

TOURISM MARKETING PLANNING: STRATEGIES FOR DEVELOPMENT

A. Abuharris and L. Ruddock

Research Institute for the Built and Human Environment, University of Salford

M7 1NU, Manchester, UK

E-mail: a.t.Abuharris@pgr.salford.ac.uk

ABSTRACT: Development of the tourist sector is a major contributor to the work of the construction industry in many developing countries. This paper is concerned with one important aspect of tourist development planning. Planning is designed to link an organisation's goals and resources to its marketing opportunities. This may result in making the best use of its resources. As the marketing environment is subject to constant change, the failure to develop a strategic marketing plan, which responds to that change, may result in collapse of an organisation. This approach focuses its attention on the development of a tourism marketing planning model, which might be very useful for tourism administrators in a country like Libya. This model consists of a number of major stages. The major consideration is that the plan designed should be comprehensive and integrated to assure that the basic objectives of the organisation are achieved.

Keywords: Development, Marketing, Planning, Strategies, Tourism,

1. INTRODUCTION

Currently tourism is one of the fastest growing industries in the world. For many countries, tourism represents a significant potential for future development as well as offering diversification for national economies. In addition, sections in society are affected in one way or another by this fast growing and important industry. Tourism may prove to be a valuable source of foreign exchange within a country as well as one of the main providers of employment. It plays an important role in providing jobs in places, where there are limited job opportunities (Sinclair and Stabler, 1991).

Moreover, money generated from tourism can be used to improve the local infrastructure, which requires the active involvement of the construction industry and other related sectors. Investment in fixed assets provided by construction work cannot be removed from the country. For example, as cited by Eccles (1995), tourism in southern Italy has been used as a development tool to improve public infrastructure rather than manufacturing (Barucci and Becheri, 1990).

After considering tourism planning, the next issue relates to organizational participation in marketing and promotion. The purpose of this paper is to relate the significant role of construction in developing the tourism sector and to show the important elements, which should be included in a marketing planning stages model as shown in Fig.1 later in the paper. After covering each stage in the marketing plan, promotional activities could be commenced. Moreover, the marketing plan should be adapted as situations change and be constantly re-evaluated. Also, the marketing plan has to be comprehensive and integrated into the nation's socio-economic and political policies as well as the natural and built environment and socio-cultural traditions.

In many developing countries where infrastructure represents a major problem, many tourism market segments cannot be targeted unless the requisition for these kind of market segments can be offered. As a result, the revenue generated from a specific market segment could be invested in tourism related services to target more market segments gradually.

2. DESTINATION PLANNING

The major benefits to be gained from developing a tourism product are both economical and social. In order to succeed, the development needs to be carefully planned, so as to extend or harness its life cycle. Typically, problems may arise when tourism development is rushed, taking little or no consideration of the product's life cycle or the environment. In order to sustain product development in the future there needs to be collaboration between both the public and private sectors.

There is a strong relationship between the construction industry and the tourism sector. Sustainable tourism development cannot be achieved without a wider construction revolution. As infrastructure represents a very important role in developing the tourism industry, governments should be more concerned about increasing local and foreign investment in the tourism sector. In Egypt for example, a tax holiday exists for 10 years for the full investment in tourism facilities.

Several destinations in the world are hoping to use tourism as a way of generating employment as well as improving the local infrastructure. Developing countries of the world are particularly renowned for using tourism as a way to supplement economic output. For example, enhancing construction prospects is a necessity for Libya at present as a new destination to the tourism market in order to push forward the wheel of tourism development.

The prevailing view is that good economic opportunities exist if more money would be spent on building the infrastructure of the destination as well as devoting more efforts to attracting tourists from local and regional markets.

3. THE BUSINESS ENVIRONMENT

All kinds of tourism organisations need to be engaged in marketing activity. Planning is an essential process to identify goals, resources, and existing opportunities for the organisation. In addition, planning is needed to meet short and long-term objectives. In the short term, planning is required to identify where a company is now, and where it will be next week. The money, which will flow into the organisation may not be easily predictable. Thus, it will be impossible to predict whether funds will be adequate to meet the organisation's running costs.

The marketing plan determines what needs to be sold in a given period, at a given price, and how this is to be achieved to meet operating costs. Beyond this, the organisation must plan to achieve its longer-term objectives. This may result in finding additional sources of capital or future investment. A marketing plan should not be isolated. It must be integrated and co-ordinated with the financial plans, organisational plans, purchasing plans and other aspects of the organisation's total activity. As illustrated in Fig 1, marketing is simply a tool by which an organisation achieves its objectives. By the use of marketing activity, an

organisation could be able to identify new product and marketing opportunities, evaluating them and taking action to develop them.

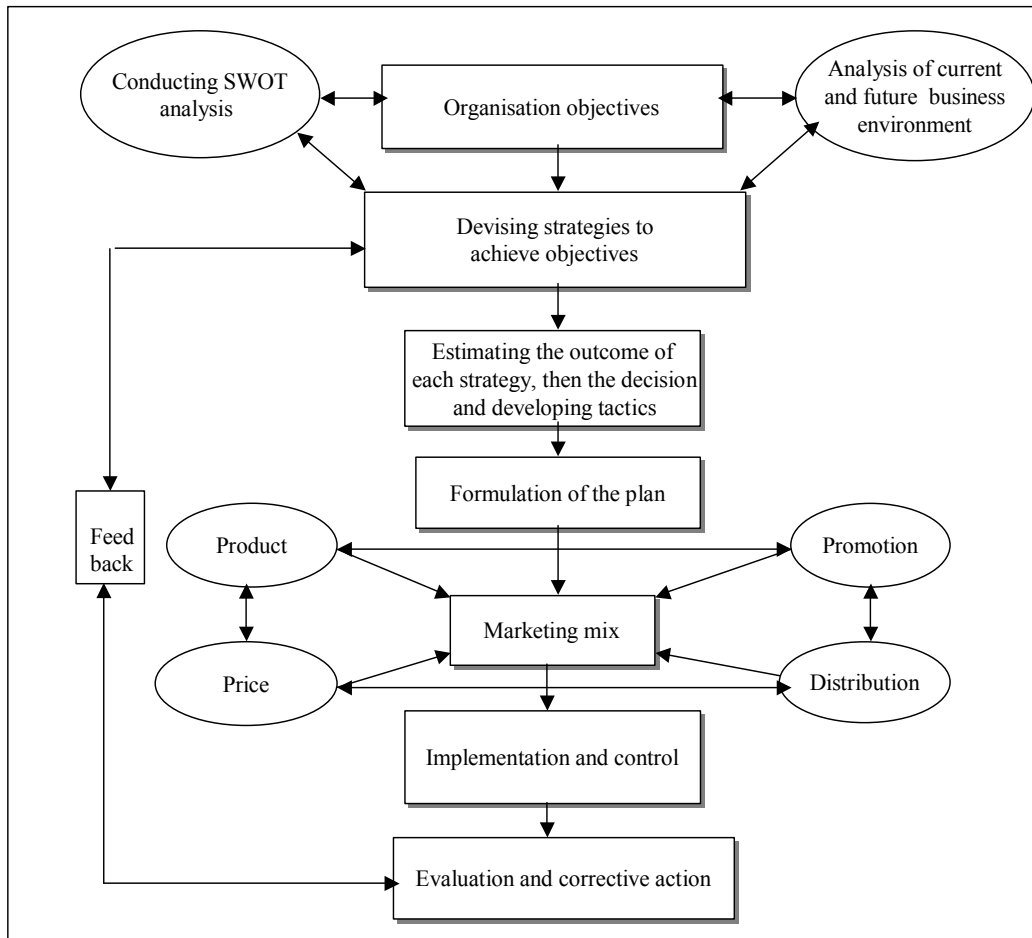


Figure 1 Tourism marketing planning stages model

Typically, the setting-up of a marketing plan, should be a balance between two different dimensions, establishing rigid bureaucratic guidelines and a dependency upon entrepreneurial ‘flair’ (Holloway and Robinson, 1995).

Planning models have to be flexible to meet and adapt with the changing conditions. New opportunities would be missed by the organisation during the plan’s implementation, if it sticks too rigidly to its pre-established plans. For example, the failure of a specialist tour operator to reach the target market may result in turning to a new market, which may have been considered before. In other words, drawing up another alternative in any plan may be considered to be very important to allow flexibility, especially, when the current plan has faced some unexpected circumstances during implementation stage. On the other hand, if an organisation were to avoid or even ignore its plan, it may result in a danger of heading off in a number of different directions, not only disrupting the organisation’s overall planning, but also might be over-stretching its resources.

The applicability of the marketing planning model, in a dynamic market place depends on its flexibility and adaptability to market changes. Marketing decision-making activities, must be compatible with the organisation’s resources constraints and objectives (Papadopoulos, 1989).

According to Dibb and Hangmlar (2001), marketing planning can enhance managers' understanding of marketing and markets, making them better equipped to make strategic and tactical decisions.

There may be several alternative strategies from which, a marketing manager has to select when drawing up a marketing plan. For example, a tour operator, to achieve an increase in the return on capital invested, might choose to raise prices, to find ways to reduce costs, to seek higher productivity from present resources, to push for increased sales to present markets served or to introduce a product to new markets. Any of these will depend upon the analysis of the current market situation in which the company is operating. Moreover, an understanding of the current and future business environment is an essential prerequisite for planning. Fig. 2 illustrates the various influences on the operator.

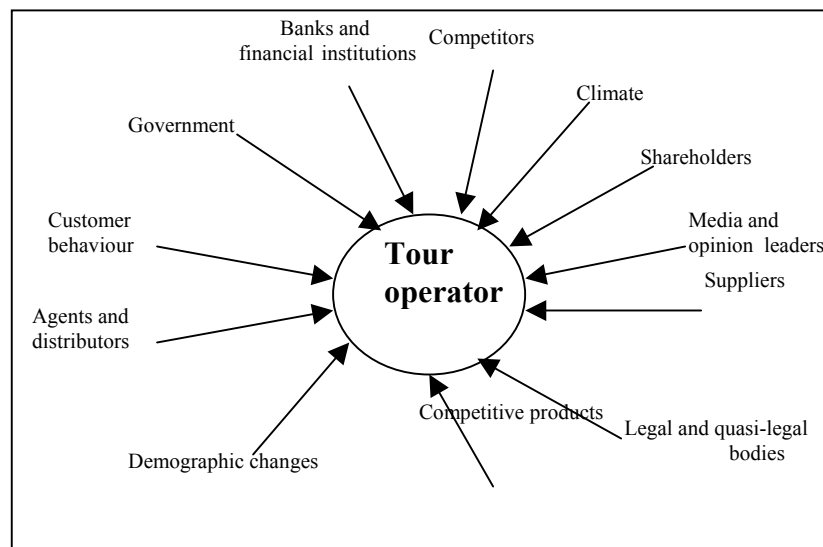


Fig. 2 The business environment of a tour operator (Holloway and Robinson, 1995)

According to Briggs (2001), for a current situation an overview should be taken for three main areas: product, current markets and trends, which might affect the business.

Most tourism products are made up of several components, which can be quite complicated. Selling experiences and benefits rather than features, is the key to success. In addition, for the future, customer research should be conducted to find out what kind of modifications will be needed for a product to meet customer needs and wants.

According to Font and Ahjem (1999), developing a new tourism related product or service, requires intensified efforts at the initial stages in order to gain a proportion of the market share and then to maintain this position in the medium to long run. For example, a country like Libya that views tourism as an economic alternative for gaining economic growth should make investment as easy as possible for prospective investors. Consequently, this could lead to an increase in the tourism market share and be an ability to compete more effectively.

Typically, new destinations are needed to meet tourists' requirements and monitor changes in consumer motivations and satisfaction with the product in order to keep it up-to-date. For instance, Libya is one of the countries, which is bidding to host the 2010 Football World Cup. For Libya to compete more effectively, a huge budget has to be devoted to improving infrastructure and

establishing a number of new hotels and other tourism related services to meet these specific market requirements. Therefore, the need for promotional and marketing activities becomes essential. The Commonwealth Games, which were hosted by Manchester in 2002, generated considerable construction activity both in terms of new construction work and refurbishment of facilities. From that, it is obvious that tourism might be used as a tool for improving the infrastructure of a destination, which requires the involvement of various parties under government guidance.

For current markets, it is very essential to have an idea about who comes to visit an area or attractions. Typically, it is easier to attract more of the same type of people than to reach completely new markets. This is due to their familiarity with the product, which they already know.

There are a number of general trends, which need to be considered in the context of their impact on the business. Some of those trends are: the state of the economy, economic and political changes overseas, published survey and research material on growing or diminishing markets, technological developments, changes in leisure activities and increasing tendencies towards independent travel, increases in the number of short break holiday takers or increased demand for special interest holidays.

4. OBJECTIVES STRATEGIES AND TACTICS

According to Lumsdon (1997), objectives refer to more specific goals or targets, which an organisation wishes to achieve within a given timescale.

Holloway and Robinson (1995) state that the objectives likely to be sought by any organisation will include:

- Achieving a certain level of sales growth within a given period of time.
- Increasing the profitability of the organisation by a given percentage within an agreed time scale.
- Obtaining a given percentage share of the market within a given period of time (new product) or within the period (existing product).
- Reducing business risk by diversifying the product range.
- Obtaining a measured increase in the return on capital employed by the company.

Lumsdon (1997), also states that strategy refers to how an organisation might achieve such objectives. He outlines a broad brush sketch of how the objectives will be met over a period of three to five years. Strategic decision-making often requires a great deal of market information as well as ongoing appraisal of the changing environment. Otherwise, strategy can be based on inaccurate or out-dated information, which may lead to disaster in a highly competitive marketplace. Tactics follow from the strategic framework. Tactics can be distinguished from strategies by their short-term, narrow-focused nature and greater specificity in level of detail.

5. THE MARKETING MIX

The marketing mix is defined by Kotler (1994) as:

“ The set of marketing tools that a firm uses to pursue its marketing objectives in the target markets ”

The concept of the marketing mix is one of the most important in marketing. It provides the marketing manager with the techniques to optimise his budgetary expenditure. Moreover, it determines how the marketing budget is allocated, and forms the foundation of the marketing plan's strategy.

Marketing tools can be grouped together into four categories: product, price, place and promotion. There are several ways in which a marketing manager can decide to distribute the budget between these tools. Expenditure on tools varies from one to another. For promotion and price, expenditure can be changed at very short notice while, new product development and channels of distribution are likely to take much longer to alter. Any plan, which a company introduces, must be subject to control. In order to avoid over-budget expenditure on control, the performance of each element in the plan should be continually monitored to ensure the plan is on target.

6. STRATEGY FRAMEWORKS

There are a number of strategic frameworks adopted by organisations in tourism, which are summarised in Table 1

Table. 1 Strategic framework

Strategy	Aim	Focus
Market leader	New product offerings, diversify services, innovation, wide distribution channels, market led, flexibility, and defensive.	Emphasis on market expansion and market share
Market follower	Well resourced, competitive prices, service quality, flexibility, and innovative.	Building market share and strong brand.
Market challenger	Low risk strategy, price follower, inadequate resource base to challenge, complementary offerings.	Maintain market share, some degree of differentiation, learning from market leaders.
Niche marketer	Small scale, specialist market offerings.	Segmented market specialist offering, niche marketing.

6.1 Marketing leader strategy

In order for this strategy to be crafted, major skill and determination are required. To dominate in terms of volume and value of sales or bookings is not an easy job. Such power allows the company to establish benchmarks or standards in the market to make it difficult for competitors to remain in the market. A typical marketing audit reviews the company's products in comparison with competitors' volumes, appeal to market sectors and their contribution to the organisation's revenue and costs.

Consequently, this may assist in decision-taking to allow for the organisation to construct the business plan over the next period. The traditional starting point for a marketing plan is a diagnosis of an organisation's current market performance

as illustrated in Fig.2. In addition, other factors may be considered to be significant, such as changes to relevant legislation, or new conditions in the economy. Diagnosis provides a detailed platform for prognosis of the fore-casting of future trends for each of the market sectors of interest to the organisation (Laws, 1991).

Regarding this strategy, the company can develop a policy of either leadership or product differentiation (Briggs, 2001). In this way a company may avoid the danger of trying to be the leader in everything but excelling in none.

Holloway and Robinson (1995), observed that:

“As the operators in particular have moved more and more to mass market, low price strategies, so smaller operators have turned to specialisation, whether by geographical region, type of activity or market served”

Let us assume that, one of the tour operators decides to become specialists in developing package holidays for customers living in a particular region of the UK. The benefits of this group can be the convenience of local airport departures, free transport to the airport or free parking at the airport. Many customers will be satisfied to pay slightly higher prices for the convenience of a local departure and the additional benefits offered. When it appears to customers that this local company is supporting the economy of the region, and is active in local community events, so local residents will think of this particular company first when planning their holidays.

In this strategy, diversification is particularly important, when the organisation spreads its risk across a number of markets, and sees the opportunity of purchasing a brand or company. The Bass purchase of the American Holiday Inn chain is an example of diversification (Horner and Swarbrooke, 1996).

Laws (1991) emphasised that advertising is one of the most important ways of differentiating services and therefore creates and then reinforces significant barriers against companies entering a market. Any newcomer has to buy exposure to overcome established companies' awareness and brand loyalty.

6.2 Follower strategy

If the company did not achieve success in such a short term to become market leader, the company could use this framework, to allow it to maintain a strong position in the market close to the leader. Thus, the company will hold a large market share and will adopt, as a matter of course, a similar strategic direction to the market leader. The strategy is dependent on intensive competitor intelligence, flexibility and speedily executed tactical campaigns. The ultimate goal will be to become a challenger to the market leader when market conditions permit (Holloway and Robinson, 1995).

This kind of strategy can be adopted to specialise in certain kinds of products, which are not provided by its competitors. It can also focus on quality, justifying a higher price than the large competitors, by offering improved value. As an example of this strategy, major hotel chains have identified a steady rise in the number of business women to whom they are catering, they have responded by providing facilities to meet their needs including more feminine décor, cosmetic mirrors, hairdryers, etc.

In 1994, Virgin Atlantic Airways introduced Arcadia, a personal in-flight entertainment centre featuring films, cartoons, computer games and a sky map depicting the route with graphical flight information.

6.3 Challenger strategy

This is a framework used when the company is not in a position to follow a market leaders strategy or follower strategy, due to resource limitations. The use of this strategy is to maintain a company's position in the market place by copying the strategy of the market leader in a diluted format. The company will be slower to respond to the market changes and not be innovative. However, the company might be capable of staying within an outer zone of competition. The emphasis of the strategy lies in copying the successful formula of market leaders in order to remain in the market. For example, Virgin airlines, is trying to copy the strategy of other renowned airlines such as BA.

According to Holloway and Robinson (1995), a popular exercise for marketing managers being adopted by travel companies is to produce a product-positioning map, revealing the customers' image of existing companies competing in certain fields. This can be very helpful both to a company already operating in the market, or one contemplating launching a new product.

Time and money can be saved, by keeping a keen eye on market leaders activities, learning by their success and failures. Finding a marketing leader's advantages means learning and competing more effectively. Whenever possible tour operators need to see the marketing leader's brochures and know what sort of products are on offer.

It will be very helpful, if conscious efforts can be made to carry out a fairly formal analysis every few months, jotting down findings to decide how the information can be used, analysing their prices, their welcome for visitors, facilities and promotional activities.

6.4 Niche marketing strategy

This is adopted when a company or an organisation appreciates that what it has to offer serves a limited number of market segments, or conversely that there is a limited market which can be readily served. The assumption lies in the fact that there will be limited competition.

Concentrating on a particular market, understanding its needs and therefore developing products and promotions which are completely appropriate for those markets can be an effective strategy especially for smaller companies without massive resources but with an excellent understanding of their target markets. These companies can operate within niche markets, which are too small to attract market leaders. Briggs, (2001) suggested that a focused approach is particularly suitable for those who wish to develop closer and more direct relationships with their clients.

As an example, Preserve Commercial Confidentiality Hotel in Scotland is a three-star hotel with a wide range of leisure facilities and has an excellent reputation. It is open for only part of the year, from April to the end of October. Although, the hotel is profitable, it wishes to maximise occupancy levels within a relatively short season. There is increased competition from other hotels in the area, including some of the newer budget-style operations.

A SWOT analysis showed that the hotel already had a unique sales proposition, which wasn't fully promoted. The hotel took three important steps for its niche market, developed a range of short breaks for children and adults,

reprinted new brochures, which were aimed at children, focusing on the wide range of children's facilities, and developed a programme of public relations activities to the profile of the hotel.

The hotel has been successful in promoting itself to a wide range of special-interest publications. Moreover, other activities have included using vouchers to stimulate word-of-mouth recommendations and to encourage guests to return at off-peak periods. Direct mail has been particularly effective, especially with the introduction of the separate children's brochure.

7 CONCLUSION AND CURRENT RESEARCH

7.1 Conclusion

Tourism is interdependent sector. Construction is a major aspect which may play an important role in improving tourism potential needed for a destination to cope with an influx of tourists. A country like Libya, which entered the market only recently, should invest heavily in the construction industry in order to prepare to meet the international tourist market requirements. Tourism investment legislation should be treated as a special case in order to be more attractive to both local and foreign companies.

Marketing tourism has been undervalued by those who are responsible for drawing up tourism policies, which as a result leads to misunderstanding of the nature and the value of the marketing discipline for the travel and tourism industry.

Planning within tourism marketing is the only possible way to assist achieving organisational objectives and growth as well as improving performance in a fast and ongoing changing market. A need, therefore, exists to analyse carefully the many variables affecting tourism marketing. Marketing plans should not be isolated. Modifications and flexibility are essential to meet and adapt the changing of the market conditions.

Tourism development is seen as a way of improving a country's economy and social well-being. Tourism can be a tool to motivate governments to inject more money in improving infrastructure, especially in the initial stage of tourism development. Many developing countries cannot afford to finance construction internally. Thus, the need for cooperation between public, private and foreign investment becomes essential.

7.2 Current research

7.2.1 Research problems

This research project being currently undertaken is concerned with the development of the tourist industry in Libya, which has splendid tourist assets. These assets in the shape of scenery, culture and history need to be projected through policy and planning measures to sustain tourist growth in the country.

There is a need to conduct research in order to find out the root of problems hindering the development of tourism in Libya.

Strenuous efforts are therefore being made to improve the tourism sector in Libya. Nevertheless, in spite of the considerable care, which is being taken to put the policies of the Ministry of Tourism into effect, the absence of both foreign investment and financial support from the Libyan private sector is delaying the process.

7.2.2 The aims of the research

The study aims to help policy makers regarding tourism at the state and regional levels. It is identifying the tourism potential and problems, which hinder the development of this potential. In addition, the study will evaluate the contribution of tourism in the Libyan economic and social development. Finally, an aim is to recommend what measures need to be taken to achieve the tourism potential and overcome its obstacles.

7.2.3 Research methodology

Two main research methods are being employed. First, a quantitative survey to develop the argument that tourism is a potential developmental option for developing countries, where tourism policy and planning are essential to sustain its growth.

Secondly, a qualitative survey, composed of mail questionnaires directed towards tour operators, selling Libya as a tourist destination. Moreover, personal interviews will be carried out with tourism administrations in the Board of Tourism in Libya and other associated personnel.

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