keller 2006) defines the concept 'service' as a product from marketing viewpoint. "A service is any action or performance that one party offers to another that is importantly intangible and does not result in the ownership of anything. Its production might or may not be tied to a physical product".

It is an intend to satisfy the needs and wants of a target customer. It can be a tangible good, such a clothing item or furniture, or intangible, likes a service or experience (hospitality services or airline services).

Before a product to be successfully promoted, marketers must have a clear understanding of what it stands for and how it differs from the competition. The internet can now be seen of as either a means for purchase, such as e-commerce, or as a product, such as a social media service. As a result, it's critical for marketers to fully comprehend the product they're selling, how it satisfies the needs of their target market, and what sets it apart from the competitors.

Some key questions that marketers need to answer include :

- What do customers want from your product/service ?
- Does product satisfy their needs ?
- What features of your product/service work to meet your customer's needs ?
- Have you missed out on any features ?
- How and where will the customer use it ?
- How will the customers experience it ?

It is critical to comprehend the word "product mix" in terms of marketing. The product mix refers to a company's whole product offering to its clients. As a pioneer hotel group Taj Hotels, for example, is a trusted hotel brand that commands loyalty. Assume Taj Hotels decides to add a new Taj Tour Company to its product line. As a result, Taj Hotels Product Mix now includes Taj Vivanta, Taj Exotica, Taj Heritage and the new Taj Tour Company.

The decisions regarding product mix will depend on many factors like :

- Design
- Features

- Brand name
- Product variety
- Quality
- Services
- Packaging, returns, etc.

1.5 THE PRODUCT MIX :

Before we can make product mix decisions, we must first understand what the product mix is. The product mix, also known as the product portfolio, is a collection of all the product lines and commodities that a company sells. Colgate's product mix, for example, is divided into three categories : dental care, personal care, and pet nutrition. Each of these product lines is further divided into sub-lines. International tourism and domestic tourism are two possible product lines for a travel company. Product mix selections must be made for the entire product mix and for each line individually.

Dimensions of the Product Mix – 4 Product Mix Decisions

There are four key dimensions to consider when creating a product mix. Width, length, depth, and consistency are the four dimensions. The product mix width is the first of the product mix decisions. The company's width is determined by the number of various product lines it offers, like tour package for Honey-Moon couple, adventure tours package, business tour package, etc.

The total number of things a corporation carries within its product lines is referred to as the product mix length. Within each line Taj Hotels, carries multiple different brands. There are various distinct types hotel brands in Taj Hotels product line.

The depth of the product mix is the next product mix selection. It refers to the number of different variants of each product in the range. For example, tourist packages might be for a variety of tourism destinations and hotel star categories.

Our four product mix decisions are now completed by the consistency of a product mix. In terms of end use, production requirements, distribution methods, or any other way, consistency refers to how closely the product lines are related. These four product mix decisions are unquestionably linked.

1.6 PRODUCT LEVELS :

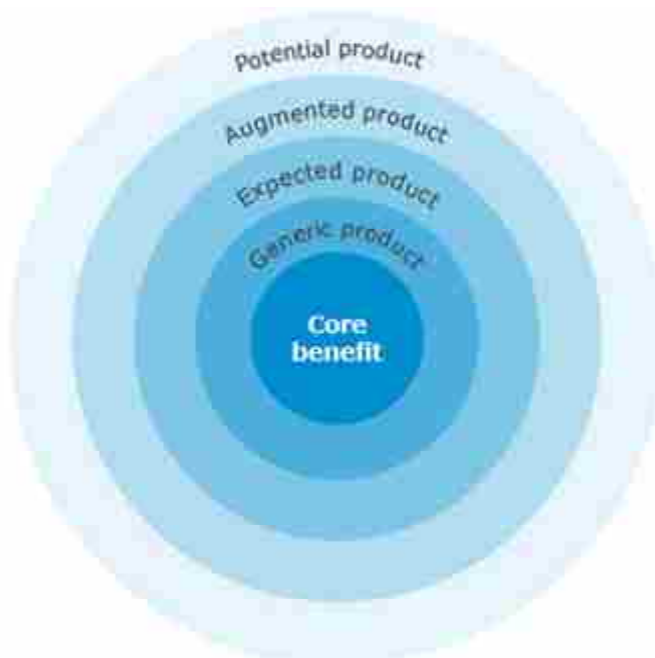
Each consumer is unique and seeks distinct benefits from items, firms should personalise their offerings to meet each customer's desires and needs. Many organisations, however, are unable to do this, and as a result, they require a method of categorising products in a structure that is linked with client segments as described by their needs and desires. The more flexibility a company has in customising products for different consumer segments at low cost, the more customer segments it may target with the core product. As a result, it's critical to create new products that prioritise adaptability. Marketing guru Philip Kotler developed a model that recognises that customers have five categories of need, ranging from functional or fundamental needs to emotional needs. The model also recognises that products are only a means to meet the diverse requirements and desires of customers. He identified three factors that influence how customers value a product :

- Need : a lack of a basic requirement.
- Want : a specific requirement of products to satisfy a need.
- Demand : a set of wants plus the desire and ability to pay for the product.

Customers will choose a product based on how valuable they believe it is. The degree to which the actual use of a product matches the perceived value at the time of purchase is known as satisfaction. Only if the actual value equals or exceeds the perceived value can a consumer be satisfied. Products have five stages, according to Kotler :

The five product levels are :

1. **Core Benefit :** The core benefit is the underlying need or desire that the product or service satisfies for the customer. Consider the need to unwind and rejuvenate at a tourist destination.
2. **Generic Product :** A version of the product that only has the traits or characteristics that are strictly required for it to work. For instance, the need to relax and refresh at a tourist site can be either foreign or domestic.



3. **Expected Product :** When purchasing a product, customers typically expect and agree to a set of traits or characteristics. Transportation, lodging, sightseeing, food, and other necessities, for example, may all be included in a travel package.
4. **Augmented Product :** Additional features, perks, qualities, or associated services that distinguish a product from its competitors. For example, the computer may come pre-loaded with high-end image processing software at no additional cost or at a much reduced incremental cost.
5. **Potential Product :** This encompasses all future enhancements and transformations that a product might go through. To maintain client loyalty in the future, a company must strive to surprise and please customers by adding new products. The user, for example, receives regular image processing software upgrades that include new and beneficial functionality.

Kotler's Five Product Level Model is a tried-and-true strategy for arranging a company's product line to target different client segments. This allows them to conduct a methodical analysis of product and customer profitability (sales and costs). A company's sales processes can be aligned to its customers' needs by organising products according to this model, which can also help focus other operational processes around its customers, such as design and engineering, procurement, production planning, costing and pricing, logistics, and sales and marketing.

1.7 TOURISM PRODUCT LIFE CYCLE :

The nature of tourism destinations is dynamic. The destination is a collection of goods. Destinations, like products, have a lifespan. The term "Tourism Product Life Cycle" is used to describe the evolution of a certain destination and the various stages it goes through over time. Achievement in tourism and tourism-related businesses entails mastering the entire technique.

The notion of the tourism product life cycle has the potential to be applied to tourist destination planning. This concept paints a clear image of the changing landscape of tourism attractions. It gives a tool for conceptually predicting the long-term difference, allowing for the establishment of policies and plans for proper land use, economic development, and marketing without harming environment.

Various models that investigate the evolution of destinations have been developed from time to time, although they are primarily descriptive. As mass tourism has become more well-known, a growing number of scholars have proposed evolutionary models in which the idea symbolises extra stages of destination development, such as saturation and decline. This leads to the notion that all tourist locations go through different stages. As a result, any type of tourist product must go through a series of stages known as the Tourism Product Life Cycle.

The stages of the product life cycle are explained using "destination" as a tourist product, because tourism cannot take place without a destination, and it is one of the most significant tourism products.

1. Exploration Stage :

It is the first step in the life cycle of a tourism product. New tourism items are discovered and introduced at this time. A small number of guests begin to arrive at the untouched location. Typically, adventure seekers and nature enthusiasts embark on journeys to uncharted territories in order to partake in a variety of activities and adventures.

Tourists looking for a variety of experiences during their holiday can locate areas that are unique due to their natural beauty, customs, history, landscape, and culture. There will be no or restricted visitor services available at this time. Local people are not involved in tourist money-making enterprises because they are unaware of the benefits of tourism. Because there are few tourists and the amenities available are inadequate, there is little social and economic impact. Furthermore, no sufficient infrastructure for tourism activities has been built.

2. Involvement Stage :

The second stage of the tourism product life cycle is now underway. At this point, the number of visitors begins to progressively increase, and the host

community of that destination becomes aware of the increased migration to their location. As time goes on, these hosts get more involved in tourism-related activities. Local governments have also begun to participate in tourism-related activities.

Local communities also begin to establish their own businesses to provide a variety of tourist-related services and facilities, such as lodging, food, tour guides, and transportation. Participation in these tourist activities improves the quality of life for people while also providing employment opportunities. In addition, it assists the local community in earning money and achieving their goals. As a result, a tourism attraction emerges, with strong infrastructure being built and expanded. At this point, marketing, advertising, and publicity begin.

Locals learn about different natural resources in their surroundings as well as the importance of their culture and traditions as they get more involved in tourism operations. Awareness of environmental protection begins to rise as a result of participation activities.

Participation of the local population also aids in the improvement of their basic necessities, such as sanitary food, health and medical facilities, education, and so on. There is also a growth in the number of persons participating in various activities, and work opportunities are beginning to climb or increase. This increased engagement and work prospects aid in the improvement of the economic and social structure of that specific destitute. This is the point at which locals begin to see business or start-up chances, and the potential for expansion increases significantly. Locals begin to use their culture and traditions as tourism products under the guise of involvement. For the purpose of attracting a larger number of tourists, which in turn tends to develop unique selling points and improve the destination's image.

3. Development Stage :

The third stage of the tourism product life cycle is development. When compared to the previous stage, the number of tourists arriving is significantly higher. And, at this point, the arrival of a well-defined tourism sector has drawn foreign investment to the location. As a result, worldwide hotel chains, culinary units, and entertainment facilities begin to show interest in the destination and establish operations with the goal of delivering world-class amenities and profiting from the location.

Due to the rising potential of this sector, many large corporations have begun to invest in tourist services at the destination. The rate of development begins to accelerate, improving the quality of life for local residents and expanding the destination's accessibility. Marketing and advertising become more important than ever. Infrastructure that is more modern is being constructed. Attractions, both natural and man-made, are being developed.

At this moment, the government, locals, and private players are all equally involved. This also aids in attracting an increasing number of tourists, resulting in the creation of a huge number of jobs for the local population. As the place begins to become a favourite among many travellers, marketing and promotional campaigns usually play an essential role at this time.

Various stakeholders make various attempts to grow the destination and enhance visitor traffic to the specified destination. At this point, there is a lot of room for job opportunities in several industries, as well as investment in tourism-

related enterprises. The development stage also boosts the destination's economy and aids in the creation of foreign exchange for the country's growth.

4. Consolidation Stage :

This is the fourth stage in the life cycle of a tourism product. Tourism is most likely controlling the local economy at this point. At this point, the local community begins to generate a significant quantity of financial resources, which aids in the improvement of the hosts' quality of life. The local economy becomes increasingly reliant on tourism at this point.

Both national and foreign suppliers/companies supply tourist services. Slowly, the place loses its allure as the products on offer become outmoded, and detrimental effects of tourist activities may be noticed on the destination, its natural beauty, natural resources and environment, society, and attractions, among other things. If correct actions and policies are put in place at this point, the destination's existence can be extended for a longer period of time, and the destination can be sustained for future generations.

At this point, proper implementation of the planned policies is required, and the destination and its resources can be preserved. Local communities begin to shift away from other businesses or activities, such as farming and fishing, during this stage, causing these industries to suffer. Buildings and infrastructure from the past are being turned into lodging units such as heritage hotels, guest houses, and homestays. As a result, some historic buildings may lose their particular traits or charm, or become ugly, resulting in a decrease in clientele.

5. Stagnation Stage :

The tourism product life cycle is now in its sixth stage. The destination's carrying capacity has reached or has been exceeded at this point. As a result, economic, social, cultural, and environmental issues arise. Artificial attractions begin to take the role of natural or cultural attractions, and the location begins to gain popularity. This will result in the loss of the destination's original traits, implying that the destination has begun to lose its allure and unique selling points. And the number of tourists visiting that particular destination is gradually decreasing.

There is also an increase in competition from other competitors, which may result in the loss of authentic and original traits as well as rowdiness. As a result, the number of tourists visiting the area decreases, and local businesses and services suffer significant losses. For example, if the destination is a beach, and it is suddenly highly crowded and full of garbage and trash, the destination's expansion will very probably be halted. Strong decisions must be made at this time, or the number of tourists visiting the destination will begin to decline, affecting local businesses and services. This, in turn, would have an impact on the economy, society, and the environment.

6. Decline or Rejuvenation Stage :

The sixth and final stage of the tourism product life cycle is decline stage. From a point of stagnation, there are two options : decline in tourist movement or rejuvenation, which entails the re-growth or re-introduction of the destination with new tourism items such as attractions and other tourist amenities.

The decline of a particular destination can be gradual or sudden. The number of visitors will begin to decline, and regular visitors will be replaced by tourists looking for a low-cost holiday or excursion. Tourists' movements begin

to vary, and they are drawn to new and lovely sites. The place devolves into a tourism ghetto or becomes bereft of tourism activities.

Since the number of tourists visiting the location is rapidly decreasing, the destination is experiencing more negative effects. And the attractions begin to lose their allure and unique selling points. High prices, overcrowding, pollution, political unrest, high crime rates, and overrated attractions are only a few of the key causes of decline and stagnation. As a result, the number of tourists visiting the place decreases, and the destination drops or falls.

A reasonable modification and establishment of the resource base is referred to as rejuvenation. Private enterprises, the government, or both are investing heavily in the redevelopment of the destination and the introduction of new tourism product lines. They are also beginning to develop a new set of artificial attractions within the original location in order to increase its attractiveness and attract more visitors.

Natural resources that were previously untapped are also used. This will eventually lead to the start of a new cycle. Proper study and analysis on product development, suitable moves by the local administration, discovering new regions for development, and establishment of world-class infrastructure are all reasons for a destination's renewal. Otherwise, the destination will experience a long-term decline.

1.8 MARKETING MIX – PRICING :

Price depicts the publicised or negotiated terms of a product exchange transaction between a producer seeking to meet predetermined sales volume and revenue goals and potential customers seeking to maximise their perceptions of value for money while deciding between competing products.

Product price can aid profitability, promote product positioning, and round out your marketing mix. When your travel company is ready to sell its goods, you'll need to figure out how much to charge customers for the services you're providing. In other words, it's time to decide on a price strategy.

The value for money concept is created by the interaction of price and quality. Leisure travel is an experiencing product, the concept of value for money must be judged subjectively by travellers. Measurers of travellers' price/quality perceptions are critical in establishing a country's or industry's competitiveness, because competitive advantage stems from a country's ability to produce value for its purchasers that exceeds the cost of doing so.

One of the most essential aspects of the tourism marketing mix is pricing. Customers in the tourism industry judge products based on their price, and without a price, there is no indication of worth. Pricing decisions are consequently critical for the tourist establishment's profitability, as they have a significant impact on demand and sales volume.

Pricing is frequently used as an indicator of quality. Despite the fact that the pricing part of the marketing mix is the most important in terms of profitability, pricing cannot be viewed in isolation from the other elements." As a result, it must be considered an intrinsic part of the marketing process, as well as the interrelationships with the other parts in the mix.

One of the four primary components of the marketing mix is pricing. The only revenue-generating factor in the marketing mix is pricing (the other three

are cost centres, meaning they add to a company's cost). The company concept and pricing are inextricably related.

The business model is a diagram that depicts the company's revenue sources. Any significant price changes will have an impact on the viability of a business strategy.

A well-chosen price should achieve three objectives :

- achieve the company's financial goals (profitability)
- fit within the realities of the marketplace (customers are willing and able to pay the set price)
- support a product's positioning and be consistent with the other variables in the marketing mix (product quality, distribution issues, promotion challenges)

1.9 PRICING STRATEGY :

Tourism organisations may overlook the true meaning of price to travellers. There are actual charges for lodging facilities, effort costs, time costs, and psychological costs in a regional context, for example, the chance of a potential tourist patronising tourism services can be based on :

- The actual price of the tourism facilities.
- The time costs and trouble of travelling a long distance.
- Destination and its offerings

Questions to consider while setting your pricing strategy

- How unique is your business ? The more unique your tourism product the more flexibility you will have to decide your pricing.
- What value added services do you provide inclusive of the experience ?
- What market do you want to attract and what positioning in the market do you want to establish ?
- What are your operating costs (fixed and variable) ? Using your costs, get your accountant to help you calculate your break-even point and therefore what your minimum pricing should be for profit goals (estimates of revenue, occupancy rates etc will be needed).
- For most tourism businesses setting prices will be more market based – that is, what do competitors with similar products and services charge within your market ? Be careful however, you must be aware of your own financial position (debt levels, cash flow etc) before you can decide whether you should compete in this way. Ideally being competitive is not price driven, it's product driven.

Knowing your break-even threshold is a good place to start, however when starting a new tourism business, pricing may be set lower than your long-term pricing objectives to draw volume, credibility, and develop your brand. Then, as your business grows and you have a consistent booking base, you might explore raising your prices.

Of course, your overall marketing plan will determine this. Pricing may not change much for tourist businesses that cater to exclusive/luxury travellers. While firms catering to the affordable travel sector may not have much leeway in terms of pricing, they will rely on high booking volumes.

1.10 PRICING COMPONENTS :

Pricing strategy may be made up of the following components :

1. **Rack Rates :** All tourism enterprises should have a rack rate, which is your "whole rate" before any discounts are applied, and which is often offered to wholesalers and printed on brochures for the upcoming season. Activity and attraction providers are more likely to charge their full cost all of the time, with no day-to-day discounts, whereas lodging operators, particularly those in the centre of the market, will be adjusting pricing almost daily to cover gaps for the month or two months ahead.
2. **Seasonal Pricing :** A traditional technique for tourism firms to compensate for varying levels of demand according to the time of year is to use a variety of prices throughout the year to cover low, high, and shoulder seasons. These will often be the same dates each year, although they may also apply to school holiday dates and local events with varying dates each year.
3. **Last Minute Pricing :** Last minute pricing is a frequent way for housing providers to address last-minute inventory availability gaps. It involves reducing daily prices based on onward bookings and promoting them on last-minute booking portals.

1.11 COMMON PRICING TYPES :

1. **Per Person Pricing :** A set price per person, such as costs for adults and children. Typically employed by activity/attraction and transportation businesses, also as backpacker and camp sites. Adult, child, and older prices could also be available.
2. **Per Unit Pricing :** A set price for 1 unit of the product e.g. Price per night, this is the standard way to price accommodation, usually the advertised price is for 2 people so if the accommodation fits more than 2 guests it can have a mix of the per person pricing with extra adult and extra child rates.
3. **Single or Double Occupancy :** Common for B&B's there is a single rate and a double rate (which is not double that of the single rate).

1.12 DISCOUNTS IN PRICE :

While discounting has its place, and is often unavoidable in a competitive sector like tourism, be mindful of consistently lowering your pricing to encourage demand – it can lead to a rocky road to lower profitability or even missing that crucial break-even point. When it comes to last-minute pricing bargains, be judicious – don't cut the price on every day; instead, pick the ones where you really need the extra cash. Consider attaching constraints to a discounted rate, such as a minimum stay or the number of people in the reservation. While a booking is preferable to no booking at all, customers become accustomed to a specific price point, and you risk not only making it difficult to charge your standard rack prices, but also devaluing your product – remember, perception is everything in tourism!

1. **Package Deals :** Creating packages with complementary tourist partners in your area or with value added components is a good approach to boost demand without having to cut prices. Make partnerships with local businesses to provide a comprehensive package and share business – you should be able to buy their products or services at a "net" rate, making the

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package pricing cheaper than if they had purchased each separately. Packaging can also be utilised to effectively target specialty markets, such as golf weekends, food and wine trips, and pampering packages, to name a few examples.

2. **Commissions** : Many bookings will be made through a third party, such as a retail travel agent, wholesaler, inbound tour operator, or internet travel agent, who will charge you a commission (OTA). Many tourism operators are tempted to include the value of the commission in the pricing for these providers, but this should be factored into your rack rates anyway – having different pricing across different distribution channels confuses both travellers and industry relationships, so keep it simple.

☐ Check Your Progress :

1. Product in service industry is :
 - a. Tangible
 - b. Intangible
 - c. Physical
 - d. None of these
2. Atypical marketing mix does not include :
 - a. Product
 - b. Promotion
 - c. Price
 - d. People
3. The four Ps classification for developing an effective marketing strategy was first introduced in 1960 by :
 - a. E. Jerome McCarthy
 - b. John T. Brason
 - c. Tom Moody
 - d. Balwant Negi
4. Which of the following is not a level of five levels to products, attributed by Philip Kotler ?
 - a. Core benefit
 - b. Generic product
 - c. Augmented product
 - d. Incremental cost
5. The term marketing mix refers to _____
 - a. A combination of strategic elements to satisfy market needs
 - b. A customer relationship for long term profit and gain
 - c. An analysis of micro and macro environment of the organization
 - d. A mixture of various decisions to sell more products at any cost
6. The "full rate" before any discounts are applied and typically is what is provided to wholesalers and printed on brochures for the season ahead.
 - a. Seasonal Pricing
 - b. Last Minute Pricing
 - c. Rack Rate
 - d. Seasonal Rate
7. _____ cost refers to the product's purchase cost plus the discounted cost of maintenance and repair less the discounted salvage value
 - a. Total
 - b. Variable
 - c. Life cycle
 - d. Net
8. _____ are those who buy the product from wholesalers and sell the product to tourists for a commission.
 - a. Small agent
 - b. Tour operators
 - c. Travel agents
 - d. None of these
9. Online Travel Companies sell tourism products like :
 - a. Air tickets
 - b. Railway tickets
 - c. Hotel rooms
 - d. All of these

10. At which stage of Tourism product life Cycle, proper implementation of the planned policies needs to be applied and preservation of the destination and its resources is done.
- a. Exploration Stage
 - b. Involvement Stage
 - c. Consolidation Stage
 - d. Stagnation Stage

1.13 LET US SUM UP :

The understanding developed in this unit is of great advantage to the learners. The basic of marketing mix and its relation to tourism is discussed here. The marketing mix refers to the four Ps of marketing : product, pricing, location, and promotion. These are the most important factors in marketing a product or service, and they interact heavily. The 4Ps marketing mix, which includes Product, Process, Pricing, and Promotion, has been expanded to include four more 4Ps : People, Physical Evidence, Process, and Packaging, in order to distinguish between services and physical products. All these P's are discussed in detail with relevant examples here in this unit.

1.14 ANSWER FOR CHECK YOUR PROGRESS :

Check Your Progress :

- | | | | | |
|------|------|------|------|-------|
| 1. a | 2. d | 3. a | 4. d | 5. a |
| 6. c | 7. c | 8. c | 9. d | 10. c |

1.15 GLOSSARY :

Competition–Based Pricing : setting prices relative to those charged by competitors.

Eight (8) Ps : eight strategic elements, each beginning with P, in the services marketing mix, representing the key ingredients required to create viable strategies for meeting customer needs profitably in a competitive marketplace.

Price Bundling : charging a base price for a core service plus additional fees for optional supplementary elements.

Product : the core output (either a service or a manufactured good) produced by a firm.

Product Attributes : all features (both tangible and intangible) of a good or service that can be evaluated by customers.

Value–Based Pricing : the practice of setting prices based on what customers are willing to pay for the value they believe they will receive.

1.16 ASSIGNMENT :

1. What is marketing mix ? Explain its applicability in tourism sector.
2. Write the factors determining the marketing mix.
3. Define the term products and explain its different levels ?
4. Discuss various common types of pricing for products.
5. What is the pricing strategies use in tourism products ?

1.17 ACTIVITIES :

1. Analyse the difference between international and domestic tourism components. What are the differences in pricing international and domestic tour packages ?

1.18 CASE STUDY :

Case Study on Product Development Dilemma at Rocco's

You are employed as the vice president of marketing for Jiffy Foods, Inc., a regional foodservice company that operates 40 restaurants in the fast-food or quick-service segment. The restaurants that Jiffy Foods operates are a single brand called Rocco's. The restaurants offer a menu that is fairly typical of a fast-food chain—burgers, french fries, milk shakes, chicken tenders, and the like. In the last year, Rocco's has started offering prepackaged salads, but it has not done any other menu development. The restaurant's founder recently retired and turned over day-to-day management of the chain to the company president, James O'Connor. The founder indicated that the menu development and promotions that are done by the national chains "would not be profitable for a 40-unit chain like Rocco's. The national chains have the advertising clout to support promotions for special product offerings. We do not. We should stick to the basics : good food, clean restaurants, and friendly staff. That is what has worked in the past, and it will work in the future."

In the quick-service market, the brand is a small player, competing against the national chain companies such as McDonald's, Burger King, and Wendy's, as well as many other regional chains. During the last 18 months, sales at Rocco's have been flat—there has been no increase in sales, despite the fact that prices were increased 2.5 percent a few months ago. The mix of sales is much the same as it was five years ago. The pre-packaged salads that were introduced last year have not sold well. All the salad offerings combined make up only 2 percent of total sales.

Earlier today the company president, James O'Connor, dropped by your office in a very frustrated mood. The two of you had a very intense and animated conversation about how the products and services that Rocco's offered were very traditional and not exciting to the targeted consumers. The national chains are always offering new products and services or modified products and services that are promoted for a limited period of time at a special promotional price. Jim felt that the competitors' promotions were hurting Rocco's and wanted you to do something about it. You were quick to point out that the marketing strategy of "staying the course" had been very successful in the past. In fact, the company founder had used this approach for more than 25 years. Ideas for new products generally came from the managers of the 40 restaurants or the customers who patronized the restaurants. Rocco's did not maintain any product development structure or organization. As the vice president of marketing, your primary responsibilities centered around developing, implementing and evaluating promotional campaigns, selecting sites for new stores, and working with the advertising agency to develop and evaluate campaigns.

As your meeting with the president concluded, he said, "It's Friday. I want you to think over the weekend about the way we develop new products and services. We need to do a better job. Maybe we should think about a different way of doing things. What we're doing is not producing the results we want, and

we need to increase our sales. Let's meet on Monday morning to talk further. I want to see your preliminary plan when we meet on Monday."

Marketing Mix – Product & Price

Case Study Questions and Issues

1. What should you tell the president when you meet on Monday ? What action steps should you recommend ? Why ?
2. Should Rocco's develop a more structured approach to product development ? Why or why not ? If yes, what structure would you recommend and why ? If no, why not ?
3. Are there any specific structures or ideas that you might adapt from what the national chains do ?
4. What type of product development strategy should Rocco's use—defensive, imitative, or responsive ? Why ?

https://www.hzu.edu.in/uploads/Case_Study_for_Hospitality_Marketing.pdf

1.19 FURTHER READING :

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UNIT STRUCTURE

- 2.0 Learning Objective**
- 2.1 Introduction**
- 2.2 Place or Distribution Network**
 - 2.2.1 Travel Agent as Retailers**
 - 2.2.2 Tour Operators as Wholesalers**
 - 2.2.3 Online Travel Companies**
- 2.3 Promotion**
- 2.4 Promotion Media & Its Selection**
- 2.5 Sales Promotion**
 - 2.5.1 Methods of Sales Promotion**
- 2.6 Let Us Sum Up**
- 2.7 Answer for Check Your Progress**
- 2.8 Glossary**
- 2.9 Assignment**
- 2.10 Activities**
- 2.11 Case Study**
- 2.12 Further Reading**

2.0 LEARNING OBJECTIVES :

After working through this unit, you should be able to understand :

- The third P, i.e. place or distribution
- Place or distribution network
- The fourth P, i.e. promotion
- The promotion media and its selection
- The sales promotion and its methods

2.1 INTRODUCTION :

Tourism marketing can use a variety of distribution tactics. Travel is used to distribute tourism as a product. The internet is also commonly used. There is also a small agent who plays a role of place and is dispersed across the community. Large travel businesses like as Cox & Kings, Thomas Cook, SOTC, act as both wholesalers as well as retailers.

Most tourist locations are natural or historical attractions, the tourism marketer may not have a sufficient choice of tourist centre. However, infrastructure, transportation, and communication are critical for the tourist centre's development. The channels of choice and channel members are the most important decisions made by the tourism marketer when it comes to distribution. The main

position of intermediaries is the tourism industry's distinctiveness. The distribution system performs two important responsibilities in tourism marketing :

- To extend the number of points of sales or access, away from the location at which services are performed or delivered
- To facilitate the purchase of service in advance

2.2 PLACE OR DISTRIBUTION NETWORK :

Depending on the company's ultimate goals, different distribution tactics may be chosen. Tour operators may act as a middleman, purchasing tourism products in bulk and distributing them to retail travel agents. Airline seats, hotel accommodations, buses for local sight-seeing, and other tourist products are among the items purchased by tour operators, who may also sell directly to customers. The Internet is the most recent method of reaching out to tourists. Ticket reservations can also be made via the Internet, including credit card payment.

The concept of distribution channels isn't restricted to physical commodities distribution. Despite the fact that the concepts are the same, the distribution channels for tourist and produced items are vastly different. Tourism services necessitate concurrent production and consumption, which means that the product is rarely 'moved' to the customer. A tourism distribution channel is a comprehensive network of connections between present and potential tourists and suppliers.

The transfer of tours and related services from a supplier to tourists via a system is known as distribution in tourism. For indirect selling, the distribution channel is used, and it includes everyone who provides the goods from the supplier to the tourist. In tourism, the following distribution channels are employed.

2.2.1 Travel Agent as Retailers :

Travel agents are people who purchase goods from wholesalers and then resell them to tourists for a fee. Travel agents are known as the retailers of tourism industry. They function as middlemen between customers and suppliers. Travel agents maintain constant contact with travellers and develop a personal rapport with them. These agents serve as a single local point of contact, eliminating the need for them to contact many vendors. In certain circumstances, travel agencies make all of the preparations at the destination and also help with payment when travelling internationally.

National, State and Local Tourism Agencies : In order to deliver all-inclusive packages to their clients in all parts of the world, not all travel agents can do so. As a result, these organisations promote tourism in certain geographic areas. They may be government-sponsored or formed by businesses with the shared purpose of disseminating information and boosting tourism in certain areas. Tourist agencies promote resources and tourist destinations while also assisting consumers with trip planning by offering maps, guides, and reservations.

2.2.2 Tour Operators as Wholesalers :

Tour operators are wholesalers, sometimes known as consolidators, who buy in bulk and have access to overstock goods at deep discounts. Tour operators put together tour packages and sell them to travel brokers. They create packages that meet the needs of the market. Wholesalers get rates and availability straight

from suppliers, then put together packages with various lodging and transportation options.

2.2.3 Online Travel Companies :

The use of the Internet has resulted in the emergence of new intermediaries known as cybermediaries. These businesses do not own the products; instead, they purchase them from vendors and then display and sell them over the internet. Makemytrip.com, yatra.com, cleartrip.com, and ibibo.com are examples of such companies. These companies sell tourism products like air tickets, railway tickets and hotel rooms etc.

2.3 PROMOTION :

Creation of awareness has a far-reaching impact. The tourist organizations bear the responsibility of informing, persuading and sensing the potential tourists in a right fashion. The marketers need to use the various components of promotion optimally so that they succeed in increasing the number of habitual users. By delivering new tourism items in the same country to areas that have remained untouched or partially tapped, promotion aids in optimising the length of stay and frequency of visits. The following are some of the several aspects of tourism promotion :

1. Advertising :

Advertisements provide crucial information to current and potential travellers. It has a wide range of applications. Advertising is directed at the general public in order to raise awareness of the resort's travel packages and attractions in order to influence their purchasing decisions. Visual exposure of scenes and events can help to compensate for intangibility. We can design hotel rooms and well-organized restaurants.

Advertising is a non-personal, one-way kind of communication that is carried out through paid media and is clearly sponsored (Kotler). Every day, we are exposed to hundreds of promotional messages while watching television, informing us about various things such as mobile phones, tooth paste, soaps, soft beverages, and services such as hotels, insurance policies, and so on. It's an impersonal kind of communication that marketers (sponsors) pay for in order to advertise specific goods or services.

The important features of advertising are as follows :

- (i) **Paid Form :** Advertising is a form of communication that is paid for. The company whose product is advertised on television, for example, must pay the television channel for its airtime.
- (ii) **Impersonality :** Between the customer and the advertiser, there is no face-to-face contact (company). As a result, it's known as an impersonal method of promotion. Advertising generates a monologue rather than a conversation.
- (iii) **Identified Sponsor :** Advertising is carried out by a named individual or company, who is responsible for both the effort and the cost.

2. Publicity :

It focuses on bolstering public relations efforts by cultivating relationships with journalists and obtaining their specific assistance in marketing the company. It aids in the projection of a positive image of tourist organisations since prospects place trust in the news items reported by the media. Regular publicity articles and

images to newspapers, travel editors, and interaction with magazines on stories, among other things, are all part of the publicity programme. Publicity includes advertising as a component.

3. Sales Promotions :

Sales promotion measures are short-term activities used to help launch a new product or promote an ailing or modified one in order to ensure that the firm obtains market share during peak demand periods. Sales promotions are a marketing tactic that is aimed to appeal to clients who are price sensitive. There are a variety of tactics for promoting sales, and the tourism professional must employ them in light of their needs and evolving business trends. For example, in the tourism industry, a travel operator may provide freebies to customers such as flight bags, ticket wallets, Foreign Exchange (Forex), and passport covers. Shoe shine clothing, first aid stitching kits, shower caps, and shampoo are among the amenities provided by the motels. In addition, VIP customers receive fruits and flowers in their rooms.

4. Word-of-Mouth Promotion :

The majority of tourism information is spread through word-of-mouth, which is also known as word-of-recommendation. In the tourism sector, word-of-mouth boosters are discovered to act as a covert sales force, assisting in the selling process. The large magnitude of effectiveness of this promotional tactic is attributable to the channel's great reputation, particularly in the eyes of the target audience. Because of the tool's sensitivity, tourist organisations must focus on the quality of services they promise and provide. Marketers and tourism organisations must keep their eyes open, identify the loud individuals or opinion leaders, and provide extra attention to them in order to keep the process of stimulating and producing demand moving forward.

5. Personal Selling :

Unique selling is focused on an individual's personal abilities. The travel and hotel industries rely heavily on personal selling. Due to well-educated and qualified sales professionals, the development of travel and tourism has been feasible. The growth of the tourist industry has been affected by the services provided by travel agents and travel guides, who act as information centres. Personal selling entails making a personal presentation to customers of a tangible product, intangible services, or ideas. It's worth noting that in the tourism sector, the people who look after tourists are a vital part of the product, such as salespeople who deal with consumers behind the counter, resort representatives who look after tourists after they arrive at their destination, and so on. They all play an important part in ensuring that tourist products meet the needs of visitors. In the tourism sector, the expression "the customer is always right" is especially true. A surly or haughty coach driver, an impolite and indecent tour guide, a solvent waiter, and a surly or haughty trip guide would not be compensated by a price decrease. These statistics support the idea that the travel industry is influenced by the performance and behaviour of salespeople and travel agents.

6. Telemarketing :

It's a sales technique in which a well-trained telemarketer promotes a company. The success of this component is determined by the quality of the technology and the skill of the telemarketers to communicate. Travel agencies, airlines' offices, receptionists, and secretaries all work efficiently in tourism if the telephonic services aren't up to par. Recruiting a person c is also a good idea.

7. Exhibitions :

State and national tourist promotion boards, travel brokers and tour operators, airlines, auto rentals, cruise liners, vacation financiers, technology suppliers, hotels and resorts, and hospitality and tourism education institutes are among the participants. Foreign tourism promotion boards, such as Dubai Tourism and Mauritius Tourism, have increased their participation over time in order to aggressively market their own countries.

2.4 PROMOTION MEDIA AND ITS SELECTION :

The medium of communication chosen to transmit the advertiser's message or commercial to the public is known as promotion media. The term "medium" refers to a broad group of communication vehicles that can be used to communicate with a target audience. The communication vehicles alluded to are paid to present an advertisement, and media is the plural of medium. The first step in efficient communication with an audience is media selection, and the effectiveness of an advertisement is determined by the media type. A smart media manager determines how he or she expects the media to perform by evaluating a certain medium based on evaluative criteria such as reach, frequency of advertising messages reaching the audience, and campaign continuity.

Furthermore, media selection is frequently a creative art form in which originality of approach and imagination are constantly admired and respected. The criteria for selecting media from the available media are presence of identity, sense of immediacy, quick reaction, accountability, local emphasis, prestige factor, graphic opportunities, mix of sight and sound, comedy, ability to change messages quickly, and so on. Other key elements influencing media selection include audience concerns, timing considerations, regional conditions, competitive considerations, control considerations, production considerations, and financial considerations.

In the tourism industry, the following types of advertising media are commonly employed.

1. Press Media :

Print has long held a significant position in the world. Since the dawn of the information age, the power of the written word has been recognised. Despite the flood of visual media in recent years, the press remains the most effective promotional media vehicle, particularly in the tourism sector. Until recently, press print was the sole way to advertise travel and tourism. Although visual media is increasingly being used to reach out to the public, print media, particularly trade periodicals and journals, remains an important medium for tourism promotion. Newspapers, magazines, posters, business publications, supplements, flyers, brochures, pamphlets, and handbills are some of the most common forms of advertising in the press. No media planner can afford to overlook public relations.

2. Broadcast Media :

Radio, television, film, and video are the most common forms of broadcast media. Despite the fact that radio is unlike the other three, it holds the audience's attention just as well as any of its broadcast predecessors. A slew of new FM stations are popping up these days. FM Band has been a prominent target for marketers due to its popularity among the youth. Tourism companies' advertising agency creates appealing jingles and broadcast them on the radio to capture the audience's attention. It is also fairly usual for programmes to be sponsored.

Despite the fact that television has become a very popular advertising medium, particularly since the introduction of many private TV channels, radio still has a large viewership. People from all areas of life tune in to radio programmes, therefore it was and continues to be the most accessible mode of entertainment and advertising.

There's no denying that television is becoming a more popular advertising medium. Marketers make considerable use of this media, and tourism products and services have recently been advertised on television networks. With the elimination of the government's monopoly on television and the entry of a slew of private businesses, television has emerged as the primary source of information and entertainment, as well as the most appealing medium for advertising. Tourism businesses can now advertise their products and services on a wide range of satellite channels.

Cinema was the most popular form of visual entertainment and information until the invention of television. Despite the fact that the medium's popularity has plummeted with the introduction of television, the data shows that it is still seen as an appealing and compelling vehicle for promotional efforts. Many tourist spots have grown in popularity as a result of the films that have been shot there. Tourism companies nowadays have their own movies or CD ROMs created to promote their products and services. Tourists are distributed by travel and tour providers, as well as their sales staff. Video and CD-ROM production expertise and technology are now readily available.

In the field of advertising, the internet is the most recent innovation. Advertisements are uploaded on a variety of websites and emailed to a variety of addresses on a regular basis. Subscribers receive promotional mailings and invitations via e-mail. Various search engines have set aside space for adverts, allowing advertisers to reach millions of individuals across cities, regions, and countries. The travel sector makes extensive use of internet advertising. The majority of search engines include travel and tour sites, and many of these sites eventually offer online booking.

3. Aerial Advertising :

The concept of aerial advertising is quite popular in the United States and has only lately arrived in India. A single seater and single engine aircraft towed a fibre glass mesh banner held by aluminium alloy roadways and flying at 700 ft. to 100 ft. above the ground for the aerial banker service. The length of the banner message is limited to 40 English alphabets. Reaching the target audience becomes more easier with this type of advertising. Aerial advertising is the most effective way to reach a captive crowd, such as at cricket tournaments or public demonstrations. During many celebratory occasions and events, this media can be quite successful. Glow signs and show windows are commonly used in airports to advertise. Glow signs provide the benefits of colour, light, and motion, whilst show windows display merchandise in prominent locations.

4. Railway Advertising :

Railways play a large role in the ideas of advertising media strategists since transit advertising is the most important vehicle. Station hoardings, railway bridge hoardings, posters, inside coach advertising, back of passenger tickets, sign below clocks, closed circuit TVs, and other forms of railway advertising are included in the media mix. In terms of noticeability and creativity, unconventional advertising channels outperform traditional media. Although promotion

professionals are attempting to make this medium available in smaller cities and towns, it is currently restricted to major towns and cities. Telephone advertising, aerial banners and lights, balloons, copter media, handbills, direct mail, paper-book advertising, sales tele-conferencing, shopping bags, taxi-cab advertising, theatre-screen advertising, and trademarks are examples of off-the-wall advertising.

2.5 SALES PROMOTION :

The sole approach that uses incentives to fulfil the 'push-pull' promotional strategy of encouraging the sales team, the dealer, and the consumer in conducting a sale is the methods of sales promotion. All promotional actions that do not fit within the categories of advertising, personnel selling, or publicity are referred to as sales promotion. In other words, sales promotion encompasses all actions other than advertising, personal selling, and publicity that encourage consumers to buy, as well as non-recurring incentive offers. Sales promotion includes cash discounts, free samples, exhibitions, sales contests, free gift offerings, and free sample distribution, among other things. Short-term incentives are used in sales marketing to entice buyers to make an instant purchase of a product or service. In other words, it encompasses all activities aimed at persuading customers and increasing sales, excluding advertising, personal selling, and publicity. Sales promotion, in addition to raising competition, has an immediate impact on sales. When compared to other promotional strategies, determining the effectiveness of a sales promotion is easier. Furthermore, retailers are crucial in stocking, exhibiting, and selling a product, and sales promotion aids in the development and maintenance of trade ties. With the ability to complement and augment the advertising function, sales promotion aids in the achievement of a number of goals, the most important of which are :

- Increase sales of all products and services in general specially those of slowmoving and new products in particular by increasing their usage,
- Attract new customers and retain old customers,
- Launch new products quickly and make them move faster through dealers,
- Educate customers regarding product improvements and encourage them to purchase from the same product line,
- Motivate dealers to stock and sell more and participate in sales contests and dealer displays,
- Motivate sales force to achieve targets, focus on new products and services and difficult territories,
- Improve manufacturer-dealer relationship.

2.5.1 Methods of Sales Promotion :

Consumers, dealers, and salespeople are all involved in various sales marketing strategies. Some want to make an instant impact, while others want to have a long-term impact. Consumers, dealers, and salespeople benefit from quick impact schemes when they make their initial contact, make a purchase, or conduct a one-time act, such as receiving price discounts, free samples, or high quantity packs. He is required to comply with the programme over a period of time before receiving the full advantage of the scheme, such as coupons, trading samples, contests, and so on, under delayed effect schemes. The following is a

brief summary of some of the most common sales promotion strategies utilised in the tourism industry :

1. **Discount Coupons :** Consumer goods such as textiles, home items, and other items are purchased via this method. When customers give their coupons to the merchant, they are entitled to discounts on their purchases.
2. **Free Samples :** Companies use this strategy to give away free samples of their products. This strategy works best for boosting customer needs and convenience items. For instance, newspapers, medicines, and so on.
3. **Trade Shows & Exhibition :** Consumers' attention is drawn to trade events and exhibits, which serve to remind them of the products available on the market.

Recently, there has been a lot of sales promotion activity on the part of hotels, travel agencies, airlines, and financial institutions. Some popular sales promotion schemes offered by tourist service providers include price discounts by airlines, the opportunity to fly for free through a flyers club, premiums by hotels, incentives to travel agencies and tour operators, and so on. Destination promotion is a priority for tourism departments. They hold contests or provide incentives and awards to travel companies who bring in the most tourists, for example. Tourism services, like other services, are perishable and intangible, and a service not used in a timely manner, whether it is an airline seat or a hotel room, is an opportunity lost forever.

The tourism industry is affected by the seasons, and discounts are used to attract visitors. Tourism services offer a plethora of chances for cross-promotional sales. Airlines, for example, collaborate with hotels and vehicle rentals that are advertised by travel brokers and tour operators.

❑ Check Your Progress :

1. _____ are the key elements of promotion mix.
 - a. Publicity
 - b. Advertising
 - c. Personal Selling
 - d. All of the above
2. The hotels offer a number of facilities like shoe shine clothes, first aid sewing kits, shower caps and shampoo etc. are part of :
 - a. Word-of-mouth Promotion
 - b. Personal Selling
 - c. Sales promotions
 - d. Publicity
3. The series of steps that must be followed by sales people is called as :
 - a. Marketing
 - b. Selling process
 - c. Both a and b
 - d. None of the above options
4. The Internet has opened up new channels of distribution.
 - a. True
 - b. False
 - c. Can't Say
5. _____ are the key elements of promotion mix.
 - a. Advertising and Sales Promotion
 - b. Publicity and Public Relations
 - c. Direct Marketing and Personal Selling
 - d. All of the above

6. The retail supply chain includes _____.
 - a. Manufacturer
 - b. Wholesalers
 - c. Distributor
 - d. All of the above options
7. Newsletters, catalogues and invitations to organisation sponsored events are most closely to _____.
 - a. Product
 - b. Price
 - c. Place
 - d. Promotion
8. In marketing, 'place' is another term for location.
 - a. True
 - b. False
 - c. Can't Say
9. What is a distribution channel ?
 - a. A group of distributors
 - b. A shop or other retail outlet
 - c. A product's route through the supply chain
 - d. An electronic network
10. Which of the below mentioned is distribution channel in Travel & Tourism industry ?
 - a. Travel Agency
 - b. Online Travel Portals
 - c. Both a and b options
 - d. None of the above options

2.6 LET US SUM UP :

The learners have understood the concept of marketing mix, product and price in previous unit. In this unit further they will know about place and promotion. The place means process of transporting products from the manufacturer to the intended user is referred to as location in the marketing mix. In other words, it's about how and where your product gets purchased. This migration could be facilitated by a number of middlemen, including distributors, wholesalers, and retailers. In travel and tourism retailers are travel agency and tour operators are wholesalers. Advertising, public relations, and promotional strategy are all examples of promotion. The purpose of product promotion is to show customers why they need a product and why they should spend a given price for it. Marketers frequently combine promotion and placement aspects in order to reach their target audiences.

3.0 0 :

Check Your Progress :

- | | | | | |
|------|------|------|------|-------|
| 1. d | 2. c | 3. b | 4. a | 5. d |
| 6. d | 7. d | 8. b | 9. c | 10. c |

2.8 GLOSSARY :

Advertising : Any paid form of non-personal communication by a marketer to inform, educate, or persuade members of target audiences.

Marketing Communications : Full set of communication tools (both paid and unpaid) available to marketers, including advertising, sales promotion, events, public relations and publicity, direct marketing, and personal selling.

Positioning : Establishing a distinctive place in the minds of customers relative to the attributes possessed by or absent from competing products.

Sales Promotion : A short-term incentive offered to customers and intermediaries to stimulate faster or larger purchase.

Word of Mouth : Positive or negative comments about a service made by one individual (usually a current or former customer) to another.

Service Delivery System : that part of the total service system during which final "assembly" of the elements takes place and the product is delivered to the customer; it includes the visible elements of the service operation.

2.9 ASSIGNMENT :

1. What is the role of distribution system in tourism industry ?
2. Differentiate between the term publicity and advertising.
3. Explain the place or distribution network used in travel industry.
4. What is promotion and how to choose promotion media ?
5. Write a short note on methods of Sales Promotion.

2.10 ACTIVITIES :

1. Imagine you have recently started a domestic travel and tourism company in Ahmedabad. What mode of promotion you will select to sell you travel and tourism products and why ?

2.11 CASE STUDY :

Marketing and Promotion in the Hotel Industry in Family Hotel Group

Marketing shows its importance in every kind of tourist and hotel industry, since it presents itself as a tool that contributes to better management of hotel operations also help in defining appropriate strategies for their development, with the main objective, the increase in financial results. Thus, the thought of marketing and promotion strategy should be developed in a planned, staffed and structured to provide the enabling hospitality company to move the market in better condition that can ensure greater market share, making it possible to take the product or service to customers and potential customers. Marketing and promotion should define a set of actions for internal and external communication that can be put into practice by allowing hotel companies diversified forward messages with the aim of showing and raising awareness of the company, its products and services with ultimate goal of causing consumers consumer desire. To understand how marketing and promotion can take on this vital role for the hotel units, we did an exhaustive search to get collect information about : tourism, hospitality, hotel management, marketing and promotion (these topics that we consider crucial to our work research). To this was fundamental research in thematic books, consult scientific articles and academic theses already undertaken, the consultation of literature related to the two hotel units under study, conducting interviews with the direction of the family-run hotel unit for information about the hotel management and even a visit to the two hotels that were targeted by our research. After collecting and processing all the information and content that could meet the predefined objectives of our investigation, it was revealed that marketing and promotion is a vehicle of great importance for the management of hotels.

<https://vtechworks.lib.vt.edu/handle/10919/85354>

2.12 FURTHER READING :

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UNIT STRUCTURE

- 3.0 Learning Objective
- 3.1 Introduction
- 3.2 Types of Physical Evidence
 - 3.2.1 Peripheral Evidence
 - 3.2.2 Essential Evidence
- 3.3 Components of Physical Evidence
- 3.4 Elements of Physical Evidence
- 3.5 Marketing Mix – People
- 3.6 Employees the most Important People in Travel & Tourism
- 3.7 Importance of Customer (Tourist) Participation
- 3.8 Let Us Sum Up
- 3.9 Answer for Check Your Progress
- 3.10 Glossary
- 3.11 Assignment
- 3.12 Activities
- 3.13 Case Study
- 3.15 Further Reading

3.0 LEARNING OBJECTIVES :

After successfully comprehension of this unit learner will be able to :

- Know the concept of fifth P, i.e. Physical Evidence
- Understand types and components of physical evidence
- Acquainted about the elements of physical evidence
- Familiar with the concept of sixth P, i.e. People
- Know about employee as people and customer participation

3.1 INTRODUCTION :

The environments in which the service is supplied and where the firm and the client interact, as well as any tangible commodities that aid in the performance or transmission of the service, are considered physical evidence. Because tourism is such an intangible product, the location, the decor, the personnel, and everything else in the tourism office might all be tied to the experience in store. When tourists visit a museum for the first time, they remember not only the gorgeous edifice, but also all other aspects of the visit, such as the transportation options available, the nearby markets, the behaviour of the people, and so on. All of this is part of the tourist's purposeful endeavour to make the ethereal experience more tangible.

Physical evidence can be used by service firms with competing service goods to distinguish them in the marketplace and provide them a competitive edge. Customers who are unclear about whether or not they will appreciate the product benefit from physical proof such as facilities in tourism destinations. Their expectation and emotions toward the product will be influenced by the facilities like the room, restroom, furniture, temperature, atmosphere, lighting, etc. Because facilities are crucial as physical evidences for tourism experiences such as cruising, we must ensure that the cruise has spectacular decorating and facilities to ensure that clients are satisfied with the fantastic experiences as a product in cruising.

The provision of physical proof that a consumer has used a specific tourism product can aid sales. Professional photography of clients at important events or the distributions of branded merchandise are both successful tactics for advertising certain tourism items.

In the travel sector, where the product is being experienced, securing repeat customers is especially vital. To entice clients, substantial facilities that prove to be physical evidence are supplied. Uniforms for the personnel, enough parking, flat mattresses in business class, Wi-Fi access at the destination, tailored meals on board, and tele-checking 8-hour hotel reservations are among the tangibles. This entire case demonstrates the importance of facilities as physical proof in attracting clients and supporting travel incentive. As physical evidence, these amenities assist visitors in meeting their expectations of satisfaction with their purchases. When asked to leave a review on a hotel's internet pages, for example, most people will talk about their experiences with the hotel's hospitality and food, but they will largely talk about how nice the facilities are, such as whether there is a gym, private pool, spa, or other amenities. Physical evidences also elicit anticipation by providing high-quality clues, which are subsequently used to form an image. It also influences perception through picture creation, lowering perceived risk and cognitive dissonance following the purchase.

Physical evidence is used by customers in the service industry to get clues about the service provider's skills and the level of service provided. Physical evidence includes the physical setting, communication channels and content, service employees, tangible components associated with the service, and the brand.

The physical environment is made up of the layout of the service centre, the atmosphere, and the aesthetics. Customers enjoy their service experience because to a well-designed layout, adequate lighting, music, and images, and a pleasant and appealing environment of the outlet. Placing signs where they are needed and displaying the service charge chart makes it easier for clients to serve themselves and improves their experience.

Physical proof is the location and setting where the customer buys and/or consumes the product as part of the marketing mix. It is the setting in which the corporation and the customer interact during the product exchange.

Originally, this only applied to service products, but the distinction between service and physical objects has blurred. Companies that sell both service and physical products want to keep track of the product's physical evidence since it affects the total customer experience.

It is a method of controlling and adding value to a product through the presentation of intangible characteristics.

3.2 TYPES OF PHYSICAL EVIDENCE :

Physical evidence is the process by adding value to the intangible aspects of a product and there are two types :

- Peripheral evidence and
- Essential evidence

3.2.1 Peripheral Evidence :

Peripheral evidence is useful in the acquisition process, but it isn't worth much on its own. It is the product's extra features that contribute to the ultimate purchase decision.

Simple things like restaurant napkins, cardstock used for receipts or product information, or product packaging are examples of this. Peripheral evidence has very little weight on its own. However, when employed in conjunction with a product or service, it can add value to the product's intangible qualities.

3.2.2 Essential Evidence :

The products, components, or pieces used by a corporation to execute their product are essential evidence, as opposed to peripheral evidence. This may be, for example, the ingredients used in a restaurant's food. Linens, towels, and hotel-provided toiletries are examples of what a hotel might supply. It could also be the types of things that a rental company offers when it lends out its rentals.

The customer may or may not have essential evidence, but it does add to the perception of a product's or service's worth. When creating the physical evidence component of the marketing mix, one of the most crucial aspects to consider is essential evidence.

You can establish a holistic strategy to this component of the marketing mix by addressing the many sorts of physical proof. It's a feature that adds value by paying attention to the smallest details.

3.3 COMPONENTS OF PHYSICAL EVIDENCE :

Physical evidence is made up of several different elements. These are the things to think about when creating this part of the marketing mix. The elements listed above are the overall aspects to keep in mind while considering this aspect of the marketing mix. The following are some of the elements :

1. **Physical Environment :** The physical environment refers to the customer's position and surroundings at the time the product is consumed. This is a necessary part of physical proof. It has the ability to set the tone and mood, as well as play a significant role in the perception of value.

The mood, layout, and any other environmental characteristics are all examples of physical environment elements. Paying close attention to the physical environment in which your product or service is consumed is a significant aspect in establishing your brand's value.

2. **Spatial Layout :** The spatial layout is a component that interacts with the physical surroundings. This is the setup of the environment. This is how a retail store, for example, circulates customers through the business. This has an impact on how customers buy products and how they experience them.

3. **Ambiance** : Another aspect of physical evidence is ambiance. It is an important aspect in determining the physical environment's mood. Lighting, music, personnel attire, and a variety of other evidentiary components will all contribute to the ambiance aspect. Ambiance refers to how you set the tone for the experience you want your customer to have.
4. **Corporate Branding** : Physical evidence also includes branding. This has a significant impact on how a customer sees your company. Branding can be found in a variety of places throughout the marketing mix. However, branding has a role in the intangible components of the client experience, thus it has a place in physical evidence. As a result, your brand contributes to the customer's view of your product.
5. **Consistency** : Physical evidence relies heavily on consistency. You want a consumer to know that there is an expectation of what they will get when they utilise your goods. Then, through consistency, you'll be able to meet that expectation. Consistency helps to mitigate a lot of the risk that a buyer faces when trying out a new product.

3.4 ELEMENTS OF PHYSICAL EVIDENCE :

The clients' five senses play a role in the physical evidence you collect and how you manage it. It's all about controlling the customer's five senses. To manage it, you use all of the components we outlined earlier to control clients' sensory intake. What the customer feels in this regard is mostly determined by what you offer for their senses. These elements are how you should think about incorporating it into your marketing mix. It's how you organise your approach and select the techniques you'll employ.

Physical evidence can be used in a variety of ways to create the appropriate environment for your customer. The components of physical evidence are made up of elements. These are the tools you can use to control and manage your customer's senses.

Location design, equipment used, air quality, lighting, noise, music, employee dress code, parking situation, colours, cutlery, furnishings, billing paper, and business card cardstock are all examples of physical evidence.

These are only a few of the aspects of the physical evidence component of the marketing mix that can be managed. There is a place for everything. They all add to the customer's overall experience. You may determine which items to focus on by determining which elements suit with your business. The tangible evidence component of your marketing mix can then be created. When it comes to many intangible aspects of product consumption, creating an experience for your customer can assist offer and explain value. Physical evidence is an important technique for doing this. While this is most commonly linked with service products, it can also be applied to physical things. When evaluating how your product performs, one factor to consider is physical evidence as part of the marketing mix.

3.5 MARKETING MIX – PEOPLE :

It is extremely significant in the tourism industry. Local people are incredibly important in people's lives, and how they treat tourists is very important. The individuals are the travel agents, guides, travel company employees, salespeople, and so on. People also include travel companies such as railways,

airlines, and so on. Normally, a tourist guarantees the quality of tourism, such as hotels and travel agencies. Travel agents, tour guides, and travel company employees. Their competence, efficiency, expertise, motivation, and customer service are critical. The mix of people comprises employees, customers, and others who contribute to the tourism environment.

Personnel who cater to the demands of tourists are an important component of tourism marketing. Behind the counter, the salespeople are in charge of dealing with the customers. Customers interact with airline and transportation crews while travelling. When tourists arrive at their location, representatives from the resort or hotel pay attention to their needs.

The people factor in tourism marketing is made up of tourist guides who engage with clients at tourist attractions. The contract workers will need to be trained in interpersonal skills as well as product expertise. Travel agents and travel guides are the two most essential persons in the tourist sector who speak a lot about it. As a result, they must always perform at their highest level. Travel guides, in particular, are expected to have a lot of patience, a good sense of humour, tact to turn infrequent tourists into regulars, extensive knowledge of the areas, linguistic abilities, and so on.

3.6 EMPLOYEES THE MOST IMPORTANT PEOPLE IN TRAVEL & TOURISM :

Employees are those who are responsible for selling a product or service, designing it, leading teams, representing customers, and so on. Anyone directly or indirectly involved in the business side of the firm is included in the 'people' element of the 7Ps.

Professionalism and customer service are critical in the service business. Customers have a hard time distinguishing between the person they're talking to and the service they're getting. This demonstrates how important customer service is to your company. As a result, any employee who interacts with customers must be adequately trained.

Many tour operators are putting a lot of effort into training their employees in interpersonal skills, customer service, and customer satisfaction. They must also be trained in order to have a thorough understanding of your goods.

If you don't have the appropriate people behind you, it's pointless to have a wonderful brand, unique product, or amazing social media presence. It's critical to your company's sustainability that all of your employees, no matter how behind-the-scenes or customer-facing, receive enough training and has a thorough awareness of their roles and the impact they have on the company.

As a travel and tour firm, you don't want a manager who isn't good with people, just as you can't have a customer service agent who isn't sympathetic to your customers' problems. These staffs share the company's goal and are aware of the tourists' expectations and requirements. Employing and retaining the proper people is critical to your company's long and short-term success.

3.7 IMPORTANCE OF CUSTOMER (TOURIST) PARTICIPATION :

The importance of customer (tourist) feedback in directing and improving the experience cannot be overstated. Feedback can be requested at numerous consumer touch points to better understand what is going through a tourist's mind

at any one time, and it can provide insight into pain points and places for development.

However, in the age of social media, customer (tourist) participation, or the active involvement of customers in your brand, is becoming increasingly valuable. Social media is an effective tool for enlisting tourist engagement in ways that go beyond simple comments. Instead, participation allows those who care about your brand to contribute to its culture, express their desires for new products, raise awareness about issues that matter to them, and provide executives with a closer look at how their own customers' voices can shape their brand and future as a company.

❑ Check Your Progress :

1. _____ influence the buyers perceptions namely, the firms personnel, the customer and other customers in the service environment.
 - a. Process
 - b. Physical environment
 - c. People
 - d. Place
2. The environment in which the service is delivered and where the firm and customer interact is called as _____.
 - a. Physical evidence
 - b. Process
 - c. Place
 - d. People
3. Which of the following is not an element of physical evidence ?
 - a. Employee Dress
 - b. Employee Training
 - c. Equipment
 - d. Facility Design
4. A well printed wild life safari ticket is primarily an example of which element of the marketing mix ?
 - a. Physical evidence
 - b. Packaging
 - c. Price
 - d. place
5. Providing logo printed on paper napkin in at a coffee shop is _____ type of Physical evidence.
 - a. Peripheral evidence
 - b. Essential evidence
 - c. Both
 - d. None of them
6. Which of the following is not a component to physical evidence ?
 - a. Physical environment
 - b. Brand
 - c. Spatial Layout
 - d. Ambiance
7. In service marketing participation of _____ is required to avail service.
 - a. Customer
 - b. Travel Agent
 - c. Both a and b options
 - d. None of the above options
8. In 7 P's of service marketing 'People' means both customer and _____.
 - a. Travel Consultant
 - b. Tour Manager
 - c. Touri Guide
 - d. All of the above options

3.8 LET US SUM UP :

People are an important component of the marketing mix. This includes anyone who is directly or indirectly involved with the product or service. Not all of these individuals communicate with customers. Employees are important and essential people associate with another people known as customers. The concept of physical evidence is further studied in this unit. Everything your customers see while dealing with your company is referred to as physical evidence. This comprises the physical setting in which service is provided. This is the setting in which the service is supplied and where the firm and the client interact, as well as any tangible commodities that aid in the performance or transmission of the service, are examples of physical evidence. Hope these concepts sinks in learner's mind in order to have enhanced knowledge in upcoming topics.

3.9 ANSWER FOR CHECK YOUR PROGRESS :

Check Your Progress :

- | | | | |
|------|------|------|------|
| 1. c | 2. a | 3. b | 4. a |
| 5. a | 6. b | 7. c | 8. d |

3.10 GLOSSARY :

Essential Evidence : It is provided by those tangibles, without which the service cannot be delivered.

People Processing : Services that involve tangible actions to the people.

Physical Intangibility : Service elements that are not accessible to examination by any of the five senses; (more narrowly) elements that cannot be touched or preserved by customers.

Physical Evidence : Visual or other tangible clues that provide evidence of service quality.

Peripheral Evidence : It 'adds to' the value of essential evidence only as far as the customer values these symbols of service.

3.11 ASSIGNMENT :

1. Define the term physical evidence. Explain it with relevant example from travel industry.
2. What are the various components of physical evidence ? Explain the components also.
3. Differentiate between terms peripheral evidence and essential evidence in service products.
4. How will you elaborate the term people in context with marketing mix ?
5. Explain the most important people of tourism sector, i.e. people.

3.12 ACTIVITIES :

1. Choose any hotel from your locality (preferably star category) and find out which method they have applied in order to improve physical evidence components.

3.13 CASE STUDY :

McDonald's in India

McDonald's is a leading international fast food restaurant chain with 30,000 restaurants spread across the globe. As per ACNielsen's Informal Eating Out (IEO) survey of branded food chains in India, McDonald's was found to be the leader in fast food chains. The caselet discusses the product strategy, pricing policy, and supply chain management practices of McDonald's in India. The caselet focuses on McDonald's emphasis on training and development of its employees. Finally, it describes the physical environment at McDonald's outlets and the promotional strategy followed by the company.

Issues :

- Training and development of employees in service industry.
- Factors influencing pricing decisions in food retailing industry.
- Importance of physical evidence in food retailing business.

Introduction

McDonald's is a leading international fast food restaurant chain with 30,000 restaurants spread across the globe. In India, it launched its operations in 1996, with two stores. It now has 54 restaurants with a daily inflow of 500,000 customers.

It plans to add 15 more outlets by the end of 2004. As per the Informal Eating Out (IEO) survey involving the survey of branded food chains in India, conducted by ACNielsen, McDonald's was found to be the leader in fast food chains. Many factors can be attributed to the success of McDonalds Indian operations...

Questions for Discussion :

1. The services marketing mix consists of three additional elements like people, process, and physical evidence apart from the traditional marketing mix elements such as product, price, promotion, and place. How McDonald was able to utilize these additional three elements to market its services ?
2. The proliferation of western fast-food chains such as McDonald's, Pizza Hut, Subway, and Dominos in the Indian market has only been a recent phenomenon. What are the reasons that have contributed to the increased popularity of western fast food chains in India ?

<https://www.icmrindia.org/Short%20Case%20Studies/Services%20Marketing/CLSM017.htm>

3.14 FURTHER READING :

1. Kotler P. (2012). Marketing Management, Pearson Education, New Delhi.
2. Christopher H Lovelock & Lauren Wright (1999). Principles of Service Marketing and Management, Pearson, London.
3. Manjula Chaudhary (2010). Tourism Marketing, Oxford Higher Education, Delhi.
4. Philip T. Kotler, Gary Armstrong, Prafulla Agnihotri (2018). Principles of Marketing, Pearson, Chennai.

UNIT STRUCTURE

- 4.0 Learning Objective
- 4.1 Introduction
- 4.2 The Tour Operation Process
- 4.3 Tourism Business Processes/Procedures
 - 4.3.1 Benefit of Processes
 - 4.3.2 Standards of Processes
 - 4.3.3 How to Standardising Key Business Activities
 - 4.3.4 Ways to Create Effective Processes
- 4.4 Marketing Mix – Packaging
- 4.5 Types of Tourism Package
- 4.6 The Role of Packaging in Tourism Marketing
- 4.7 Advantages of Package to Visitors
- 4.8 Advantages of Package for the Business
- 4.9 Packaging Development Strategy
- 4.10 Key Points Consider for Packaging
- 4.11 Let Us Sum Up
- 4.12 Answer for Check Your Progress
- 4.13 Glossary
- 4.14 Assignment
- 4.15 Activities
- 4.16 Further Reading

4.0 LEARNING OBJECTIVES :

After understanding this unit learners will have knowledge and its objectives are :

- To know the seventh P, i.e. Process
- To understand the benefits, standard process and create effective process
- To acquaint about the eighth P, i.e. Packaging
- To know the role of packaging and advantage of packaging (to tourist & business)
- To develop packaging strategy and points to consider for packaging

4.1 INTRODUCTION :

This refers to the many steps of a service delivery procedure to a consumer. Unlike tangible items, which are maintained in stock and ready for purchase at any time, services frequently require pre booking in order to meet client expectations and requirements.

A process is a set of steps that are followed to deliver a product or service to a consumer. Examining the process entails looking at things like the sales funnel, payment systems, distribution procedures, and customer relationship management.

But simply following the procedures isn't enough. Each step you take and the methods you choose to utilise for these procedures must be done in a way that reduces your expenses while increasing the benefits and value for your visitors. As a tour and activity provider, you must ensure that all steps of the processes leading up to the execution of your service are meticulously planned and carried out.

4.2 THE TOUR OPERATION PROCESS :

Most tour and activity operators are as follows :

1. **Tour Information :** Travel information must be available in an accessible position where a potential customer can look up information about their tour.
2. **Preparing Itineraries :** This is the sequence of steps that must be completed in order to schedule a tour.
3. **Liaising with Service Providers :** Contracts with various service providers, such as transportation companies, hotels, sightseeing coaches, and so on, must be in place before travel may be marketed to a customer.
4. **Planning and Costing Tours :** You can begin organising and budgeting the tour once the contracts and preparations are finalised. This will be determined by the itinerary chosen as well as personal preferences.
5. **Ticketing :** This typically involves online reservation systems and booking software.

4.3 TOURISM BUSINESS PROCESSES/PROCEDURES :

Processes/procedures explain how you want your business to operate. For example, a tourism or hospitality business may want to :

- Put a process in place to achieve sales
- Create mandatory procedures for staff that are opening and closing the business daily
- Set a standard (policy) for staff clothing and quality of customer service.

4.3.1 Benefit of Processes :

Developing processes, procedures, and standards is especially vital if you're just starting out in business or trying to rehabilitate or develop an underperforming one. Training and induction programmes, as well as formal processes such as employee performance reviews, rely heavily on business processes.

By enhancing efficiency, formalised processes and procedures for your firm can save you time and money. By following established processes and procedures, your employees will be able to do more in less time, and you will be able to spend less time managing the day-to-day operations of the company. This involves providing efficient tourist service. Processes can also help your employees produce consistent products and services.

4.3.2 Standards of Processes :

By establishing business process standards, you can establish benchmarks for your employees to meet. For example, you might establish a customer service standard that requires you to be pleasant, complete transactions within a particular amount of time, and do everything possible to satisfy customer demands. This can help your customers, suppliers, and/or distributors have a better experience with you.

Customers that have a good experience are more likely to come back and are less likely to complain about your company.

4.3.3 How to Standardising Key Business Activities :

It's important to create processes, procedures and standards for your key business activities. Depending on your individual business, these may include :

- customer service (including a customer service program and after-sales service)
- sales practices and sales policies (e.g. guarantees, warranties and refunds)
- marketing and promotion (including online marketing and social media)
- staff training and performance reviews
- energy efficiency and environmental considerations (e.g. water restrictions)
- management responsibilities
- record keeping, privacy laws, reporting and money management
- use of technology (e.g. rules around staff internet usage) and mobile phones.

4.3.4 Ways to Create Effective Processes

In order for all of tourism business's processes to be effective, they must be :

- Documented (e.g. it's a good idea to create a 'standard operating procedures' manual)
- Grounded in the vision and strategy of your business and aligned to your values
- Clear about general business procedures as well as role-specific procedures
- Part of your staff training program, and made available in a user-friendly format afterwards (e.g. on paper or electronically as a PDF)
- Practiced by management, so other staff will follow their lead
- Discussed regularly in meetings (including positive and negative feedback)
- Open to improvement
- Designed to empower and inform, rather than constrain staff
- Regularly reviewed and updated (especially due to legislative or compliance changes that affect your business).
- Contact your business adviser if you need help creating effective procedures, processes and standards for your business.

These procedures need to be well-managed. There are apps, platforms, and programmes available in this amazing age of technology to ensure that the tourism industry runs smoothly and consistently. If you get this correctly, your customers

will know exactly what to expect, which they will appreciate. If you get this incorrect, you'll lose contact with your prospects and find it difficult to create a customer base.

4.4 MARKETING MIX – PACKAGING :

When opposed to buying the things separately, a package combines two or more products to give the customer and market group being targeted an advantage. Transportation, lodging, meals, sights, and entertainment are all core holiday components that can be thoughtfully blended into a whole bundled trip. Customers benefit from packages because they offer better convenience or a lower price.

Traditional objections to packaging, such as the belief that it is unattractive or only suitable for inexperienced travellers, large groups, or senior vacationers, are becoming obsolete. Packages can be appealing to other customers, such as the rising free and independent traveller (known as FITs) market, with the emergence of more flexible packing methods that represent good value for money. Flexible packages can be customised to match the demands of FITs by include components that appeal to their travel ideals, for example.

If you have a tangible, physical product, packaging relates to not only how it is wrapped, but also how it is presented overall and how its physical arrangement is designed to attract customers. Your packaging is a vital part of your brand.

Many products' success depends on their packaging. It's commonly referred to as the "silent salesman." Some customers utilise product packaging to determine the product's perceived value and quality.

4.5 TYPES OF TOURISM PACKAGES :

1. **All-Inclusive Packages :** Travellers who choose an all-inclusive package pay a single charge for their whole stay. Flights to and from a clearly defined departure point, airport transfers, hotel accommodations, meals, snacks, alcoholic and non-alcoholic beverages, and some activities are frequently included in the price. Beach holidays (sea/sun/sand) are popular, but the concept may be altered to suit any destination.
2. **Packages for Groups :** A group inclusive tour (GIT) is a pre-paid tour for a set number of individuals who will travel together. The majority of group trips in the NWT have a minimum of ten individuals. GITs typically include escorted travel on chartered transportation (buses, flights, and boats) as well as all baggage handling, admission fees, taxes, and certain meals. Long itineraries involving a range of tourism services, transportation, lodgings, and sights are frequently served by this sort of tour offering. The various forms of group inclusive tours are listed below.
 - **Escorted Tour :** A group tour travelling to a destination with an expert guide.
 - **Non-Escorted Tour :** A group tour travelling to a destination without an expert guide.
 - **Affiliated Tour :** A tour where a group of people has a special common affiliation with each other. For example, a family and group of friends travel to a destination in a group

- **Non-Affiliated Tour :** A tour where a group of people does not have a special common affiliation with each other. For example, a day-tour of a city by bus.
- **Operator-Based Tour :** A group tour that is arranged and managed by a tour operator.
- **Non-Operator-Based Tour :** A group tour that has not been arranged by a tour operator.

3. Packages for Individual Travellers : Individual visitors are often referred to as totally self-contained tourists (FIT). Individual travellers choose and design their own travel itineraries and schedules. On sites like Expedia or Travelocity, the rise of booking services that allow travellers to build their own unique and specialised itineraries has made it easier for FITs to arrange their own unique and specialised itineraries. Set packages are usually unappealing to FITs since they have the flexibility to create packages tailored to their individual interests.

Packages for solitary travellers, on the other hand, are on the rise. For example, for safety reasons, lone female travellers may choose to travel in a small group of other solo female travellers.

4. Dynamic Packaging : Instead than selecting a pre-defined package, travellers can create their own by combining flights, hotels, and auto rental. In contrast to standard package tours, the pricing for this sort of tour is always based on current availability. Escorted group tours are uncommon, while trip-specific add-ons like airport parking and performance tickets are frequently available. Due of the product's large margins, complexity, and high sale price, dynamic packages are primarily sold online, however online travel firms will also sell by phone.

5. Special-Interest Tourism : Special-interest tourism, sometimes known as "niche tourism," is a type of tourism that caters to travellers' unique interests. It denotes a more meaningful form of experience—one tailored to the traveller's preferences. This could indicate that travellers are driven to travel for the purpose of participating in a current interest or developing a new one in a new or familiar region. Special interest tourism could be viewed as a viable alternative to "mass tourism" (tourism in which large numbers of people from different parts of the world travel to the same place, often at a beach destination or large resort). Leisure activities, adventure activities, cultural or educational activities, and so on can all be included. The following are some examples of special interest tourism :

- Culinary tourism,
- Indigenous tourism,
- Shopping tourism,
- Cultural/heritage tourism,
- Bird watching, and
- Cycling tours.

6. All Inclusive Tour Package : Tourism packages may include a wide variety of components, and will vary according to a key element or theme. Typical components of tourism packages include :

- Transportation to or within the destination area (flights, vehicle or bicycle rental; van, boat or bus transport);
- Accommodations en route or at the destination (hotel, motel, bed and breakfast, cottage, campground);
- Meals at or en route to the destination (bed and breakfast plan, all meals included, meal vouchers at a variety of restaurants);
- Activities or entertainment, which may be the main reason for the package or be secondary to the tour (adventure, recreational or educational activities; workshops or conventions; visits to museums or galleries; evening slide presentations; sightseeing);
- Mementoes or souvenirs (T-shirts, photos of the client participating in an activity, gifts of local arts or crafts);
- Related services (interpreters, translators, guides, instructors, equipment rental or sale, equipment service, welcome reception, baggage handling); or
- Extra and/or creative elements (photo service and film delivery, self-help coffee/drinks, discount coupons from local gift stores).

4.6 THE ROLE OF PACKAGING IN TOURISM MARKETING :

Companies that make consumer goods devote a lot of time and money to product packaging design. Packaging is essential because it safeguards the actual product until it is sold. The product package, on the other hand, is crucial since it conveys information to the consumer. The name of the product, information on the ingredients, the location where the product was manufactured, and the product price are all examples of this information. Furthermore, the package's physical design is employed to communicate the benefits that the consumer will obtain from consuming the product. An appealing package that conveys the product's benefits through words and graphics aids the consumer in making a purchasing decision.

Packaging takes on a new meaning in tourism marketing. A physical container around a product is not used in tourism packaging. Packaging, on the other hand, is the process of combining, or bundling, the primary tourism product with extra services that tourists demand. Tourists are then promoted the package, and they can easily purchase their preferred holiday experience.

4.7 ADVANTAGES OF PACKAGE OFFER TO VISITORS :

A lot of benefits are available to potential tourists who purchase a package. Tourists can save time by purchasing a package that reduces the amount of time they need to spend exploring what the city has to offer. Tourists like package deals because they get everything they need for their trip, including lodging and activities, for a single price.

- **Customer Convenience :** Packages reduce the time and money spent looking for key product and booking information on a destination.
- **Savings :** Packages reduce the cost of products and services and provide greater discounts and better value for money.
- **Ease of Payment and Planning :** Travel arrangements are generally pre-paid and confirmed prior to travel or handled by tour staff or guides.

- **Low Stress :** Packages relieve travel anxiety for new and older travellers, satisfying their need for security, reliability and companionship.

4.8 ADVANTAGES OF PACKAGE FOR THE BUSINESS :

Packaging has numerous benefits for the host business as well as partnering businesses as it :

- **Increase the Saleable Product :** Increases the number of sellable features, allowing the business to appeal to wider markets. Creates unique products, because elements are usually different than the packages of other tours.
- **Provides Newer Business Opportunity :** Packages gives opportunity to partner with well-established businesses that offer high-quality products.
- **Development of Tourism :** Facilitates tourism and regional economic development by increasing demand for some components of packages. Encourages participation in tourism development.
- **Maximise Revenue and Reduce Costing :** Packages maximize revenue for the package partners by decreasing marketing costs and increases marketing effectiveness through a well organized effort.
- **Control Over Visitor's Experience :** Enables operators to provide control over the visitor's experience through the selection of appropriate partners.

4.9 PACKAGING DEVELOPMENT STRATEGY :

A packaged tour combines aspects that would be difficult to plan individually, such as transportation, lodging, meals, attractions, and entertainment, into one convenient package. Here are six ways to package tourism items in order to increase revenue.

1. Pricing :

Product development, entry and guide fees, meals, maintenance, and marketing expenditures should all be included in the price of your products, which should be determined 12 months in advance. If you wish to collaborate with other tour companies (which you should), make sure you :

- Everyone has a good profit margin.
- You have allowed for unexpected costs.
- You have determined product break-even points.

It's also a good idea to enlist the help of everyone involved in promoting and selling the package. If you want to save money on your bundle, don't sacrifice quality. It should be your very last resort. Think about other ways to make your excursions more competitive.

2. Commission :

You'll need to think about the commission you pay your agents depending on the market you're targeting. Depending on the type of agent involved, it ranges from 10% to 30%. If your target market is outside of the United States, you'll almost certainly be working with an inbound tour operator, who will demand a 25–30% commission.

3. Legal Implications :

Be aware that wholesalers and retail travel agents must

- Provide explicit conditions of sale.
- Be selective with product endorsements.

You don't want to be involved in a customer complaint for your failure to deliver or misleading advertising.

4. Package Promotion :

How you distribute your package will determine your success. You should conduct product and package familiarisations for retail agents, wholesalers, and sample target markets.

- a. Packaging for Overseas :** Contact distributors who understand international packages and markets. You may not even need to create a package, because the ITO may bundle a range of products, including yours, for a wholesaler. Remember to screen your overseas resellers, too.
- b. Packaging for Domestic Markets :** It's recommended to start domestic before going international, because it's less expensive and complicated. Target the following groups :
 - Clubs and associations members (particularly those that cater to retirees)
 - Schools and educational institutions (if your product has educational content, create an excursion package)
 - Families (they will want the value for money)

Remember to include special interest groups and individuals in your marketing – for example, sports, festivals, arts, and 4-wheel drive enthusiasts.

5. Complementary Product Packaging :

Partnering with other tour operators who offer complementary products is a smart way to reduce your promotion costs while making your package more appealing. For example, you can offer

- A range of products from an area to specific niches with related interests.
- A selection of products in a destination where a customer can create a personalized itinerary.

6. Timing :

Last but not least, there's the issue of timing. Remember to factor in your peak season and the most popular time of year for your target markets when determining your availability. Tour packages, on the other hand, can sometimes be the ideal solution for your off-peak season.

You may speed up the process by using online booking software that allows agents to verify your availability and book your services right away. Make sure it isn't dependant on a commission so it doesn't eat into your revenues.

4.10 KEY POINTS TO CONSIDER FOR PACKAGING :

- Create a package that is people and market oriented. Be pro-active in materialising the concept into reality.
- Do not discount to a point where you sacrifice profits and/or quality.

- Price clearly and competitively to make sure all elements including commissions are included in cost.
- Create a package with components that can readily be mixed and matched to appeal to different identified markets.
- Plan well in advance then regret in future and allowing adequate promotion and booking time.
- Expect gradual financial returns.
- Ensure your staffs are well trained, well informed and enthusiastic.
- Retain a degree of flexibility to appeal to the more independent traveller.
- Be sure that you deliver on your promise.

❑ **Check Your Progress :**

1. Packaging is important not only for protection of the product but also serves as _____.
 - a. Quality product
 - b. Complex graphics
 - c. Promotional tool
 - d. Promotion budget
2. The packaging concept states what the package is the bundle of product or service offered.
 - a. True
 - b. False
 - c. Can't Say
3. Which of the following involves designing or wrapper for a product ?
 - a. Labeling
 - b. Packaging
 - c. Branding
 - d. Product line
4. Which of the following is not the function of packaging ?
 - a. Product protection
 - b. Pricing objectives
 - c. Promotion
 - d. Product identification
5. A automated or web check-in airline is primarily part of which of the marketing mix elements ?
 - a. Product
 - b. Physical evidence
 - c. Price
 - d. process
6. Which is/are the advantage of package tour to customer ?
 - a. Customer convenience
 - b. Savings time and money
 - c. Ease of payment and planning
 - d. All the above options
7. Which is not the benefit of process ?
 - a. Consistent results
 - b. Standard benchmark
 - c. Time taking
 - d. Enhance performance
8. A process is a set of steps that are followed to deliver a service to a consumer.
 - a. True
 - b. False
 - c. Can't Say

4.11 LET US SUM UP :

In this unit learner will encounter two important concepts of marketing mix, that is process and packaging. The processes involved in delivering your products and services to customers are referred to as processes. It's also about being simple to work with. Having a good procedure in place guarantees that you consistently

provide the same level of service to your consumers. This increases efficiency and saves time and money. Packaging is what presents your goods in the best light, indicates its price and value, communicates the product's benefits to consumers, and appears in your numerous distribution locations.

4.12 ANSWER FOR CHECK YOUR PROGRESS :

Check Your Progress :

- | | | | |
|------|------|------|------|
| 1. c | 2. a | 3. b | 4. c |
| 5. d | 6. d | 7. c | 8. a |

4.13 GLOSSARY :

Escorted Tours : A form of tourism in which travellers are escorted in a group to various destinations.

Free Independent Travellers : FITs are travellers who plan their own trips and prefer to travel alone or in small groups.

Group Inclusive Travel : GIT comprise groups of travellers that share a particular mutual affiliation, such as belonging to the same club or business organisation.

A Promotional Package : It is a collection of media products and contents that is created to attract the target audience attention towards the product being promoted.

Process : A particular method of operations or series of actions, typically involving steps that need to occur in a defined sequence.

4.14 ASSIGNMENT :

1. Discuss the term process in terms of tour operation.
2. What is standard operating procedure in order to have seamless work ?
3. Enlist and explain the benefits of process.
4. What is packaging in marketing mix, elaborate its types as well ?
5. How tour packages are advantageous to both visitors and tourism Business Company ?

4.15 ACTIVITIES :

Consider a travel and tourism company in your city, analysis various procedure of making a tour package for visitors.

4.16 FURTHER READING :

1. Neelamegham. S. (1998).Marketing in India : Cases & Readings, Vikas, New Delhi.
2. Ramasamy V.S. & Namakumar. S. (1990).Marketing Management : Planning & Control, Macmillan, New Delhi.
3. Christopher H Lovelock & Lauren Wright (1999). Principles of Service Marketing and Management, Pearson, London.
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BLOCK SUMMARY

The marketing mix's purpose in tourism is to attract clients or tourists to the destination, product, or service that the tourism company wants to sell. The product, pricing, promotion, and place or distributions are the four components of the marketing mix in tourism.

A product is made up of both tangible and immaterial components. It is only possible to enjoy the tourism product, which is primarily the destination. The tourist product includes the views of the area, travel to the destination, accommodations and facilities, as well as entertainment at the destination. As a result, it's a composite product that combines attractions, amenities, and transportation. Each of these components has its own significance in the product mix, and the product mix is incomplete without even a single component.

Another important part of the marketing mix's impact in tourism is pricing. Pricing must be set in such a way that any rival delivering the same or a similar service is comparable. To put it another way, if the tourist activity is kite sailing and there are two other kite sailing companies in the vicinity, the firm that is starting a new kite sailing company should look at what their competitors charge.

The role of place in the marketing mix is to connect the product or service with the client, customer, or tourist. If the product is a tourist attraction, this part of the marketing mix comprises placing it on store shelves or finding other means to bring it in front of paying tourists. When it comes to tourism services, it usually means attracting people to the location where the service is provided.

Promotion is the role of the marketing mix in tourism. 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. In tourism, promotion is an important part of the marketing mix. It includes all of the ways in which the company markets and advertises its products and services. This could involve traditional marketing techniques like posting advertisements in tourist magazines and providing discount coupons in trip guides. It could also entail going from hotel to hotel in the area and leaving a postcard or flier advertising the service at each one.

Physical proof of what tourists are paying for when they schedule tours. Make sure the hotel room, meals, sightseeing visits, vehicles, and other aspects of the tour are in good working order. Tourists should feel, see, and experience the tour and activities in a unique way.

Investing in the right workers (people) for the travel and tour industry is essential for offering a wonderful visitor experience. Hiring energetic and entertaining tour guides can assist attract more tourists to the business while also improving the overall tourist experience ?

Ensure that excursions operate on time, and that guests receive the experience that has been promised. To keep booking tours, you must provide your ultimate product. Make sure you're in control of your business. Customers should not have to wait lengthy periods of time; instead, they should be forced to walk for extended periods of time. In short, ensure that your trips and activities operate smoothly, and that the delivery process is painless.

BLOCK ASSIGNMENT

Set – I : Short Question Answer

1. Write a short note on Pricing Components.
2. What are the various forms of promotions ?
3. How customer as a people is important for tourism organisations ?
4. What are the key points to be considered for making a tour package ?
5. Write a short note on Package Development Strategies ?
6. How to standardise the key business activities ?

Set – II : Long Question Answer

1. What is product life cycle, explain its various stages ?
2. Define the term advertising. What are the important features of advertising ?
3. What is the concept of physical evidence, explain the elements of it ?

**Airline and
Tourism Marketing**

❖ **Enrolment No. :**

1. How many hours did you need for studying the units ?

Unit No.	1	2	3	4
No. of Hrs.				

2. Please give your reactions to the following items based on your reading of the block :

Items	Excellent	Very Good	Good	Poor	Give specific example if any
Presentation Quality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____ _____
Language and Style	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____ _____
Illustration used (Diagram, tables etc)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____ _____
Conceptual Clarity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____ _____
Check your progress Quest	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____ _____
Feed back to CYP Question	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____ _____

3. Any other Comments

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AIRLINE AND TOURISM MARKETING



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ROLE OF SELF INSTRUCTIONAL MATERIAL IN DISTANCE LEARNING

The need to plan effective instruction is imperative for a successful distance teaching repertoire. This is due to the fact that the instructional designer, the tutor, the author (s) and the student are often separated by distance and may never meet in person. This is an increasingly common scenario in distance education instruction. As much as possible, teaching by distance should stimulate the student's intellectual involvement and contain all the necessary learning instructional activities that are capable of guiding the student through the course objectives. Therefore, the course / self-instructional material are completely equipped with everything that the syllabus prescribes.

To ensure effective instruction, a number of instructional design ideas are used and these help students to acquire knowledge, intellectual skills, motor skills and necessary attitudinal changes. In this respect, students' assessment and course evaluation are incorporated in the text.

The nature of instructional activities used in distance education self- instructional materials depends on the domain of learning that they reinforce in the text, that is, the cognitive, psychomotor and affective. These are further interpreted in the acquisition of knowledge, intellectual skills and motor skills. Students may be encouraged to gain, apply and communicate (orally or in writing) the knowledge acquired. Intellectual- skills objectives may be met by designing instructions that make use of students' prior knowledge and experiences in the discourse as the foundation on which newly acquired knowledge is built.

The provision of exercises in the form of assignments, projects and tutorial feedback is necessary. Instructional activities that teach motor skills need to be graphically demonstrated and the correct practices provided during tutorials. Instructional activities for inculcating change in attitude and behavior should create interest and demonstrate need and benefits gained by adopting the required change. Information on the adoption and procedures for practice of new attitudes may then be introduced.

Teaching and learning at a distance eliminates interactive communication cues, such as pauses, intonation and gestures, associated with the face-to-face method of teaching. This is

particularly so with the exclusive use of print media. Instructional activities built into the instructional repertoire provide this missing interaction between the student and the teacher. Therefore, the use of instructional activities to affect better distance teaching is not optional, but mandatory.

Our team of successful writers and authors has tried to reduce this.

Divide and to bring this Self Instructional Material as the best teaching and communication tool. Instructional activities are varied in order to assess the different facets of the domains of learning.

Distance education teaching repertoire involves extensive use of self- instructional materials, be they print or otherwise. These materials are designed to achieve certain pre-determined learning outcomes, namely goals and objectives that are contained in an instructional plan. Since the teaching process is affected over a distance, there is need to ensure that students actively participate in their learning by performing specific tasks that help them to understand the relevant concepts. Therefore, a set of exercises is built into the teaching repertoire in order to link what students and tutors do in the framework of the course outline. These could be in the form of students' assignments, a research project or a science practical exercise. Examples of instructional activities in distance education are too numerous to list. Instructional activities, when used in this context, help to motivate students, guide and measure students' performance (continuous assessment)

PREFACE

We have put in lots of hard work to make this book as user-friendly as possible, but we have not sacrificed quality. Experts were involved in preparing the materials. However, concepts are explained in easy language for you. We have included many tables and examples for easy understanding.

We sincerely hope this book will help you in every way you expect. All the best for your studies from our team!

AIRLINE AND TOURISM MARKETING

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Unit 4 Marketing Employee Personality, Creativity & Innovation

Introduction, Qualities of Good Marketer, Traits of a Successful Marketing Executive, Important Marketing Executive Skills, Challenges for Marketing Managers



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BBAATR-205

Airline and Tourism Marketing

BLOCK 4 : TRENDS/ISSUES AND SKILL IN MARKETING

- UNIT 1 DESTINATION MARKETING AND RECENT TRENDS IN TOURISM MARKETING
- UNIT 2 LEGAL ISSUES IN TOURISM & AIRLINE MARKETING
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- UNIT 4 MARKETING EMPLOYEE PERSONALITY, CREATIVITY & INNOVATION

TRENDS/ISSUES AND SKILL IN MARKETING

Block Introduction :

In this block learner will come to know the latest trends in the tourism marketing. The stress is also given on the Covid-19 related trends. Apart from recent trends this unit also explain the destination marketing. The significance of destination marketing and strategies to attract more visitors through destination marketing is also studied. The legal issues are tough to face and handle. In second unit you will understand the legal issues in tourism, airline and online travel agencies. Potential treats and liabilities are also explained in this unit. Unit three concentrate focus on digitalisation of marketing in tourism and airline industry. Explanation of the terms E-tourism and M-tourism is done along with the benefit of YouTube as digital marketing tool are covered in this unit. Last unit of this block is about the skills, traits and quality of marketing personnel and challenges faced by marketing managers.

Block Objectives :

After understanding this block learns will have knowledge about the :

- Destination Marketing and its significance
- Strategies to attract more visitors through destination marketing
- Recent trends in tourism and airline industry with special reference to Covid-19
- Introduction to the complexity of legal issues in tourism and airline industry
- Acquaint with online travel agency and potential legal issues associated with it
- Digitalisation of tourism and airline business
- Main features of successful digital marketing campaign
- Terms E-tourism and M-tourism
- YouTube and its benefit to business
- Qualities of good marketers
- Traits of successful marketing executive
- Significant marketing skill and challenges faced by marketing managers

Block Structure :

Unit 1 : Destination Marketing and Recent Trends in Tourism Marketing

Unit 2 : Legal Issues in Tourism & Airline Marketing

Unit 3 : Digital Marketing in Tourism & Airline

Unit 4 : Marketing Employee Personality, Creativity & Innovation

UNIT STRUCTURE

- 1.0 Learning Objective
- 1.1 Introduction
- 1.2 Importance of Destination Marketing
- 1.3 Responsibility of Destination Marketing
- 1.4 Destination Marketing Strategies to Attract More Visitors
- 1.5 Technology Trends in General and Covid–19 Related
 - 1.5.1 Technology Trends Related with Covid–19
 - 1.5.2 Technology Trends in General
- 1.6 Let Us Sum Up
- 1.7 Answer for Check Your Progress
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- 1.9 Assignment
- 1.10 Activities
- 1.11 Case Study
- 1.12 Further Reading

1.0 LEARNING OBJECTIVES :

After understanding this unit learners will have knowledge and its objectives are :

- To make learner understand about the importance of destination marketing
- To find the person or organisation responsible for destination marketing
- To know the destination marketing strategies to attract visitors
- To understand the technologies during Covid–19 and in general to promote destination

1.1 INTRODUCTION :

Destination marketing is a type of marketing that involves promoting a destination to potential visitors in order to increase the number of people that visit that location. The destination can be rather particular, as in town or city marketing, or it can be considerably larger, as in region or country marketing.

Finally, the goal of destination marketing is to make your area or destination appear more appealing than the competition, increasing the amount of people who visit and helping the local tourist sector. It's also about growing destination awareness in order to increase demand and improve the location's reputation.

1.2 IMPORTANCE OF DESTINATION MARKETING :

To attract travellers to a particular destination, it's important that the plus points of that destination are highlighted. This is often especially crucial when one destination is competing with another for an equivalent tourists or visitors. An example of this is able to be both the Caribbean and therefore the great coral reef offering excellent diving experiences.

The goal of most destination marketing is to market the destination as superior to alternatives, by highlighting the items that make it unique, or the items that make it a desirable place to visit.

1.3 RESPONSIBILITY OF DESTINATION MARKETING :

Responsibility for destination marketing typically falls on a fanatical destination marketing organisation (DMO), or tourist board. These organisations represent the community or destination being promoted and plan to drive interest within the region amongst travellers by employing a range of various marketing techniques.

In some ways, a DMO also is a link between the visitor and therefore the destination, encouraging the visit within the first place, but also providing important visitor information. Hotels, local businesses, attractions and their owners are often members of a DMO, and funding tends to return from government sources and/or membership fees.

1.4 DESTINATION MARKETING STRATEGIES TO ATTRACT MORE VISITORS :

A number of various marketing strategies are often used for destination marketing purposes, helping to spice up overall awareness of a destination and increase the amount of individuals who actually visit. Below, you'll find more information about 14 of those strategies and the way destination marketing organisations can use them to urge results.

1. Define the Unique Selling Propositions (USPs) :

Arguably the only most vital step for any organisation engaging in destination marketing is to require the time to obviously define what makes your destination unique. There is enormous range of the way a destination can stand out, like unique activities to supply visitors, or unique natural features, like mountains, beaches or volcanoes.

It might be that your location features a fascinating history, or unique landmarks, just like the Eiffel Tower, the New York Building, or the good Wall of China. Perhaps the culture of the situation is its unique point and visitors would want to visit experience local events, museums or sports clubs. Attempt to identify as many USPs as possible.

2. Define Audience & Market :

Another of the simplest destination marketing strategies involves identifying your target audiences. Believe who is probably going to require to go to the destination and for what reason. Often, you'll get to break this down into several different audiences, who each may have different reasons for eager to visit your location.

For instance, it might be that your destination appeals to youngsters on a niche year, and elderly couples enjoying their retirement. It'd be that it appeals to people that enjoy outdoor sporting activities and other people who want to relax on the beach. you furthermore may got to consider the various groups, like tourists, business travellers and students.

3. Utilise Data for Analytics :

Destination marketing organisations can potentially obtain and utilise vast amounts of knowledge, for variety of various purposes. As an example, the organisation's website can allow you to use tools like Google Analytics to seek out about your visitors, who they're, where they came from and what their motivation was ?

Offline, you'll determine information about existing visitors, like the typical age, whether your destination appeals more to men or women, and what methods of transport they use. Once you've got gathered sufficient data, you'll analyse it to spot the simplest people to succeed in bent, the simplest ways to succeed in them and therefore the best messages to push.

4. Brand Your Destination :

Branding may be a technique employed by businesses, so as to form them easily identifiable. The concept of branding can include logos, colour schemes and other design principles, also as slogans or repeated use of certain terminology. Ultimately, branding is about being recognisable and standing out from others.

This principle is often fairly easily applied to a destination. attempt to come up with a coherent colour scheme , use a tagline that says something about the destination itself, create hash tags for people to use on social media, and check out to be as consistent as possible together with your promotional messaging, in order that people become conversant in it.

5. Involve All Stakeholders :

A significant component of destination management involves searching for the interests of varied stakeholders, so as to determine trust and facilitate engagement. The stakeholders might include officials from your country, city, village or state, also as hotels, attractions, restaurants, shopping venues, travel agents and tour operators.

Try to come up with destination marketing strategies that really encourage these various parties to participate and support your destination. See if you'll get stakeholders to comply with use a number of your wider destination branding, and to run their own advertising or marketing campaigns, so as to maximise visitor interest.

6. Create a Tremendous Destination Website :

Regardless of their reasons for travelling, the bulk of travellers now use the web to research their destination before booking. A destination website is that the ideal place to showcase unique selling points, communicate directly together with your target audience(s) and promote your destination through images, videos and computer game tours.

You can use the web site to supply travellers with all of the knowledge they have before their trip, and to market accommodation options, attractions, events, places to eat and drink, and more. it's important that your website is optimised for mobile users, while an on-site blog can help to encourage people to stay returning .

7. Program Optimisation :

When people use search engines like Google to search for things associated with your destination, or features that your destination offers them, you would like to form sure your website is near the highest of these program results pages. The simplest thanks to do that is to make a comprehensive program optimisation strategy.

This involves researching keywords, creating content that targets those keywords, and employing a range of other techniques to enhance your placement. You'll also use SEO principles to market videos and pictures too. An on-site blog are often beneficial here too, because it will offer you much fresh content to optimise with strategic keyword usage.

8. Experience Marketing :

Most travellers are motivated by experiences, so it is sensible to plug a destination this manner. Rather than showing attractions, use promotion to point out how people experience them. a method to try to this is often to stimulate the sharing of user generated content, in order that people share their own moments on your website and on social media.

When you achieve this, you switch your own visitors into ambassadors for your destination. Word of mouth publicity is often extremely successful, because it's considered more trustworthy than hearing from an organisation with a transparent motive. On top of this, Virtual Reality 360 tours are often excellent thanks to allow online users to enjoy their own experiences.

9. Video and Computer Games Marketing :

Both video marketing and computer game marketing can go an extended way towards boosting your destination marketing efforts. Video content are often easily shared across platforms like Facebook, Twitter, Instagram and YouTube. These videos can promote local places of interest, or can feature local people speaking about your destination.

Virtual reality marketing goes a step further and provides ways for your audience to truly experience aspects of your destination from the comfort of their house .this might be a virtual tour of an area hotel, a virtual travel experience of a close-by entertainment venue, or 360 degree tours of attractions or landmarks.

10. Social Media Strategies :

Social media platforms like Facebook, Twitter and Instagram functions a perfect means to succeed in people and promote your destination. In truth, the destination marketing strategies on offer here are almost endless, from simple promotional posts, images and video content, through to competitions and even viral content or memes.

Additionally, most social media platforms offer paid marketing opportunities, like advertisements or sponsored posts. These can boost the visibility of your social media marketing efforts and may be aimed toward very specific demographics, meaning you'll target people supported age, gender, location and even their online browsing habits.

11. Work with Influencers :

Many modern internet users have a natural distrust for direct advertising and other overt marketing methods. However, many of those people could also

be ready to be reached indirectly, through influencers. In simple terms, influencers are people with a long time following on platforms like Instagram, Twitter, YouTube, Facebook or their own blog.

Their followers tend to be loyal and have a tendency to trust the influencer's opinions quite they might trust an organisation. By partnering with influencers, you'll promote your destination across different platforms, even to niche audiences, who are then significantly more likely to react positively to the message that's being promoted.

12. Promote the Destination on Travel Websites :

In addition to having your own destination website, it's important to be ready to reach people that don't have existing awareness of your destination. Travel websites provide an ideal solution and this will include international travel websites, like TripAdvisor, also as local websites, or websites aimed toward specific demographics.

There are various ways you'll use travel websites to market your destination, including posting images, publishing stories, creating video content and even promoting computer game tours. you'll also use travel websites to watch reviews, answer criticism and improve feedback over time.

13. Online Advertising Strategies :

The information and data you've got gathered about your visitors and your audience are often wont to inform your online advertising. Using this information, you'll target search advertising to specific regions, buy display advertising on the proper platforms and promote content on third-party websites your audience use.

In addition, re-marketing allows you to succeed in bent people that have previously engaged together with your destination website or your DMO's social media channels. This provides you the power to remind people of your destination, knowing that they need already previously shown interest, which may be great for encouraging them to plan to a visit.

14. Offline Promotional Strategies :

Once you recognize your audience, what they're trying to find and where they're coming from, you ought to even be ready to identify once they are likely to travel as an example , some destinations attract visitors within the summer months, while others attract people for winter sports. Some might hold greater appeal at Christmas, or another holiday.

This then makes it easier to plan a comprehensive offline promotional strategy. Some of the offline methods you employ might include television advertising, radio advertising and promotion within newspapers and magazines. With the latter two examples, you'll buy advertisements, write features on your destination, and target specific local publications in areas where your audience reside.

1.5 TECHNOLOGY TRENDS IN GENERAL AND COVID-19 RELATED :

The most recent and cutting-edge technological trends in tourism and travel, also as tech trends that answer the COVID virus's impact on consumer behaviour. The most recent and cutting-edge technological trends in tourism and travel, also as tech trends that answer the COVID virus's impact on consumer behaviour.

1.5.1 Tourism Trends Related with Covid-19 :

The following are some tourism trends which can get to be discussed by those interested by tourism management in response to the worldwide pandemic of Covid-19 that has influenced the tourism industry as a whole.

1. Safety & Hygiene Tourism Trends :

Whether its airlines, cruises, hotels, restaurants or bars, since the outbreak of Covid-19, safety and hygiene standards are absolutely paramount. With this in mind, there are sort of tourism trends that are related to this, like increased cleaning, socially distanced seating, providing hand gel and enforcing masks in some settings.

This is also now a crucial a neighbourhood of tourism marketing, with companies eager to explain what their hygiene and safety policies are and what measures they're taking to remain customers safe. The threat of Covid-19 has meant people are more reluctant to travel and visit tourism hot spots, so as that they're going to need to be persuaded that it's safe.

The "Hygiene is that the New Marketing Message for Hotels" post explains this particular trend in additional detail.

2. Increased Emphasis on Leisure :

Covid-19 has forced countries to adopt travel restrictions, while many businesses are encouraging employees to work from home and use video calling. As a result, business events are particularly badly affected and one of the resulting tourism trends has been a switch focused towards leisure customers.

The pandemic has been hard on people and much of are desperate for a vacation. If your business is typically focused on business customers, you'll want to look into ways to vary this approach, a minimum of temporarily. Within the method, you will probably need to change your marketing messages and even the distribution channels you use to urge sales.

Depending on your business, you'll wish to focus efforts on families, couples, or groups of friends and you will potentially create package deals to appeal to those demographics. It is also an honest idea to gauge how your competitors have skilled the crisis and whether or not they are doing anything that you simply could take inspiration from.

3. Shift from International to Local :

The various travel restrictions and thus the reluctance of the various people to travel abroad has meant many within the tourism industry have to specialize in local customers, rather than international ones. This does not mean abandoning on international travellers entirely, but it's likely to wish a change in your core marketing strategies.

With hotels, it'd be best to spotlight the kinds of facilities which can appeal to the local market, like your restaurant, your gym facilities, your Wi-Fi and even the actual fact that your hotel rooms are ideal for remote work. Airlines and tourism management companies also can need to shift gears and prioritise domestic tourists.

It is worth remembering that local customers are less likely to cancel too, as they go to only got to concentrate to local restrictions and are not as likely to possess to quarantine after their visit.

4. Growth of Contactless Payments :

Contactless payments are a staple when it involves technology in tourism for a couple of time now, but the emergence of options like Google Pay and Apple Pay has helped to need this to subsequent level, meaning customers don't even need to carry around a revolving credit or mastercard to shop for meals, hotel stays, transport, and other services.

Allowing contactless payments has enabled tourism companies to reduce friction and improve the speed of check-ins and check-outs. It also means goods are often purchased swiftly, encouraging spontaneous purchases. With corona virus, contactless payments are in greater demand than ever, as staff and customers often prefer to avoid handling cash.

5. Video Game Tourism Trends :

Virtual reality is another of the most tourism trends disrupting the industry and capitalising on the technology offers you an edge over rivals who haven't yet adopted it. Through online VR tours, customers can experience hotel interiors, restaurant interiors, outdoor tourist attractions and more, all from their home.

Crucially, they're able to do this at the decision making phase of the customer journey. This may then be the difference between customers completing a booking or retreating and VR is especially useful within the context of COVID, where customers may have second thoughts and will need extra encouragement to press ahead with their plans.

Most modern VR tours are also web-based, meaning they're going to be viewed through any mainstream browser .the quality of the VR tour and thus the extent of immersion can then be improved further through VR headsets.

6. Robots, Chatbots and Automation :

One of the more eye-catching samples of those particular tourism trends is Connie, the Hilton Hotel chain's robot concierge. Other hotels have also come on the robot-staff trend, installing interactive robots to handle certain reception duties or even having them serve food and drink to visitors. this sort of novelty application, however, is much from the only one. many purchasers now book their travel and accommodation with the help of internet chatbots, specifically tailored AI who can handle queries and assist customers with useful information when human operators are unavailable.

As with many other technology trends within the travel industry, the uses for robots have actually increased in response to Covid-19, especially as they have the potential to reduce human-to-human contact.

7. Healthy and Organic Food :

Having immunity in mind after Covid-19 people have become health conscious. Healthy food while on the tour used to be antonyms within the minds of the various travellers, with holidays traditionally representing a chance to interrupt one's diet and enjoy forbidden treats. Today's travellers know that delicious and nutritious aren't exclusive concepts. Demand for excellent cuisine with a view to raised nutrition is driving new tourism trends. The fashionable tourist wants to know that the food they're eating is as healthy because it's delicious. The organic food movement is additionally affecting tourism trends, with more eateries and hotels offering organic options. Other special diets are also represented.

8. Customer Experience 2.0 :

The customer experience has always been central to the tourism industry. With new technologies and an ever-broadening array of options for tourists, enhancing the customer experience has never been more vital. Within the top, customer experience is what's getting to make or break your business. Fine-tuning the experience can make the difference between creating a loyal repeat customer who boosts your business via word of mouth, and one who drops out at the booking stage. Everything from the web interface where your clients book their trips to the previous day of their journey must be as enjoyable as possible.

1.5.2 Technology Trends in General :

- 1. Solo Travel :** Leisure travel used to be a family affair or something that couples undertook together. While that's still the case for several, more and more people are choosing to strike out on their own. Enjoying a solo trip isn't any more so unusual and tourist trends increasingly reflect this. The wants of solo travellers are diverse. Some simply want to travel without the distraction of a companion. Others are young singles to hunt out for social activities or to seek out a partner. Some widowed seniors even use long-term hotel stays or cruises as an upscale alternative to plain elder care. These tourism trends are set to grow and grow.
- 2. Eco Travel :** Tourism trends are heavily influenced by the concerns and mores of the customer base. As a replacement generation becomes increasingly relevant within the marketplace, the ideals driving their purchasing decisions create new tourism trends. Eco travel is just one example of these tourism trends, reflecting a growing concern among today's travellers for ethical and sustainable tourism options. Eco travel includes simple changes, just like the supply of carbon credits when booking a flight or the selection to rent an electrical instead of a typical vehicle. More sophisticated examples might include tourism with a volunteer element, perhaps working on a nature reserve or engaging in conservation work.
- 3. Recognition Technology :** Recognition technology is one of those increasingly important travel and tourism trends that are starting to creep into a multitude of varied areas. One of the foremost familiar applications of recognition technology for a frequent traveller is that the bank of automatic gates at some borders. The gates are capable of reading the data on the traveller's passport or ID card and matching it to their face employing a camera and face recognition technology. Recognition technology is one of the massive tourism trends within the hospitality industry too, with voice recognition becoming more and more popular as how of control in smart hotel rooms.
- 4. Voice Search & Voice Control :** With home smart speakers growing in popularity, also as mobile assistants like Siri, Google Assistant and Bixby, more and more tourism customers are turning to voice search. For those within the tourism industry, it is vital to capture these guests by structuring website content properly so it appears in voice search and allows for voice bookings.

Tourist information could also be a key a neighbourhood of the customer experience with many companies and voice control and AI are often invaluable here. Moreover, hotel rooms can include smart speakers

or other IoT devices that are compatible with voice control, allowing users to more easily turn devices on and off, or change settings within their rooms.

5. **Artificial Intelligence :** The chatbots, Artificial Intelligence is becoming increasingly important to the tourism industry. Machine learning technology is now firmly entrenched within the marketing of the tourism sector, with AI helping to personalise the experience of finding and booking tours and trips. AI is additionally increasingly valuable in contexts like smart hotel rooms, identifying the likely needs of guests and fine-tuning the environment and services to suit the guest's needs and preferences. AI is finding applications everywhere, from customer service to security. Future AI tourism trends to watch out for might include self-driving vehicles and virtual guides for tourism.
6. **Internet of Things (IoT) :** IoT has relevancy to many tourism trends. IoT devices are gadgets equipped with a microprocessor and a couple of kind of digital connectivity, allowing them to connect to, and be controlled from, the web. IoT devices include heating and cooling systems, entertainment systems and other items often found during a bedroom , giving rise to "smart" hotel rooms. The IoT is additionally used to integrate services during a hospitality setting, as an example by allowing guests to book activities (a session within the hotel's spa, swimming within the pool, training within the gym etc) or request such things as room service or extra linen via a hub or a smartphone application.
7. **Augmented Reality (AR) :** Where VR simulates entire environments and experiences, augmented reality combines real-world experiences and virtual elements. Within the tourist industry, this is often obviously very useful : instead of fantasy monsters. AR smartphone apps can show tourists information about the planet they're exploring. this could be historical details about buildings and landmarks, or listings and menus for entertainment venues and native eateries. Museums make increasing use of AR, allowing visitors to seem at artefacts with their original appearance as a virtual overlay. Other augmented reality applications might include internet-enabled virtual maps.
8. **Cyber Security Measures :** Cyber security could also be a serious focus area for those in travel management roles, because companies within the industry are increasingly in peril from cyber-attacks and also more vulnerable to data breaches of other forms. Travel companies are a significant target, because they employ many of us and have access to an abundance of customer data.

Some of the foremost important threats during this area include phishing attacks and ransom ware attacks, although the fashionable reliance on data also leaves companies in peril from human error caused by their own employees too. This needs investment in cyber security training and various hardware and software solutions to remain your business safe. It is also important to remain up with the most recent regulations and to suits data protection laws.

☐ Check Your Progress :

1. Successful destination marketing can be beneficial to sectors like :
 - a. Hotel
 - b. Tourism
 - c. Airlines
 - d. All of the above sectors
2. USP acronym stands for :
 - a. Unique Selling Points
 - b. Unique Selling Propositions
 - c. Unique Sales Points
 - d. None of the above options
3. Branding may be a technique which may not include :
 - a. Logo
 - b. Colour schemes
 - c. Design
 - d. Product features
4. Stakeholders in destination management are _____
 - a. Local residents
 - b. Travel agents
 - c. Hotels
 - d. All of the above options
5. Offline mode of destination marketing is TV and radio advertisement, promotion through newspaper and magazine. This statement is _____
 - a. True
 - b. False
 - c. Can't say
6. Mastercard and visa card are :
 - a. ATM cards
 - b. Card's network
 - c. Credit and Debit card
 - d. Can't say
7. Internet of things is a sensor controlled commands to use the gadgets and equipments.
 - a. True
 - b. False
 - c. Can't Say
8. _____ simulates entire environments and experiences, augmented reality combines real-world experiences and virtual elements.
 - a. Artificial Intelligence
 - b. Virtual Reality
 - c. Augmented Reality
 - d. None of the above options

1.6 LET US SUM UP :

This is a crucial unit for students who want to learn more about destination marketing. As from the perspective of tourism destination promotion, the destination marketing idea is critical. Successful destination marketing can then be of great benefit to the local tourism industry, including hotels, restaurants, bars, airlines and related suppliers. The importance of this notion, as well as several tactics for attracting it, has been covered in this unit.

This unit also covers the most recent developments in the tourism and aviation industries. The trends were also explored in relation to technological advancements at the time of Covid-19, as well as in general.

1.7 ANSWER FOR CHECK YOUR PROGRESS :

Check Your Progress :

- | | | | |
|------|------|------|------|
| 1. d | 2. b | 3. d | 4. d |
| 5. a | 6. b | 7. a | 8. b |

1.8 GLOSSARY :

Analytical Unit : Entity created by statisticians, by splitting or combining observation units with the help of estimations and imputations.

Artificial Intelligence : It is intelligence demonstrated by machines, as opposed to the natural intelligence displayed by animals including humans.

DMO (Destination Marketing Organization) : A destination marketing organization is an entity that promotes a town, city, region, or country to increase visitation.

Internet of Things : It describes physical objects, that are embedded with sensors, processing ability, software, and other technologies, and that connect and exchange data with other devices and systems over the Internet or other communications networks.

Tourist Boards : An official organization in a country or area that encourages tourists to visit that country or area.

Virtual Reality : It is a simulated experience that can be similar to or completely different from the real world. Applications of virtual reality include entertainment, education and business

1.9 ASSIGNMENT :

1. What is Destination Marketing, explain with an example ?
2. Explain the importance of destination marketing for the tourism business.
3. How is destination marketing organisation responsible for marketing a tourism destination ?
4. Write a short note on strategies to market a destination.
5. Enlist and explain the technologies used in marketing destination.

1.10 ACTIVITIES :

1. Find out the travel tourism companies in India using AI and VR to marketing travel destination. Also find out the ways they are using it.

1.11 CASE STUDY :

Hyatt Hotels : Developing an Integrated CSR Strategy

The Challenge

One of the biggest industries globally, travel and tourism contributes up to 10 percent of the world's economy and about one in every 12 jobs. Yet most companies in this sector are still in the early stages of assessing and addressing their sustainability impacts. To better communicate the newly public company's commitment to responsible practices, and to prepare for the increased transparency required of public companies, Hyatt leaders partnered with BSR to articulate a vision for an integrated sustainability strategy.

Our Strategy

Our goal was to help Hyatt build a strategy that connects corporate responsibility objectives to business goals in ways that :

- Deliver value and innovation to Hyatt's operating companies.
- Identify and mitigate sustainability risks.
- Build trust externally and engage colleagues internally.

At Hyatt, which owns, manages, and franchises hotels, engaging internal stakeholders such as general managers, owners, associates, and executives was an essential first step in understanding the unique global and local sustainability challenges each property faces.

First, BSR interviewed several executives to establish senior management's current and future conception of CSR. We then conducted workshops in Asia, the Middle East, Europe, and the United States to identify current activities, prioritize CSR issues, and understand regional nuances. Several key themes emerged :

- Addressing poverty and inequality in local communities through education and economic self-sufficiency
- Recruiting, developing, and retaining staff
- Managing the environmental footprints of its hotels, expanding its commitment to sustainable sourcing, protecting the biodiversity of the areas surrounding its hotels, and using sustainable design and construction

Our Impact

This work allowed Hyatt to develop and implement "Hyatt Thrive," a strong, practical CSR vision representing Hyatt's goal of creating "thriving communities, places where we are proud to work, our neighbours want to live, and our guests want to visit." The platform, which establishes a global CSR framework with a common vision and strategic focus that can easily be implemented locally, is centered on four pillars : educational and personal advancement, health and wellness, environmental sustainability, and economic development and investment. Hyatt Thrive's primary objective is to help the company communicate its philanthropic, environmental, and community engagement initiatives, and to position Hyatt to focus on and articulate the value it brings as a global company to the many communities it serves.

The CSR strategy has spurred additional sustainability initiatives, including a new human rights policy statement that references specific industry issues such as human trafficking. Hyatt Thrive also led to an improved approach to aligning Hyatt's giving and volunteerism with the four pillars of the Thrive framework.

<https://www.bsr.org/en/our-insights/case-study-view/hyatt-hotels-developing-an-integrated-csr-strategy>

1.12 FURTHER READING :

1. Gurminder Preet Singh, (2016) Trends in Tourism Promotion : Emerging Issues, Random Publications
2. Ramesh Chandra (2006). Recent Trends in World Tourism, Akansha Publishing

UNIT STRUCTURE

- 2.0 Learning Objective
- 2.1 Introduction
- 2.2 Complexity of Legal Issues
- 2.3 Legal Issues & Challenges in Travel & Tourism Industry
- 2.4 Legal Issues & Challenges in Airline Industry
 - 2.4.1 Potential Liability Issues
- 2.5 Online Travel Agency
 - 2.5.1 Legal Issues Associated with Online Travel Agency
- 2.6 Let Us Sum Up
- 2.7 Answer for Check Your Progress
- 2.8 Glossary
- 2.9 Assignment
- 2.10 Activities
- 2.11 Case Study
- 2.12 Further Reading

2.0 LEARNING OBJECTIVES :

After working through this unit, you should be able to :

- To understand the complexity of legal issues in the tourism and airline industry
- To comprehend the legal issues in tourism and travel industry
- To know about the legal challenges in airline sector
- To understand online travel sales and legal issues associated with it

2.1 INTRODUCTION :

The legal judicial system is a central system that governs nearly every aspect of society, including the tourism industry. When one person transacts with another, they are essentially entering into a contract with the other party. In this way, the law aids in the protection of these two contracting parties' rights and obligations. Without a well-functioning legal system, society will stutter, and people will be hesitant to engage in business with one another for fear of getting the short end of the stick. The tourism sector and the judicial system are inextricably interwoven. When engaging with one another, businesses such as hotels, agencies, and restaurants rely on common law. When businesses interact with customers by providing goods and services, the law is also involved.

2.2 COMPLEXITY OF LEGAL ISSUES :

The travel industry is large and complex; thus, its legal issues are also complex in nature. Travel law is exclusive; therein it encompasses many countries, industries, regulatory agencies, and even traditions. It is for instance Raghav and Ravi, and given your understanding of sources of potential liability, imagine the complications which may arise if these two travellers bought a 21-day package holiday of Europe (operated by a tour company based in Amsterdam) which the tour company then subcontracted meals and accommodations for the tour with hotels and restaurants during a trip of European cities. Assume further that they purchased the tour from a replacement York state agent which the 2 travellers took an Amtrak train to urge to their departure city, where they stayed during a hotel that they reserved through an online booking site operated by a travel wholesaler located in Atlanta, and therefore the next day, they flew on a transatlantic airline (operated by a non-US company) to reach at their destination. Finally, assume that their plane arrived late, and that they missed the assigned time of departure for his or her tour. Little question you'll begin to ascertain the potential difficulties faced by consumers, also as those that do business during a specific travel segment. Travel law is complicated for a spread of reasons, including :

- 1. Interconnectivity :** When one travel-related business controls the sale and delivery of an entire travel product or service, the liability for poor or non-performance could also be easily assessed. When one business depends on the performance of another business, however, liability for poor performance is harder to work out. For instance, assume that a travel services seller, counting on the promise made by a resort developer that a replacement resort would be able to accept business on January 1 of a given year, sells a three-night occupy the resort; but upon the guests' arrival, the swimming pools, tennis courts, and golf links aren't yet fully operational. Is fault to be assigned to the travel seller, the resort operator, or both ? The interconnectivity of travel services makes it critical for hospitality managers to know travel law.
- 2. Jurisdiction :** By its very nature, much of the activity within the travel industry occurs during a sort of legal settings. A New Jersey traveller who books a night's occupy a hotel in Dallas, via an online site operating out of Florida, and who ultimately feels that the hotel didn't deliver the services promised, seek relief through the New Jersey, Texas, or Florida courts ? Where many travel-related legal issues are concerned, the question of precisely which court has jurisdiction is crucial to understanding the applicable law.
- 3. Variation in Terminology and Resulting Expectations :** The term first-class features a specific aiming to most travellers. But is it realistic for travellers to assume that the remainder of the planet is bound by equivalent expectations when the term first-class is used ? Clearly, everyone within the world isn't required to think exactly as other travellers do. Alternatively, what if unscrupulous travel sales people, knowing the anomaly of the term first-class, seek to defraud unwitting travellers ? The question of honest differences in terminology and resulting expectation is complicated by multiple languages and multiple translations of travel-related words, phrases, and ideas.

- 4. Uncontrollable Forces :** Travel is suffering from many factors beyond the control of travel services providers. Severe weather, civil unrest, war, disease, and a spread of other variables can serve to form travel either unpleasant or impossible. Most observers would say that these forces generally won't hold a travel services provider liable for non-performance of a contract. But what's the responsibility of the travel services provider that knowingly subjects travellers to those forces ? For instance, if a cruise liner captain knowingly sails his or her ship into waters that are within the direct path of a hurricane, that captain will likely, in most traveller's opinions, assume some level of liability for the potential outcome. A jury could also be required to work out the particular degree of the cruise operator's responsibility.

2.3 LEGAL CHALLENGES IN TRAVEL & TOURISM INDUSTRY :

Travel agencies might lose a lot of money due to problems created by shady independent contractors, employee blunders, or dishonest clients. The most pressing legal challenges confronting travel firms today, as well as simple suggestions for identifying and avoiding costly legal mistakes. The travel and tourist business faces a number of legal concerns.

- 1. Fraud by Independent Contractors (ICs) :** This is the most important problem agencies face, as suppliers and clients hold you responsible when a rogue contractor commits fraud by, for instance, charging tickets to a phony mastercard or taking the client's money and embezzling it.
- 2. Airline-Issued Debit Memos for Reservation Rule Violations :** These can add up to many thousands of dollars when clients knowingly book back-to-backs or hidden cities without the agent's knowledge or when agency employees or ICs make such bookings so as to urge lower fares. Educate agents about reservation violations that suppliers could hold the agency responsible.
- 3. Signing of Long-Term Contracts by Unauthorised Employees :** Although this problem applies mainly to large agencies with multiple locations, owners of agencies of all sizes have had situations where employees signed contracts, like telephone system or copier-maintenance contracts, without having been authorized to try to so.

Prohibit ICs and employees from signing vendor contracts without your express written permission.

- 4. Unknown Person Makes a Fraudulent Transaction in your Agency's Name :** This fraud has become quite popular, especially targeting not so techno savvy customers/suppliers. Confirm employees understand that emails soliciting their Global Distribution System (GDS) logins or containing a link to a login are always fraudulent phishing attempts to interrupt into your GDS and issue tickets in your agency's name.
- 5. Travel Insurance :** Clients have sue travel agents who either don't recommend travel insurance or who allegedly advise them that travel insurance will cover certain sorts of claims when actually it doesn't. Travel insurance is beneficial to both buyer and as well as travel agent, but appropriate and factual information must tend to the client to avoid any liability issues.

Over the years, agents have come to understand that errors and omissions (E&O) insurance generally covers only catastrophes, because most insurance carriers that issue such coverage have excluded the standard day-to-day liability problems that an agent might actually encounter. Things like claims involving deposits, mastercard issues, and missed or incorrect ticketing dates are generally excluded from E&O policies, which can provide no protection to the host agency or home-based agent.

6. **Travel Agent-Host Agency Relations :** This remains one among the foremost contentious legal issues and may involve such topics as liability when mishandling payments, whether the independent contractor is really an employee, whether the agency's name on the home-based agent's card indicates a special relationship, and whether the client belongs to the host agency or the home-based agent. The most significant challenge is when there's no agreement between the parties.
7. **Switching Hosts :** A related topic is that the scenario during which a home-based agent moves to a different host agency and tries to modify the booking so as to guard the commission. That agent may or might not have alerted the new host agency about any agreement with the prior host. Many of those situations are often minimized or eliminated by a transparent, concise and short agreement between the host agency and therefore the home-based agent.
8. **Confidentiality Agreements :** Confidentiality agreements or trade secrets are enforceable against both home-based agents and agency employees. These prohibit the individual from using trade secrets or proprietary information obtained from the host agency or the agency if it's want to compete thereupon business. These topics are often covered in either an employment manual and/or contract with an employee and within the independent contractor agreement. Fraud unfortunately still exists within the industry. Mishandling of client's funds, inappropriate use of credit cards and similar issues impact the agency community on a daily basis. It is always recommend that the host agency process all payments from clients of their home-based agents. This provides some safeguards so as to guard the client and therefore the host agency.

2.4 LEGAL CHALLENGES IN AIRLINES :

In most cases, airplanes are the well-liked method of long-distance travel for both leisure and business travellers- despite the tragic events of 9/11. Since 1954, the entire number of passengers served by the airline industry has increased significantly annually, due to the speed and comparatively low cost. With large numbers of travellers comes the potential for numbers of legal issues, alongside the inconvenience and difficulty caused by missed connections, damaged luggage, or physical injury. While it's rare, airplanes can and do crash and lawsuits inevitably result.

The terms of the tariffs affect how passengers are treated. For instance, each airline has its own policies about what it'll do for passengers whose flights are delayed. There are not any laws for it. Some airlines, especially those charging very low fares, don't provide any amenities to stranded passengers. Others might not offer amenities if the delay is caused by inclemency, or something else beyond the airline's control. Contrary to popular belief, airlines aren't required to

compensate passengers whose flights are delayed or cancelled. Compensation is required by law only a passenger is "bumped" from a flight that has been overbooked.

In a similar manner, when airlines operate internationally are subject to the principles and liability limitations of the Warsaw Convention. The agreements made at the Warsaw Convention are amended and updated several times.

2.4.1 Potential Liability Issues :

Constantly changing airfares and schedules, literally thousands of obtainable vacation packages, and a huge amount of travel information on the web can make travel planning frustrating and time-consuming for travellers. To map out their options, tourists and businesspeople often address travel agents/tour operators. These professionals are truly "agents" within the Principal-Agent Relationship. For instance, when an agent acts on behalf of a tour company (the principal) when selling a tour to the travel agent's client, the principal are going to be bound by the actions of the agent. In turn, the agent is going to be liable for informing the client about the identity of the tour company.

Travel agents routinely act as agents for airlines, hotels, hire car agencies, and others. Thus, they need a requirement to both their clients and their principals. Common areas of potential agent liability, and, as a result, possible litigation, have revolved around five issues :

- 1. Failure to Supply Promised Services :** When an agent books a service for its client (the traveller) from a travel services provider, the agent should be confident about the power of the provider to deliver as promised. That said, not all failures to supply services end in agent liability. For instance, if an agent, in straightness, books a client at a Hilton hotel that normally operates a swimming bath, yet at check-in the guest discovers that the pool is closed for repairs, the agent is unlikely to be held liable for this event because the client could reasonably foresee that such events happen at hotels. If, on the opposite hand, the agent booked, for an equivalent client, a whirlpool suite at the hotel knowing that the hotel didn't have whirlpool suites, the agent would likely be held responsible for the lack of the hotel to supply the promised services. Travel agents have a requirement to exercise due care when promising specific travel services are going to be available from specific travel service providers.
- 2. Failure to Honour Agreed-Upon Pricing :** The power of an agent in regulating the pricing behaviour of a travel service provider in another part of the planet is usually quite limited. As a result, the traveller who paid an agent to secure a bedroom reservation during a foreign country could, upon arrival at the hotel, be forced to pay additional monies before the hotel will actually honour the reservation. In such a situation, the traveller may need no immediate option except to pay the extra amount. He or she would likely, however, have a claim against the agent for failure to secure the services purchased at the agreed-on price. To avoid such situations, travel agents should deal only with reputable hotels, also as the other providers of travel services.
- 3. Misrepresentation :** Travel agents generally are paid only upon the sale of a travel service. Unfortunately, this causes unscrupulous travel agents to intentionally misrepresent the services they market so as to form more sales, and thus more income. Once they do so and are caught, they face

potential liability. However, actual liability during this area isn't always easy to work out. For instance, Florida is understood worldwide because the Florida, yet it rains there in some months quite in others. If a agent represents to a client living in Vermont that a vacation to Florida during one among the rainy months, would be an opportunity to "escape to the sunshine," it'd be unclear on whether this statement constituted actual misrepresentation on the agent's part or was actually a legal marketing effort designed to get vacation sales, and thus agent commissions. it's highly unlikely that a jury would hold a agent liable for the weather in Florida, but that very same agent might be held responsible if it could be established that the agent wilfully misrepresented the facts about Florida weather during a selected period of time so as to sell more Florida tours.

4. **Failure to Get and Disclose :** Travel agents generally aren't held responsible for the negligent acts of the hotels, restaurants, airlines, and other travel service providers they represent, but they're liable for informing clients about known hazards and risks. Thus, the agent who sells an excursion package for a rafting trip down a river would be required to disclose, if it were known, that, typically, several couples, per rafting season, drown on an equivalent trip. The failure to get and disclose such information puts the agent (as well because the clients) in danger. To avoid this risk, travels agents must become intimate the products they sell, and then they need to be forthright with their clients about what they know. Additionally, travel agents are responsible for disclosing information that would be interpreted as creating a conflict of interest, which might be detrimental to the interests of their client. For instance, if the agent is additionally acting as a tour operator selling its own packages to its agent clients, it must disclose this fact.
5. **Negligence :** Faced with the difficulties involved counting on other parties to supply the services they sell, travel agents have, commonly, sought to limit their liability exposure through the utilization of contracts that include exculpatory clauses or disclaimers. however, the courts aren't likely to limit a travel agent's liability via the utilization of exculpatory clauses or disclaimers when it are often proved that the agent exhibited negligence or gross negligence when interacting together with his or her clients.

Consumers who feel they need been treated unfairly by an agent have the power to file a lawsuit against the agent. When large numbers of consumers experience an equivalent alleged breach of law, it's often to their advantage to mix their complaints into a category action lawsuit. This is often frequently the case when an equivalent incident affects many potential plaintiffs within the same manner. If a category action lawsuit is successful, a period of your time is usually established by the court to permit people that can prove they fit the category (suffered an equivalent or similar damages thanks to an equivalent or similar treatment) to file claims to share in any judgment amounts.

To illustrate, assume that a cruise liner returns to port after four days of what was to be a seven-day cruise. The ship does so because 300 of the 1,500 passengers became ill with a Norwalk-type virus. during this case, all 300 passengers, also because the 1,200 who had their cruise curtail , could also be ready to file a successful class-action suit lawsuit if it's determined that there was negligence on the a part of the cruise ship's owners or operators that contributed to the viral outbreak.

2.5 ONLINE TRAVEL AGENCY :

Online travel sales are sales which are completed via use of the World Wide Web. They include the sale of hotel rooms, car rentals, and other transportation services like airline tickets and cruise reservations.

The enhanced accessibility of last-minute travel specials via the web, including everyday low prices, has resulted during a tremendous increase in online travel sales. Whether true or not, the bulk of travellers believe that the simplest travel "deals" are often found on the web, and for these travel buyers, price may be a vital decision factor. As a result, the web travel sales industry will likely still play a bigger and bigger role within the overall travel industry.

Essentially, there are two basic sorts of websites want to sell online travel services. The primary are people who function electronic brochures (e-brochures) and during this capacity display information about one or more travel products. An e-brochure might include, as an example, pictures of a bedroom, departure and arrival schedules of a standard carrier, or details of a travel package. These websites also act as catalogues, basically displaying information a few business and include, in most cases, a way (typically email) that permits the web site visitor to invite additional information about ordering products or services, or about communicating directly with the entity identified on the location.

The second sort of website enables consumers to form a sale or reservation online. Thus, airline tickets are often purchased, a hotel reservation made, or a rental car reserved directly at the web site. These e-commerce sites allow the traveller to ascertain the merchandise offered, also buy it online. There are legal features that raise the legal issues for OTA's. These features include :

Checking of Account which Processes Internet Purchase : This suggests that online merchant account is different from a typical business checking account because it is designed specifically to handle internet purchases. Funds from Internet purchases are deposited in these accounts.

An Agreement with a Credit (Bank) Card Processor : A credit or credit card processing company is liable for collecting funds from the customer and depositing those funds into the web merchant's checking account. For this service, the processor will take, from the revenue generated by the merchant, an agreed-on fee for every purchase. This fee will vary, supported the sort of credit card employed by the purchaser.

A Secure Connection : When an internet site takes private and sensitive information sort of a mastercard number from a visitor, it must provide a level of security to guard it from unscrupulous individuals. To do so, an e-commerce website must have a "secure" connection. Sites can buy their own secure connection or share the utilization of one with others for a little percentage of the sold item's price.

The total cost of developing and maintaining an e-commerce site is, due to the fees involved, above that of maintaining an e-brochure site. Thus, some travel providers elect to permit online purchases, while others prefer the brochure approach. Each type is involved during a rapidly developing and specialized area of law related to the web travel sales industry.

2.5.1 Legal Issues Associated with Online Travel Agency

The advent of the web travel industry has raised some new issues, and caused the modification of some older legal issues. Here are five of the foremost important :

- 1. Parties to the Contract :** On websites, it's sometimes difficult to work out exactly who the party to a consumer transaction is. For instance, assume that a traveller, utilizing the web, logs on to the Priceline.com travel site. While there, the traveller bids for an area and is successful in getting a reservation for the Chicago Hilton. Upon arrival, however, the Chicago Hilton has no record of the traveller's reservation. If, indeed, the error was on the part of Priceline.com, the traveller's action would likely be, all or partially, with Priceline.com. During this scenario, a judge would likely rule that Priceline advertised the power to secure for the traveller a reservation that, during this example, it didn't. Alternatively, if the traveller had made an equivalent reservation on Hilton's own website, the responsibility for providing the space and hence the responsibility for failure to supply it, would ultimately rest with the hotel. With multiple third-party websites, and with the ownership of internet sites frequently shared by members of the travel industry, the entity liable for performing the terms of a web-initiated contract might not be readily apparent to any but the foremost sophisticated of users.
- 2. Data Interface Issues :** When airlines, hotels, cruise lines, et al. take reservations on the web, the potential for problems, and thus litigation, increases. The rationale is that reservation systems on the web are often indirectly connected (interfaced) with the service provider. To obviously understand the matter, it's important to know that an independent hotel in, say, Mumbai isn't likely to directly connect its reservation systems with the thousands of internet sites offering hotel rooms purchasable. Such direct connections are expensive and regularly technologically unwieldy. As a result, if a 3rd party-operated website advertising hotel reservations for a selected hotel isn't interfaced with the hotel's reservation system through the global distribution system (GDS), it must communicate with the hotel via email to verify that an area has been sold via the web site. The matter, of course, is that within the time between the sale of the space on the web site and therefore the hotel's notification (and acknowledgment) of the sale, an equivalent room may be sold by the hotel itself, or maybe on another website. The result could also be either an oversold situation, or that the merchandise reserved (and in many cases confirmed on the web site making the sale) isn't available upon the guest's arrival. Hospitality managers getting into sales agreements with websites that aren't interfaced with their own product inventories should have a really clear understanding with the web site provider on responsibility within the event guests arrive with reservations erroneously made thanks to an absence of real-time interfacing.
- 3. Data Security/Ownership Issues :** When a reservation for a bedroom, cruise, or airline flight is formed, personal information is usually gathered from travellers. Other businesses within the travel industry are often curious about this information, especially because it relates to the newest economic data on visit a neighbourhood, where those travellers come from, and their spending patterns. Consumers, on the opposite hand, have a right

to privacy, and when personal information is accessed by organizations unknown to them, or unapproved by them, they'll have cause for concern and complaint.

4. **Forum (Venue) Selection Issues :** "Forum" refers to the situation during which a lawsuit may properly be filed. In many cases, where a legal dispute has taken place, and thus should be settled, is comparatively straightforward for instance , assume that a restaurant manager working in Amritsar hires an area electrician to put in additional lighting within the restaurant's parking lot . If the restaurateur doesn't believe the electrician has adequately performed the terms of his contract, the dispute would be resolved, altogether likelihood, by a court in Amritsar and in accordance with Indian law.

Now assume that same restaurant manger purchased, online, a cruise for herself and her husband. The cruise was advertised on an internet site managed by a New York state agency. It offered a ten-day Caribbean cruise departing from Miami. The cruise liner itself is operated by an Italian cruise line company. If, ultimately, the cruise supplied didn't meet the expectations of the restaurateur, the right venue for her potential action would be less clear. But there would be no doubt if the contract agreed to by the restaurant manager included information about the acceptable location for any needed action. A forum (venue) selection clause may be a statement during a contract specifically identifying the court or entity authorized to listen to disputes associated with a contract's terms.

Those travel companies doing business on the online will typically insert forum selection clauses into their contracts in an attempt to preclude having to defend against lawsuits which may be filed anywhere within the world. The courts will generally enforce Internet forum selection clauses if they're clearly communicated to purchasers.

In addition to identifying the situation of potential litigation, website travel providers may, for instance, insert contract clauses that need buyers to agree that any dispute arising would be resolved before an arbitration tribunal, instead of a court.

☐ Check Your Progress :

1. Travel law are complicate because there are so many products and services _____
 - a. Interconnected
 - b. Not connected
 - c. Loosely connected
 - d. Can't say
2. Full form of acronym GDS
 - a. Global Demand Sales
 - b. Global Distributed Services
 - c. Global Distribution System
 - d. None of the above options
3. The tragic event of 9/11 happened in _____
 - a. Australia
 - b. India
 - c. USA
 - d. UK
4. The number of persons travelling by air increased significantly because of _____
 - a. Low cost of travel
 - b. Speed
 - c. Both a and b options
 - d. None of the above options

5. Airlines operate internationally are subject to the principles and liability limitations of the
 - a. Warsaw Convention
 - b. Chicago Convention
 - c. Kyoto Convention
 - d. None of the above options
6. OTA acronym stands for _____
 - a. Offline Travel Agent
 - b. Online Travel Agent
 - c. Outbound Travel Agent
 - d. None of the above option
7. OTA's functioning through Electronic Brochures and _____
 - a. Online travel consultants
 - b. Online reservations and sales
 - c. Online virtual tour
 - d. None of the above options
8. Make my trip is both offline and online travel agency.
 - a. True
 - b. False
 - c. Can't say

2.6 LET US SUM UP :

The tourist business is governed by a complex legal and regulatory framework both at home and abroad. This unit looks at this framework and the essential legal principles that apply to tourism and related sectors. Various corporate laws as well as international law concerns such as consumer protection, product and service liability, employment, and legal access to the natural environment will be discussed here. This unit deals with the issues and potential liabilities associated with tourism, airline and online travel agencies.

2.7 ANSWER FOR CHECK YOUR PROGRESS :

Check Your Progress :

- | | | | |
|------|------|------|------|
| 1. a | 2. c | 3. c | 4. c |
| 5. a | 6. b | 7. b | 8. a |

2.8 GLOSSARY :

GDS : A global distribution system is a computerised network system owned or operated by a company that enables transactions between travel industry service providers, mainly airlines, hotels, car rental companies, and travel agencies.

Jurisdictions : It is the extent of the power to make legal decisions and judgements.

Online Travel Agency (OTA) : OTA is a web-based marketplace that allows consumers to research and book travel products and services, including hotels, flights, cars, tours, cruises, activities and more, directly with travel suppliers.

Principal-Agent Relationship : A principal-agent relationship is when one entity appoints another to figure on its behalf lawfully.

Reservation : Reservation is an action of reserving something set aside, like a table at a restaurant or land

2.9 ASSIGNMENT :

1. "The question of precisely which court has jurisdiction is crucial to understanding the applicable law." Explain the statement with an example.
2. What is the meaning of fraud by independent contractors (ICs) ? Give an example.
3. Explain the consequences of signing a long-term contract by unauthorised employee.
4. What are the five issues around which litigation against travel agent can be filed ?
5. What are the legal features raised by OTA's ?

2.10 ACTIVITIES :

1. Visit the nearest travel agency and inquire from the owner or manager about the legal challenges they have faced while setting up the agency and how they handled any legal complaint from the visitor.

2.11 CASE STUDY :

The Legal and Regulatory Framework

Mr. Lee is an executive of a big company from America. He came to Singapore to attend a business convention in 2009. He would be staying in G Hotel in Singapore for two nights. Feeling sore from wearing the expensive diamond ring, he left the ring on the drawer in the hotel room. When he came back to the hotel room, he was shocked to find out that the ring on the drawer was missing and proceed to call the duty manager and housekeeper to demand an explanation. The housekeeper insisted that he would not clean the room without first notifying Mr Lee as it is part of the Hotel standard operating procedure. Mr Lee was very angry and said he is not interested in the excuse and would definitely sue the hotel for negligence demanding a compensation of \$15,000.

First of all, before the explanation of Mr. Lee's case scenario, it is essential to know that the Common Law has been in existence since a thousand years ago. These principles of law have been applied to almost all areas in the old British Empire. Many countries still employ the common law with slight alterations subjected to local customs and practices. There are two branches to Common Law. These branches consist of Criminal Law and Civil Law. Criminal law seeks to identify certain behaviour as criminal and punish those whose behaviour is, according to that definition, criminal.

If Mr. Lee established that the loss of the ring is due to the theft by the staff of the Hotel, he may report to the police in which the case will be dealt by Criminal Law. The relationship is between the state and the criminal which the state seeks to punish. In doing so, the state is essentially protecting its citizens from undesirable behaviour and the state takes on the responsibilities for the detention, prosecution and punishment of the offenders.

If Mr. Lee established that the loss of the ring is due to the negligence of the hotel, he may than try to seek compensation by going to the courts in which the case will be dealt with by Civil Law. In Civil Law, the relationship is more

likely to be between the hotel and Mr. Lee rather than with the state. Furthermore, Civil Law seeks to achieve redress, remedy and compensation for the aggrieved party namely Mr. Lee as judged by the court of law, not punishment. Individuals are responsible for the enforcement of civil law. The state's role in this case is merely to provide the procedure and courts necessary to resolve the disputes. Law of Contract and Law of Tort are the predominant themes in civil law. In contract law, generally two or more persons come together to form an agreement. There is an offer, an acceptance and an intention to be legally bound by the contract. When there is a breach of the contract, the two parties will go to court over the breaking of the agreement. Thereafter, remedies will be awarded to the person judged to be aggrieved, whereby the quantum awarded will be compensatory and not punitive. It is good to know that Contract law is not in effect in this case scenario.

In contrast, in Tort, there may not be any agreements between the hotel and Mr. Lee. Mr. Lee suffers loss and/or damage due to the actions or inactions of the Hotel. In the law of tort, one person has committed a civil wrong against the party. A general theme surrounding the law of Tort is the concept of negligence. As long as Mr. Lee can establish that the Hotel committing the tort was negligent, he may be entitled to compensation.

In conclusion, Mr. Lee may use the means of Civil Law and the law of tort to claim compensation. The court involved is likely to be Small Claim Tribunal as the amount is \$20,000.

<https://www.lawteacher.net/free-law-essays/travel-law/law-for-travel-and-tourism-industry.php>

2.12 FURTHER READING :

1. Vikrant Pachnanda, (2019) A Guide to India's Aviation Law, Thomson Reuters South Asia Private Limited
2. Shashank Garg, (2017), Tourism Law In India - A Comprehensive Manual of Concepts, Regulations & Guidelines, Universal Law Publishing - An Imprint of Lexis Nexis
3. L. K. Singh, (2013) Trends in Travel and Tourism and Law, Isha Books

UNIT STRUCTURE

- 3.0 Learning Objective
- 3.1 Introduction
- 3.2 Digital Marketing in Travel & Tourism Industry
- 3.3 Digitalisation in Airline Industry
- 3.4 Characteristics of a Successful Digital Marketing Campaign
- 3.5 Power of Social Media – Hashtags and Influencers
- 3.6 E–Tourism
 - 3.6.1 E–Tourism : Digitisation of The Industry
 - 3.6.2 E–Tourism : New Digital Trends
 - 3.6.3 Future of E–Tourism in India
- 3.7 YouTube as Digital Marketing Tool
 - 3.7.1 Benefits of Using YouTube for Business
 - 3.7.2 Benefits of YouTube Marketing for Influencers
- 3.8 M–Tourism
- 3.9 Let Us Sum Up
- 3.10 Answer for Check Your Progress
- 3.11 Glossary
- 3.12 Assignment
- 3.13 Activities
- 3.14 Case Study
- 3.15 Further Reading

3.0 LEARNING OBJECTIVES :

After working through this unit, you should be able :

- To know the digitalisation in travel and tourism industry
- To understand the extent of digitalisation in airline industry
- To comprehend the characteristics of successful digital marketing campaign
- To know the extent of e–tourism and You Tube as digital marketing tool

3.1 INTRODUCTION :

It's clear that digital marketing allows companies to attach and have interaction with potential customers in new and beneficial ways and it's certainly been beneficial to the travel and tourism industry. As both still thrive and expand, new opportunities for employment will still be created. Some education institutions recognize this fact and have incorporated digital marketing into their tourism and hospitality programs or have begun offering specialized online travel and digital

marketing degrees. There's work to be found within the travel and tourism sector outside of hotels, attractions, and tour companies.

3.2 DIGITAL MARKETING IN TRAVEL AND TOURISM INDUSTRY :

The travel and tourism sector was one among the very first industries to adopt digital marketing strategies. This early adoption has also allowed the industry to remain on top of the newest digital marketing trends. Mainly due to the rationale that this industry primarily sells experiences. The increasing number of mobile users, lowering prices of digital marketing services and rising effectiveness of social media strategies are a couple of the multitude of reasons which has led to the widespread adoption of digital marketing strategies by the travel and tourism industry.

Earlier, most consumers of the travel and tourism sectors browsed destinations and booked their itineraries through online mediums using desktops and private computers. But now, the industry has gradually but rapidly witnessed a shift from desktops to mobile devices. Not just the hospitality industry, but digital consumption as an entire has experienced this transition. Digital consumption today is startlingly different than how it had been even just a couple of years ago. As such, there are modern-world start-ups arising within the already highly saturated travel and tourism sector which are mobile-only. The whole industry goes mobile, quite literally.

However, an outsized percentage of bookings today are still administered traditionally using physical means despite all the research and therefore the resulting final judgment being made using online channels. Surely, the power to book online could significantly boost sales. The most important advantage of online booking would perhaps be bookings made by last-minute travellers who book a hotel for same day. This subset accounts for roughly 60 per cent of all travellers.

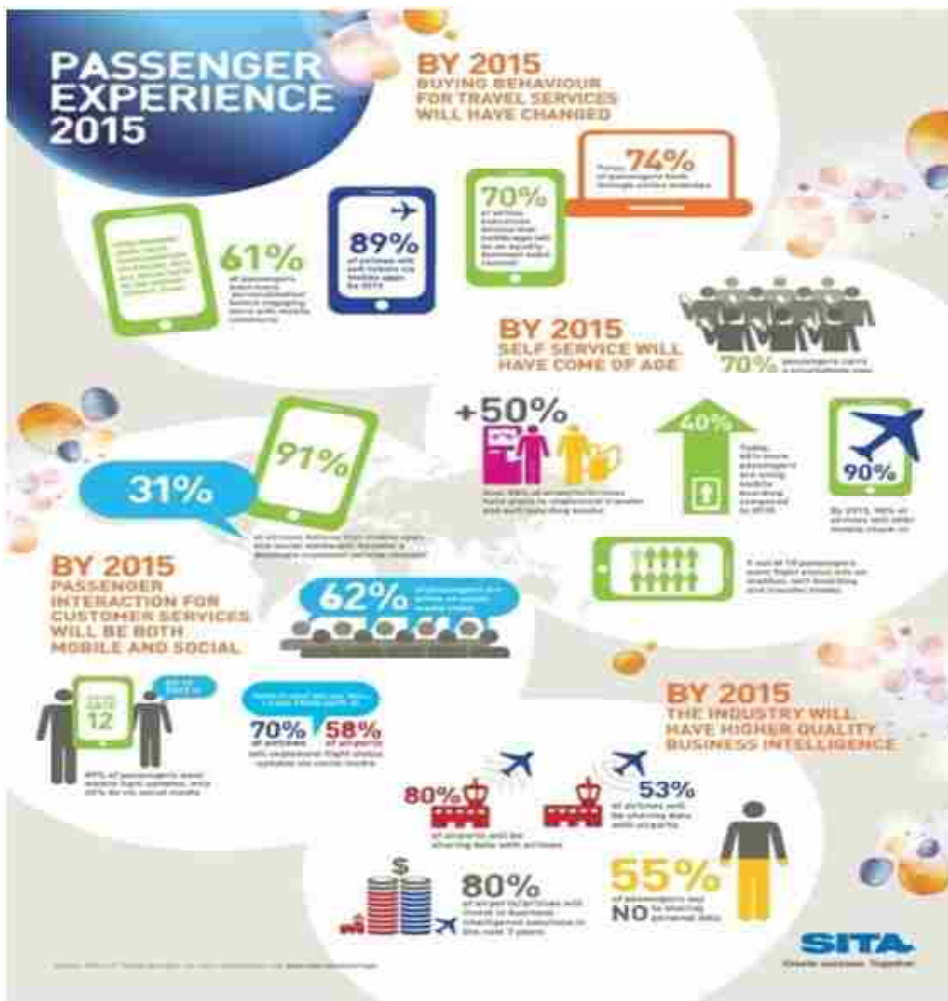
3.3 DIGITALISATION IN AIRLINE INDUSTRY :

This is the new series watching digital innovation and transformation in several B2B sectors aimed to inspire business-to-business marketers. The B2B marketing looks at how digital technologies are being deployed within the blossoming aviation and aviation sector to reinforce customer experiences at every stage of the method.

What does the passenger experience look like ? This infographic below illustrates how technology sits at the guts of the world and enables the incredible growth in Digital Marketing within the Airline industry we're seeing.

The customer pathway in air travel can be segmented into the following areas :

- Pre-travel – online reservation and online check-in
- Check-in, validation, baggage & security
- Airport services and 'passenger way-finding'
- Lounges, gates and boarding
- In the air
- Immigration and arrivals



3.4 CHARACTERISTICS OF A SUCCESSFUL DIGITAL MARKETING CAMPAIGN :

Post understanding what digital marketing is all about, it's also important to know the highest six characteristics of successful digital marketing campaigns :

1. **Quality Website :** A quality website today may be a prerequisite before establishing a business online. It not only helps your business transcend geographical boundaries to succeed in newer prospects, but also work as digital destinations for your audiences who can access it 24x7.
2. **Strong Social Media Presence :** Social Media platforms like Facebook, Twitter, LinkedIn, Instagram enable businesses to succeed in out and talk on to their users. Presence on these platforms not only helps brands to determine credibility, improve customer services but also provides insights on what your customers are up to.
3. **Program Optimisation :** Search Engine Optimisation (SEO) is an integral part of digital marketing today. The web ranking of a business on various search engines determines the web popularity and helps increase website visits. There's tons of misconception that SEO efforts would cause immediate results. It's important to know that SEO is an ongoing process and takes time to point out results. Businesses got to make sure that a fanatical team works on ensuring that both on-page and off-page SEO initiatives are undertaken.

4. **Email Marketing :** Email Marketing isn't all about bombarding the inbox of your audiences with emails. It must be planned and executed well to make sure maximum returns. Sending personalized emails to users increases the probabilities of getting instant replies alongside showing that a business cares. Customize offers and communication for various user groups supported where they dwell your account cycle.
5. **Engaging Content :** Content used across various online platforms should cause increased engagement rates. Businesses got to make sure that they post relevant content across various platforms at the proper time. Blogging is a superb thanks to engage with audiences and move beyond than simply selling products.
6. **Mobile-Friendly :** Everything that a business does digitally today should be mobile friendly. Majority of online users today access the web on their mobile phones and this could reflect in every aspect of online marketing considerations. Most of the people uses smartphones these days. The web site, app, updates on social media, emails, SEO or the other aspect of digital marketing is common, being mobile-friendly may be a prerequisite in today's times.

3.5 POWER OF SOCIAL MEDIA – HASHTAGS AND INFLUENCERS :

Social media has been especially vital in upping the FOMO (it is a slang meaning fear of missing out) factor, particularly Instagram. Everybody's Instagram explore page is replete with travel photos, often amid captioned recollections or reflections on the destination and hashtags galore. Clicking on any of those travel hashtags instantly brings up thousands more pictures of other users on a search to #seesomeworld.

Most of those posts aren't sponsored, in order that they are essentially free ads for whatever destination, tour or accommodation is featured. Many users became influencers, with tens of thousands, many thousands, and even many followers, and that they are paid to go to and promote these places – a win/win for everybody involved. Influencer marketing as a subsector of digital marketing continues to be effective because, again, people see these individuals as 'just like us' and in many cases, are highly likely to require action or make purchases supported the support and/or recommendation of their 'faves'.

3.6 E-TOURISM :

During the last decade of 20th century, India saw the emergence of e-tourism, its innovation and growth. It's due to the web revolution and its utility where the tourists are more interested to urge information on destinations, facilities, availabilities, prices, geography & climate and present status of friendly relation. This led to the event of e-commerce strategies in tourism industry and more services within the sort of online hotel booking, flight booking, car booking, bus booking came into forefront as online services provided by the large online travel industries like TravelChaCha, Makemytrip.com, Yatra.com, Cleartrip.com, Ezeego1.com, Arzoo.com, Travelguru.com, Travel.indiatimes.com, ixigo.com, travelocity.co.in etc. On these sites, the travellers have wide option of exploring details of hotels, flights, cars, buses and other allied services.

3.6.1 E–Tourism : Digitization of the Industry :

The E–tourism is defined as "the digitization of all the methods and value chains of the tourism, travel, hotel and catering sectors, allowing companies to maximise their efficiency and their offers to customers".

The emergence of the web within the '90s also because the development of varied web technologies have strongly changed and revolutionized the tourism sector.

E–tourism may be a new way of thinking, organizing and experiencing the vacations that are happening. People are increasingly using smartphones, computers, and tablets to book flights and hotels. They also tend to debate and send photos and videos of their stay. Within the era of E–tourism, travellers share their opinions and experiences before happening a visit, during the trip, and after the top of the vacations on social networks.

3.6.2 E–Tourism : New Digital Trends

The web has become the predominant channel worldwide. The amount of bookings made online increases every year. E–tourism isn't the longer term, it's already the present.

It's not only important to understand that online bookings are the new trend but you furthermore may got to understand the role that social networks play as 'drivers' of those bookings.

With the increase of social media, we discover that there's a transfer of control from the travel industry to individual tourists. This will be frightening because their opinions can affect the integrity of a particular offer.

At the same time, this transfer of control might be an excellent opportunity. When tourists have an excellent experience, they publish photos, videos and even write reviews which will surely usher in more customers.

Nowadays internet users are increasingly trying to find interactive platforms where they will communicate and share with tourist agencies. Having an internet site isn't enough anymore. Tourism stakeholders are committed to empowering their customers to make their own content on social networks. For instance, we wish to participate in social media games or post reviews of experiences. It might surely help us to appreciate more and more the businesses that are giving this chance for patrons.

Vacations are the foremost shared experiences on these platforms. People take pictures, they show the destination and they describe their experience and also mention their meals. This is often considered free advertising for the agency organizing this stay especially as many thousands of such publications are shared every day.

Social networks have surely changed the trends of tourism but the tourist in himself remains the foremost valuable asset. Within the digital world, the tourism industry is driven by independent travellers.

3.6.3 Future of E–Tourism in India

Before their departure, travellers are researching their journey on the web and therefore the number of users is multiplying day–by–day. The survey has proved that India has shown clearly together of the emerging leisure online travel market which attracted many travellers to explore the itineraries and their details on the one hand and seeking online services for flight booking, hotel booking,

car booking, bus booking etc. on the opposite . The survey further clarified the longer term perspective of E-tourism in India by putting a figure of potential earning expected to be a \$2 billion.

Tourism and travel represent nowadays the most leisure activity for billions of individuals round the globe. The digitalization of our world and therefore the use of latest technologies changed the way we glance and perceive the tourism industry and opened the door to the E-tourism.

3.7 YOUTUBE AS DIGITAL MARKETING TOOL :

YouTube marketing is the process of promoting businesses and products on YouTube's platform by publishing useful videos to a company's YouTube channel or by purchasing YouTube advertisement.

3.7.1 Benefits of Using YouTube for Business

YouTube has amazing benefits for its users. Being a marketer or subscriber of any channel even a random browser has a lot of benefits from it. The following are the few benefits from YouTube :

- 1. Building Your Tribe :** YouTube may be a platform where various niche personalities share their specific passion, creative style and lens on life. It's sort of a clubhouse, where audiences come to feel right; feel entertained knowing their favourite YouTubers are a click away.
- 2. Discoverability & Free Traffic :** YouTube is that the second largest program next to Google. Owned by Google, YouTube operates by an identical science of program optimization, meaning you'll get "discovered" when people look for solutions to their problems and YouTube or Google recommend you. Meaning free advertising for the world's two most powerful search engines. Say goodbye to wasting money on paid ads!
- 3. Video May be a Powerful Lead Magnet :** Videos offer a high trust factor and word-of-mouth recommendations to audiences. When audiences see you and relate to your experience, they invest emotions together with your journey and thus, any sales conversion is above a still photo or transcription advertisement. But from a marketing standpoint, it's also easier to sell things if people can see a product/service and the way it works, which is why brands pay YouTubers for product endorsement, a shout out or integration.
- 4. Low Budget Production :** YouTube doesn't require an outsized production budget. Filming together with your smart phone is perfect thanks to start your travel channel if you don't skills to start and have a non-existent budget. You'll create your entire video production system on your mobile if you had to download an inexpensive video editing app like InShot or Videorama you may edit your videos on go.
- 5. Passive Income :** What makes YouTube different from social media platforms is you'll grow your passive income and switch your video making hobby/dream into a side hustle. Once you meet the wants of the YouTube partner program, you're eligible to earn money through Google. But don't need to stop there. Sell your own products/services and grow income with affiliate sales through your YouTube video also.
- 6. Grow Your Brand Globally & Be a Star :** YouTube may be a global television receiver and lots of YouTubers become real celebrities to their

fans. Once a video or channel gains traction, your video can cross the world. It is cool and awesome to understand your life has made a positive impact on another person round the world.

7. **Video is Evergreen** : Unlike social media, YouTube may be a video portfolio which is evergreen. Your videos stay on YouTube platform for as long as YouTube operates and you'll look for them. This suggests they will go viral at any time, even long after you post it.
8. **Video is Experiential** : YouTube is that the most immersive platform there's. It allows you to experience sight, sound, emotions and it demands your full attention. For that reason, when audiences watch a travel video, they will desire they're there travelling with you browsing your thoughts and experiences as if it were their own. Thus, it's a highly powerful medium because it communicates tons in each second.
9. **Peer-to-Peer Learning** : YouTube allows us to show and learn from one another. It allows us all to be experts of our own experience. You don't got to be anything you're not – you only got to have an opinion and therefore the ability to share your experience.
10. **Opportunities Find You** : The beauty of YouTube is when people round the world find you through your videos and that they are holding opportunities that you never imagined you'd get.

3.7.2 Benefits of YouTube Marketing for Influencers

1. **Brand Building & Business Mindset** : Seed your Niche, Unique Brand Story & Value. Focus on your niche audience and unique IT factor personality to create your brand and business mindset to strategize your growth. Discover the unique IT factor and secret to sculpt a magnetic brand that stands call at the YouTube.
2. **Profitable Content Strategy** : Seed juicy content to grow your tribe and monetize at an equivalent time. Create a content strategy, study content hacks, traffic building and income boosting content techniques. Effortlessly create video which connect together with your tribe, dramatically increase engagement & creates income while you sleep!
3. **On-Camera Confidence** : Get confident that you're on the proper path to success. Learn tricks to bring out your dazzling personality and let viewers fall crazy for you.
4. **Discoverability** : Easily navigate YouTube SEO by understanding the algorithm. Harness the facility of YouTube discoverability, optimization and accelerate your traffic. Understand the YouTube script and overcome doubts about who you ought to be on-camera and why your audiences will love you for who you are!
5. **Personal Feedback & Accountability** : Whether you're in travel, food, crafting, financial, etc you get feedback on your ideas and accountability from the customers or groups associated with you. You'll be within the dark when making decisions on your brand ideas and business when there is no proper feedback to you. Make sure you have right channel to get authentic feedback on all your business activity.

3.8 M–TOURISM :

The development of mobile applications in recent years and its adaptation to the sector of travel has led to the emergence of what we call the M–tourism.

The major evolution of E–tourism is that of the mobile. The population is preparing their holidays via their smartphones. The amount increased exponentially during previous couple of years.

M–tourism features a big impact on the way tourist prepare their trips. By having their digital tablet or mobile, travellers have access all the time, to all or any the leisure offers and activities available on site. They customize their holidays on site, adding a hotel night or booking a restaurant without having to believe it beforehand. We are witnessing more freedom and independence.

Individuals are increasingly connected through their smartphone which makes the M–tourism the most recent trend within the travel and vacation market.

It is important for tourism and travel companies to acknowledge the importance of a satisfied customer. People are connected the entire time they post their pictures whenever they're visiting a replacement place. They write reviews and provide opinion on hotels, packages, and flights. There reviews and posts are surely influencing people's decisions when planning an equivalent trip.

The customers are gaining more and more control. It's important to innovate and understand the worth of UGC (User Generated Content) so as to always offer unique experiences for travellers.

□ Check Your Progress :

1. Reasons for the growth of digital marketing _____
 - a. Increase in number of mobile users
 - b. Less expensive than traditional marketing
 - c. Rising effectiveness
 - d. All of the above options
2. Which is the major segment (almost 60%) booking through online websites ?
 - a. Family vacation
 - b. Last minute travellers
 - c. Youth
 - d. Can't say
3. Presence on social media platform enables companies to _____
 - a. Improve customer service
 - b. Know customer feedback
 - c. Both a and b options
 - d. None of the above option
4. SEO acronym stands for _____
 - a. Special Engine Organisation
 - b. Search Engine Optimisation
 - c. Service Economy Organisation
 - d. None of the above options
5. Everything that a business does digitally today should be mobile friendly.
 - a. True
 - b. False
 - c. Can't say
6. The full form of slang FOMO
 - a. Full on moments
 - b. Fear of missing out
 - c. Future of mobile organisations
 - d. None of the above options

7. Potential earning from e-tourism is expected to be _____
a. \$ 1 billion b. \$ 2 billion c. \$ 3 billion d. \$ 4 billion
8. Inshot and Videorama are the _____
a. Social media sites b. OTA
c. Video editing sites d. All of the above option

3.9 LET US SUM UP :

Even though the majority of the travel and tourism industry has shifted online, it's crucial to note that the transition has been straightforward and uninspiring, with tour operators and travel agencies offering little new or innovative. The internet has created a very convenient venue for experimenting with new inventive strategies for very little or no money. To provide consumers with something fresh and distinct from typical vacation experiences, travel and tourism firms must look into harnessing internet channels and mastering unique digital marketing methods. The unit has touched the majorly all the aspects of digitalisation. This unit learner comes across the concept of digital marketing in tourism and airline. Additionally significant concepts of e-tourism, m-tourism and YouTube as digital marketing tool are also discussed in detail here.

3.10 ANSWER FOR CHECK YOUR PROGRESS :

Check Your Progress – 1 :

- | | | | |
|------|------|------|------|
| 1. a | 2. b | 3. c | 4. b |
| 5. a | 6. b | 7. b | 8. c |

3.11 GLOSSARY :

Digital Marketing : It is the component of marketing that utilizes internet and online based digital technologies such as desktop computers, mobile phones and other digital media and platforms to promote products and services.

Digitisation : It is the process of converting information into a digital format.

E-Tourism : It is the adoption of information and communication technology (ICT) by tourists and businesses transforms the processes and the value chains in the tourism.

Mobile Tourism (M-Tourism) : It is the application of mobile devices such as smartphones, tablet computers, smartwatches, smart bands, GPS localizadors/beepers, and associated software for tourism services.

Search Engine Optimization : SEO is the process of improving the quality and quantity of website traffic to a website or a web page from search engines. SEO targets unpaid traffic rather than direct traffic or paid traffic.

3.12 ASSIGNMENT :

1. What is digital marketing and how it is gaining popularity in tourism industry ?
2. Write a short note on digitalisation in airline industry.
3. Explain the characteristics of successful digital marketing campaign.

4. How YouTube can be used as a digital marketing tool ?
5. What is the meaning of term M-tourism and its relevance in present time ?

3.13 ACTIVITIES :

1. Find the travel company near you which is doing business on digital platform. Enumerate the experience of the owner or manager after the digitisation of business.

3.14 CASE STUDY :

E-Commerce Strategy at Malone Golf Club

Derek Sprague, general manager of the Malone Golf Club, pondered changes in the marketing and distribution strategy for his club for the upcoming season. The Malone Golf Club had made significant progress in the past three years. The club completed the construction of a new clubhouse, made minor design changes to several of the 36 holes that make up the two golf courses, and upgraded the food and beverage offerings of the club.

The Malone Golf Club operates as a semiprivate club, offering both annual memberships and daily greens fee access. Many of the daily fee players come to the club, located in Malone, New York, from Canada-Montreal is only a 90-minute drive from the club. The club has used a Web site for several years to promote the golf, golf packages, food and beverage service, and other amenities. The club's approach to the Web site (www.malonegolfclub.com) has been primarily "brochure-ware," that is, it is used as an addition to the printed brochures. Derek is thinking of taking a more aggressive approach to electronic commerce. He is considering a number of options, including accepting reservations online; developing a chat room where members and players could discuss the course, trade stories, and stay in touch with each other; and developing an online push e-mail and promotional strategy for frequent daily fee players and members of the club.

You have been retained as a consultant to the club. Derek has asked you to research the following questions and then meet with him next week. He wants to review your early research before proceeding further or retaining additional consulting assistance.

Case Study Questions and Issues

1. What are the pros and cons of accepting tee time reservations online ?
2. Will online reservations impact the staffing of the pro shop ?
3. What electronic commerce business model should Malone Golf Club adopt ? Should it auction off tee times at low-demand periods or keep the traditional pricing model in place ? What are the financial implications of these options ?
4. How will potential online systems integrate with the current tee time system ?
5. How might the members and frequent players react to online reservations ? Will it be viewed positively or negatively ?

https://www.hzu.edu.in/uploads/Case_Study_for_Hospitality_Marketing.pdf

3.15 FURTHER READING :

1. Neelam Singh (2015). Digital Hospitality Marketing, Anmol Publication
2. Ribhu Vashishtha (2019). Study on Medical Tourism Sector of India, Cardiac Incidence, Digital Marketing tools Kindle Edition, Ishwar Publications

UNIT STRUCTURE

- 4.0 Learning Objective
- 4.1 Introduction
- 4.2 Qualities of Good Marketer
- 4.3 Traits of a Successful Marketing Executive
- 4.4 Important Marketing Executive Skills
- 4.5 Challenges for Marketing Managers
- 4.6 Let Us Sum Up
- 4.7 Answer for Check Your Progress
- 4.8 Glossary
- 4.9 Assignment
- 4.10 Activities
- 4.11 Case Study
- 4.12 Further Reading

3.0 LEARNING OBJECTIVES :

After successfully comprehension of this unit learner will be able :

- To understand the qualities of good marketer
- To find out the traits of successful marketing executives
- To know about significance of marketing executive skills
- To comprehend about the challenges for marketing managers

4.1 INTRODUCTION :

Marketing may be a vital and important function for all companies. The success and failure of any firm depends on the success of its marketing functions.

It is a constantly evolving profession and therefore the executive should be always in tune with the social, political and economic changes to succeed. However, when it involves marketing world, you would like far more than that. People looking to recruit marketing executives and people applying for such fields should realise few qualities essential for a successful marketing executive.

4.2 QUALITIES OF GOOD MARKETER :

Only being an honest business expert doesn't assist you within the marketing industry. Most of the hiring managers search for the simplest of selling skills in an interview, while recruiting a candidate.

Also if you actually are meaning to become a successful marketing executive, there are a couple of important qualities that you simply got to possess. Consistent with industry professionals, these qualities assist you get ahead in their careers. A number of them are :

- Business Driver
- Customer Driven
- Relationship Focused
- Strategic Thinker
- Visionary
- Digital Guru
- Brand Champion

4.3 TRAITS OF A SUCCESSFUL MARKETING EXECUTIVE :

The traits person possess defines his true character. Being a marketing executive is straightforward but a successful one takes tons of diligence and dedication. Every employee in a corporation strives to advance within their career and found out a benchmark in the market.

Marketing management may be a perfect fit people that are comfortable communicating to clients and other professionals within their organizations. It requires a capability to watch objectively, research effectively, problem–solve, and process data so as to form the simplest decision for the longer term. So, not only does it require the power to seek out and use data, it also consists of working with others.

The following mentioned are few personality traits to achieve success within the profession.

- 1. Curiosity and Innovative Thinking :** A marketing manager should stay hospitable new ideas and possess a desire to know an idea which will be difficult to understand initially glance. even as a contract engineer may check out a replacement bridge's building technology then be led to review it to realize an understanding of how it works, so should a marketing manager be inspired to research a facet of the market that's outside the norm of her experience. That sort of curiosity will yield a shift within the manager's perspective which may cause ground–breaking advancements within the future. A marketing manager cannot simply present a marketing campaign because it's worked within the past.
- 2. Creativity :** Marketing has always benefitted from creative types using their gifts of arising with campaigns and slogans which make the masses laugh, cry, think, and most significantly, purchase. even as a songwriter is in a position to construct words that the general public can identify with, so a successful marketing manager are going to be ready to tap into a segment of society and not only identify with culture but influence it. While many of the tasks that a marketing manager will perform involve working with others, they ought to be ready to work creatively with others on a team and make the foremost of creativity while working together.
- 3. Sales–Minded :** As important as qualities like creativity and other people skills are to the marketing manager, at the top of the day, it's all about business. In marketing, sales are everywhere. The client must be sold on the ad agency itself at the start of a project then he must buy the thought presented by the marketing organization. truth test, in fact is when the finished campaign is released to the general public and sales are recorded.

4. **Energy and Enthusiasm :** The best marketing managers are going to be sort of a lot just like the Energizer Bunny. They'll have boundless passion and stamina to urge them through the long hours and any creative blocks. A marketing manager will genuinely love their job and your brand. Their love for your product or service is what drives their marketing. They ought to be excited about what you offer in order that they will inspire an equivalent excitement in customers.
5. **Commitment :** Part of the keenness for your brand. A marketing manager has got to be committed to your product. They're your head evangelist, and their job is usually to be showing how excellent your brand is. they have to measure your marketing message in the least times. Finding the right fit this role is about finding someone who embodies your values and likes to share them with others. Check their resume to ascertain if they need bounced around at jobs tons . Someone with commitment would stick with a corporation for a minimum of a couple of years at a time.
6. **Research Orientated :** The best marketing is on in–depth research. A marketing manager must know your audience, your industry, and your product. All of this takes extensive research because marketing that's on guesses and assumptions is perhaps getting to be ineffective. search for someone who knows their way around analytics. they ought to understand your audience to return up with the simplest possible marketing message, and that they got to skills to interpret analytics to ascertain how a campaign is doing. Data is king, and an honest marketing manager knows this.
7. **Adaptability :** As important as making initial plans are at the start of a project, the power to adapt to issues and solve problems throughout a marketing campaign is usually even more valuable in marketing management. Few may even see the risks in taking a rigid approach to leading a team, but issues often arise when a team lacks the power to acknowledge a drag, assess things and make adjustments to stay the project rolling. this is often when a marketing manager must believe their creativity and problem–solving skills to return up with an answer which can save time and money.

In marketing, so as in life, something always goes wrong or not as planned. Your marketing manager must be adaptable enough to return up with creative solutions to any problem. Maybe a developer can't meet a deadline. Maybe there's a completely new social media platform that has popped up, and a big number of your target customers are thereon. Whatever hurdle comes up or new technology comes out, the simplest marketing manager will pivot and adapt their plans and methods .they ought to never be stuck within the stone and refuse to improvise. Being flexible may be a critical trait in these six great traits of a marketing manager.

8. **Visionary :** A marketing manager must have a big–picture vision to be ready to see things others don't. In marketing, the small print can get overwhelming. you would like someone who can take a step back and size up of the method from a high–up viewpoint . regardless of what project you're performing on , they ought to always remember your brand values and overall marketing goals.

Plus, you would like someone who can see what others can't and may communicate their vision to others in an exciting way. It means getting the entire team on board for new campaigns. As well as infecting customers with their

enthusiasm. A marketing manager will have both short-term as well as long-term goals and won't lose sight of either of them.

Hiring new people may be a big decision which will make or break your company. Your marketing manager is your company's biggest cheerleader—with the loudest megaphone.

4.4 IMPORTANT MARKETING EXECUTIVE SKILLS :

Here we are sharing with you essential skills that each marketer got to possess.

1. Communication Skills :

At their essence, digital marketing managers are communicating a highly targeted message to a consumer in need. They need to be ready to craft a brand or product story which will engage audiences on an emotional level. This needs supreme command of written, visual, and even non-verbal communication.

Beyond customer reach, digital marketers must even be ready to communicate gleanings from data about user experience and pain points to the remainder of the marketing team and, possibly, to product management so as to tell product strategy.

2. Leadership Skills :

As the saying goes, "the customer is usually right." As this cannot always be the case, the effective marketing manager will constantly strive to stay the customer happy. If a marketing client features a pre-existing idea for a campaign, it's going to be the marketing manager who works to honour their ideas and steer the client to the simplest possible solution. This takes good communication skills, sensitivity, and patient response when handling others.

The marketing manager also needs to be an honest leader with their staff. Much of what takes place in marketing and advertising today requires the utilization of recent technology.

Marketing managers need to be ready to communicate clearly and conscientiously to a team of differentiated specialists, steering a coherent strategy toward meeting customers' needs. This needs a mix of hard and soft skills for fostering team-driven problem-solving.

Marketers constantly face with novel challenges, trends, and tools of the trade. To remain on top, they need to be willing to travel with the flow and embrace change with open arms.

3. Critical Thinking Skills :

Generally, it's felt that some people are left-brained and a few are right-brained. Left-brained are analytical in their approach and right-brained are creative, artistic. A marketer must be both-brained to bring discipline also as art to the profession.

A person with experience during a sort of functions like sales, operations and finance are going to be more successful in marketing overall as compared to those with experience solely in marketing.

A holistic approach is required to sort the conflicts which will arise with time, among various functional departments. Speaking their language will ease things and help in reaching an answer.

4. Technological Skills :

Technology is extremely important a part of marketing lately. A manager appropriately skilled in technology and particularly in digital marketing work with better understanding of audiences, their pain points, and the way they're employing a particular product, then use that understanding to tell messaging and sometimes product strategy.

Most of the marketing communication happens online lately. Marketers rely heavily on digital data analysis for market and user research, though they'll incorporate more traditional research methods, like focus groups.

Marketers reach audiences through any and every one of the subsequent technological tool to speak better : Search Engine Marketing (SEM) – Also referred to as Paid Search or Pay-per-Click (PPC), this is often the practice of placing advertisements on program results pages.

- a. **Search Engine Optimization (SEO) :** SEO refers to creating sure a specific website shows up organically in top program results. Instead of paying for ads in top spots, SEO marketers instead optimize the planning of internet sites , also as technical and in-text aspects of web page , to speak their authority and relevance to Google.
- b. **Content Marketing :** An important component of SEO, content marketing aims to extend brand awareness, conversions, and ultimately sales through high-value, relevant, authoritative written and visual online content.
- c. **Social Media Marketing :** Digital marketers seek both organic reach and paid advertising opportunities on social media, which helps marketer segment audiences and better differentiate their messaging.
- d. **Email Marketing :** Email marketing, like mailing lists and re-marketing campaigns, takes advantage of the personalization capabilities of email as a communication method.

4.5 CHALLENGES FOR MARKETING MANAGERS :

Being a marketing manager within the 21st century is not any mean feat. Have you ever felt that with the advancement in technology and rapid globalisation, the marketing spectrum has changed and evolved ? If you're having a troublesome time maintaining with these advancements, you're not alone.

Did you know ? Even the simplest strategic management minds struggle against these challenges' day-in and day-out. As a marketing manager, if you're facing certain challenges, it's time you identify and tackle them.

Not all marketing managers' face an equivalent challenges. However, there are few generic ones which most managers have acknowledged. Whether its budget allocation or poor internal communication, find the issues and resolve them.

Challenge 1 : Maintaining with New Marketing Trends

With new trends appearing within the marketing ecosystem every now then, it is often difficult to stay track of the changes and implement them. Though these trends will prove beneficial to the marketing manager and his company within the end of the day, maintaining with new developments in social media, web design and advertising are often quite overwhelming.

To make the method less daunting, marketing managers should find the channel on which most of their audience spends time. This may help them embrace trends specific thereto channel thus saving an entire lot of your time and energy.

Challenge 2 : Poor Internal Communication

All too often, marketing managers have a singular role to play. They're required to wear many hats and bridge the gap between business operations, marketing and sales. Within the quest of doing this, there's often a communication breakdown. From posting blogs to making sure websites are updated and marketing strategies are in-situ, there are many responsibilities of a marketing manager. Since they're not equipped with a transparent system to gather, organise, analyse and interpret data, it becomes difficult for them to supply clear, up-to-date reports. The best thanks to affect this is often by defining communication and setting a specific standard for all project management processes.

Challenge 3 : Budget Allocation

When it involves employing a budget, marketing managers are expected to be magicians. Lots of brands and employers expect marketing managers to be ready to do their work with a touch budget and yet drive the simplest results. Though it's not necessary for each brand to possess a luxury of massive budgets, it's vital for them to be a touch realistic with their goals. If you're a marketer on a shoestring budget, online marketing is that the best channel you'll resort to because it is cost-effective and trackable.

Challenge 4 : Generating Quality Traffic

Solid lead generation is pivotal to marketing success. Don't you agree ? Generating quality leads helps you delve into the customer journey and guide them to form a sale decision. However, many businesses struggle with lead generation within the first place.

The best way marketing managers can solve the matter of lead generation is by reconsidering the content they post, resort to friendly SEO practices, revisit buyer personas and invest in paid search.

In a world filled with sophisticated technology, these are just few of the common challenges faced by marketing managers. The simplest thanks to overcome these problems are by identifying them and finding a viable solution.

Challenge 5 : Inexperience or Understaffed

As the marketing field grows and becomes more complex, there's more to understand, more to try and more to trace. While you'll start out with what seems like the right marketing team, holes can begin to see where there's a scarcity of data or capability. This leads to sub-par marketing strategies and poor performance. Thoroughly consider the likelihood that your team may have to ascertain some changes before valuable marketing results can start to seem.

Take in depths check out your current team and see what improvements are often made. A general lack of understanding regarding inbound marketing practices could be indicative of a requirement to partner with an inbound marketing agency. There are specialized teams that partner with marketing managers to make content, track results, and generate traffic, leads, and sales.

❑ **Check Your Progress :**

1. The qualities that assist marketing professionals to get ahead in careers are _____
 - a. Customer centric
 - b. Visionary
 - c. Focuses on relationship
 - d. All of the above options
2. Which is not the trait of successful marketing professional ?
 - a. Curiosity
 - b. Creative
 - c. Enthusiastic
 - d. Self centric
3. The power to adapt to issues and solve problems throughout a marketing campaign is important quality of marketing personnel.
 - a. True
 - b. False
 - c. Can't say
4. Communication skills require command over verbal _____ for effective communication.
 - a. Non-verbal
 - b. Written
 - c. Visual
 - d. All of the above option
5. Critical thinking is generally approach of _____ side of mind.
 - a. Left brain
 - b. Right brain
 - c. Can't say
6. The full form of slang PPC
 - a. Pay per click
 - b. Pay per customer
 - c. Product per customer
 - d. All the above options
7. Content marketing is an important SEO component to _____
 - a. Show writing skills
 - b. Contend development capability
 - c. Extend brand awareness
 - d. None of the above options
8. Emails are the personalization capabilities of communication method.
 - a. True
 - b. False
 - c. Can't say

4.6 LET US SUM UP :

A career in marketing management is an exciting one and it requires a business professional who can work effectively in many areas of business. An education in marketing management is that the best things to be catapulted into this exciting field. While experience in sales or a previous technical position may be a good start for a marketing manager. In this unit entire focus is on the qualities and traits of a good marketer. While important marketing executive skills and challenges for marketing managers are other topics covered in this unit.

4.7 ANSWER FOR CHECK YOUR PROGRESS :

Check Your Progress :

- | | | | |
|------|------|------|------|
| 1. d | 2. d | 3. a | 4. d |
| 5. a | 6. a | 7. c | 8. a |

4.8 GLOSSARY :

Creativity : It is a phenomenon whereby something somehow new and somehow valuable is formed. The created item may be intangible or a physical object.

Innovation : Innovation is the practical implementation of ideas that result in the introduction of new goods or services or improvement in offering goods or services.

Personality : Personality is defined as the characteristic sets of behaviors, cognitions, and emotional patterns that evolve from biological and environmental factors.

Traits : A distinguishing quality or characteristic, typically one belonging to a person.

Skill : A skill is the learned ability to perform an action with determined results with good execution often within a given amount of time, energy, or both.

4.9 ASSIGNMENT :

1. What are the qualities of good marketer ?
2. Explain the traits of a successful marketing executive.
3. How challenging is the job of marketing manager, explain ?
4. Write a short note on critical thinking skill of marketing personnel.

4.10 ACTIVITIES :

1. Interview a marketing manager or executives of any corporate house and find the practical aspects of skill they possess to accomplish their work.

4.11 CASE STUDY :

Legal Responsibilities of Hospitality Staff to Guests

Mr Chiam Lai Hock has been a loyal and hardworking employee to the Hamilton Hotel in Orchard Road for the past thirty-five years. He has developed a good command of the English language and has stood by the main door of the hotel for the last twenty years. However, a recent stroke has left him with a limp in his right leg. After his return, his service has been relatively slower. The service manager of Hamilton Hotel, Mr Randolph, felt that Mr Chiam will incur additional medical expense to the company as he is aging and working slower day by day. Hence, Mr Randolph wanted to fire him. One fine day, Mr Chiam fell and broke his leg while opening the door of a limousine. Mr Randolph refused to pay his medical fees and fired Mr Chiam after this. Mr Chiam felt that this was in breach of his employment contract and that he has been unfairly discriminated by the company because of his age. Mr Chiam wants to sue the hotel for his medical fees and unfair dismissal. In a parting shot to the hotel, Mr Chiam obtained a detailed listing and private information of all high value customers of Hamilton hotel and passed them to his new employer, Broadway Inn Hotel.

Pursuant to the Article 12 of the Singapore constitution, all persons are equal before the law and that there shall be no discrimination on the appointment of persons to "any office or employment under a public authority". However, Hamilton Hotel is a private employer; hence it does not come within the ambit of this article. Even though age, sex, racial discrimination is frowned upon with respect to employment, the law is silent on this area for now. It will be better for Mr Chiam to sue under breach of contract to claim his medical fees which are terms stipulated in his employment contract.

If Mr Chiam decides to sue for breach of contract, he will need to prove to the courts that his employment contract clearly provides that any injury suffered in the line of duty will be reimbursable by the company and that he is entitled to continue his employment upon recovery. If successful, Mr Chiam will be able to claim his medical expenses per the terms stated in the employment contract.

Also, Mr Chiam can sue the Hamilton Hotel under the law of tort. It is implicitly implied that the employer owes a duty of care to his employees in respect of the employment. In the event of any negligence by the hotel, for example, slippery floors during a rain, Mr Chiam can sue the Hotel for not providing a safe environment to employees.

Mr Chiam is also protected by several statutes legislated by the Singapore government. As he is a manual laborer for Hamilton Hotel, he is protected under the Employment Act. Section 4(3) of the Retirement Age Act provides that if a person is unlawfully forced to retire on the ground of age, the employer will be found guilty of the breach of this act. If Mr Chiam is earning less than \$1,600 a month, he will be able to sue the hotel under the provisions of the Workmen's Compensation Act. He will only need to prove that he was accidentally injured in the course of his employment.

The hotel in turn can escape from liability if it can show that the injury suffered by Mr Chiam was not incurred in the line of service for the hotel. The onus of proof lies with the hotel to show this. Also, the hotel should closely scrutinize the employment contract to see whether it provides for medical fee reimbursement and the quantum reimbursable for injuries suffered in the course of employment.

Finally, relating to the stealing of sensitive customer information and passing them to his new employer, Mr Chiam is risking that he will be sued under both criminal law and civil law. Stealing by itself is a criminal act and he may be sued under criminal law for that. Moreover, Mr Chiam can also be sued under contract for passing private highly confidential information to a competitor. Mr Chiam has breached his duty to act with good faith and fidelity to his ex-employer, Hamilton Hotel.

<https://www.lawteacher.net/free-law-essays/travel-law/law-for-travel-and-tourism-industry.php>

4.12 FURTHER READING :

1. Callie Daum (2020). Marketing Management Essentials You Always Wanted To Know (Second Edition), Vibrant Publishers
2. Raghavendra Hunasgi (2021). Unshackle Your Team : Learn the Smart Art of Balancing Sales and Marketing (1st edition), Notion Press

BLOCK SUMMARY

Learners will study about the current developments in tourism marketing in this block. The importance of Covid–19–related developments is also emphasised. This unit also covers destination marketing, in addition to recent developments. The importance of destination marketing is also examined, as well as techniques for attracting more visitors through destination marketing. Legal difficulties are difficult to confront and manage. You will learn about legal difficulties in tourism, airlines, and online travel agents in the second unit. This unit also covers potential threats and liabilities in tourism and allied sectors. The third unit focuses on the digitisation of marketing in the tourism and aviation industries. This unit covers the E–tourism and M–tourism concept, as well as the advantages of YouTube as a digital marketing tool. The final unit in this block is about marketing personnel's traits, attributes, and quality, as well as the issues that marketing manager's encounter.

BLOCK ASSIGNMENT

Set – I : Short Question Answer

1. What are the legal challenges in travel and tourism industry across the world ?
2. How digital marketing is transforming the airline and tourism industry ?
3. What are E–tourism and its future in tourism business ?
4. What are the benefits of YouTube marketing to the business and influencers ?
5. Enumerate the significance of marketing executive skills.
6. Write a short note on traits of successful marketing executive.

Set – II : Long Question Answer

1. Enlist and explain the legal issues associated with online travel sales ?
2. How virtual reality and augmented reality helping to promote tourism destination ?
3. Describe in detail about the Covid–19 related trends in tourism sector.

**Airline and
Tourism Marketing**

❖ **Enrolment No. :**

1. How many hours did you need for studying the units ?

Unit No.	1	2	3	4
No. of Hrs.				

2. Please give your reactions to the following items based on your reading of the block :

Items	Excellent	Very Good	Good	Poor	Give specific example if any
Presentation Quality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____ _____
Language and Style	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____ _____
Illustration used (Diagram, tables etc)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____ _____
Conceptual Clarity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____ _____
Check your progress Quest	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____ _____
Feed back to CYP Question	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____ _____

3. Any other Comments

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