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ROLE AND FUNCTION OF MARKETING AND PROMOTION

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● Definition of Marketing -

marketing is the strategic business function that creates value by stimulating, facilitating, and fulfilling customer demand

marketing does this by -

- > building brands
- > nurturing innovation
- > developing relationships
- > good customer service
- > good communicating benefits

with a customer-centric view, marketing brings positive returns on investment, satisfies shareholders from business and the community, and contributes to positive behavioral change and a sustainable business future

● Definition of Promotion -

any form of communication or activity carried out specifically to call attention to the products and services of a particular organization

WHY MARKETING & PROMOTION IS IMPORTANT -

● SALES / USAGE / PROFITABILITY

marketing is important to increase the number of sales, [in the private sector] with a view to increasing organizational profitability; or to increase the usage patterns of a facility, [in the public sector] with a view to maintaining the operating efficiency of the facility.

- [profit-seeking organization]

the larger the customer base, the more likely the organization will be in boosting the value and the volume of its sales

- [non-profit-seeking organization]

an increase in the number of users will assure the organization's continued operation for the future

● COMPETITIVE ADVANTAGE

marketing plays an important role, therefore, in helping organizations or destinations to attract more customers than their rivals, in order to survive in this competitive business environment

● POSITIVE ORGANIZATIONAL & PRODUCT IMAGE

marketing is essential in creating an association of a certain product or service in the customer's mind - a product or service with a positive image will gain more customers than products and services which are less well perceived

● CUSTOMER SATISFACTION

customer satisfaction is gained by offering products and services which meet the needs and wants of the customers - thus, marketing plays an important function in helping to create customer satisfaction, by allowing a customer to gauge whether the product will offer them what they want

MARKETING AND PROMOTION TECHNIQUES -

organizations must meet the needs and wants of their customers - market research enables an organization to know exactly what these demands are likely to be and can result in travel and tourism providers producing services/packages to match these demands

● Definition of Market Research -

the planned process of collecting, recording, analyzing and evaluating data about customers and the market itself

Five Stage Market Research Process -

STAGE 1: SET THE OBJECTIVES

this stage sets the purpose for conducting the research and is often posed as a statement, which needs to be proved or disproved

STAGE 2: DESIGN THE RESEARCH

a detailed plan of action is drawn up, identifying the timescale and resources required for the research as well as deciding the research methods that will be used

STAGE 3: DATA COLLECTION

this is the stage where the previous range of data from stage one and two are put into action

STAGE 4: ANALYSE THE DATA

once all the data has been collected, this will need to be collated and interpreted

STAGE 5: REPORT THE RESULTS

overall findings from the research will be presented, thus providing a solution against the original objectives

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PRIMARY MARKET RESEARCH

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type of research that requires organizations to go out into the market to find out about customers' experiences and expectations, this is also known as 'field research'

Methods of primary market research

SELF-COMPLETION QUESTIONNAIRES

a series of open-ended, closed, or multiple choice questions which is given directly to a [potential] customer

TELEPHONE SURVEYS & INTERNET SURVEYS

customers are contacted either by telephone or by email or are randomly targeted when visiting a website on the Internet and asked questions relating to travel and tourism products and services

EXIT SURVEYS

carried out as a visitor leaves an attraction in which opinions about the overall visitor experience whilst at a particular facility are sought, which can be done through a face-to-face interview

FACE-TO-FACE INTERVIEW

an interview that is lead by a member of staff at a facility, asking direct questions of a visitor

POSTAL SURVEYS

surveys which are self-administered, paper-based, standardized surveys in which the questionnaires are sent by post

FOCUS GROUPS

a moment where a number of customers are led by a member of staff to discuss their views of a certain product or service

advantages/disadvantages of primary market research

ADVANTAGES	DISADVANTAGES
UP-TO DATE INFO	TIME-CONSUMING
RELEVANT DATA	HIGH COST
	NUMBER OF RESOURCES REQUIRED

SECONDARY MARKET RESEARCH

a type of research that has already been compiled, gathered, organized and published by others, this can also be called 'desk research'

INTERNAL DATA

data from the organization's own sales records or a customer database detailing how often a customer uses a particular facility

EXTERNAL DATA

which includes government-produced data or trade reports - most of which can be assessed through memberships accounts via the Internet

advantages/disadvantages of secondary market research

ADVANTAGES	DISADVANTAGES
COST-EFFECTIVE	DATED INFO
TIME-SAVING	RISK OF BIAS
	BAD QUALITY OF DATA ETC

QUALITATIVE & QUANTITATIVE DATA

QUALITATIVE DATA refers to the information collected about customers' opinions and attitudes towards products and services

QUANTITATIVE DATA tends to be numeric or statistical by nature - it allows patterns and trends in the market to be displayed visually in chart or graph forms

NOTE - Qualitative data is more difficult to represent graphically

SWOT and PEST ANALYSIS

travel and tourism providers must be able to carry out an accurate assessment of the business environment in which they currently operate or, in the case of a new business, might operate. This process is often called **situation analysis**

● Definition of situation analysis-

situation analysis refers to a collection of methods that managers use to analyze an organization's internal and external environment to understand the organization's capabilities, and business environment.

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this analysis also gives a business a way to recognize internal and external influences on its business activities

● Definition of internal influences -

internal influences are influences that a business has some control over, such as;

- > product
- > location
- > management
- > business culture

● Definition of external influences -

the factors that are out of the control of a business

- > political
- > economic
- > social
- > technological

SWOT ANALYSIS

a strategic planning and strategic management technique used to help a person or organization identify **Strengths**, **Weaknesses**, **Opportunities**, and **Threats** related to business competition or project planning. It is sometimes called situational assessment or situational analysis.

S - STRENGTHS

W - WEAKNESSES

O - OPPORTUNITIES

T - THREATS

STRENGTHS AND WEAKNESSES

these elements are internal factors that the organization itself can control

OPPORTUNITIES AND THREATS

these elements are external factors that the organization can not control

if the results of an analysis shows that the organization has many **weaknesses and threats**, then it is unlikely that an organization will choose to expand the range of products and services it offers. if the analysis shows that the organization has many **strengths and opportunities**, it will develop further

PEST ANALYSIS

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analysis that describes a framework of macro-environmental factors used in the environmental scanning component of strategic management

P - POLITICAL

E - ECONOMIC

S - SOCIAL

T - TECHNOLOGICAL

POLITICAL

organizations within the travel and tourism industry are regulated by government, through legislation and/or controlled by other regulatory bodies, in order to protect the customers, suppliers and the environment. Civil unrest, acts of international terrorism also exert political influence within this industry

ECONOMIC

foreign exchange rates, periods of recession and the global economy all play important roles in exerting positive or negative influences on tourism

SOCIAL

threat of pandemics, [such as H5N1 Avian Influenza, SARS, and H1N1 Swine Flu], increase in crime rates in certain destinations, and local attitudes toward tourists can cause tourists to cancel holiday plans.

TECHNOLOGICAL

infrastructure development, including the construction of airports with high carrying capacities and hotels with high numbers of bed spaces all contribute to positive technological influences on tourism provision. Destinations with under-developed infrastructure face the loss of competitive advantage

MARKETING MIX -

the term given to the four interlinked components which influence a customer's buying decision and the emphasis that a travel and tourism provider places on these individual factors, trying to influence the customer to buy the product

● Definition of Marketing Mix

getting the right product to the right people at the right price at the right place, using the right promotional methods' [the four P's of marketing]

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