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MARKETING IN TOURISM AND TRAVEL

BACK TO BASICS

The 4 Ps of Marketing and 3 Ps More

Marketing Mix

To make life easy for marketers who occasionally run into difficulty at dinner parties in explaining what they do for a living, there is something of a mnemonic called *The Four Ps of Marketing*. This is often referred to as the marketing mix. But then to make life difficult again a further three Ps need to be brought into play to cover the service industry of which travel and tourism forms a part. Other Ps have crept in over the years which are more overviews and extensions, with *Passion* often being referred to as the eighth P.

- Product
- Pricing
- Promotion
- Place

- *Positioning*
- *Packaging*

- Personnel
- Procedures
- Physical environment

- *Perishability*
- *Passion*

Product

It is this element to which all the other elements relate but without which it would be inaccessible or have little meaning. *'People do not buy products, they buy the expectation of benefits. It is the benefits that are the product.'* (Levitt: 1969). The fact that a product exists is therefore only part of the story. What product is offered by British Telecom? It is certainly much more than the cables and telephone handsets which they provide. It is communication, reassurance when you call an elderly relative, happiness when you receive a call from someone you love, excitement when you hear good news and sadness when you hear bad. Similarly, a hotel is much more than a place to sleep and eat. For different people it could be a surrogate home for a company director while away on business, a haven of refuge for a salesman when stranded or a prison for a tourist if caught up in a war zone. It may be a place to relax, to work, to entertain or be entertained, to confer or just to lie around in the sun. For operators to decide what business they are in, or what their products are, is one of the key issues of marketing. To decide this, information is needed from customers which requires market research.

Promotion

Promotion is about telling people what's on offer. It is not entirely separate from the product because what is said and how it is said influences how the product is seen. It's 'the sizzle not the sausages' that is sold, or it's Coke with all the images of sun, youth, vitality, and world-wide harmony. It's certainly not 'carbonated water with vegetable extracts'.

Promotion includes advertising but also includes direct mail, public relations, printed brochures, presence at travel trade shows, and participation in joint marketing schemes. Promotion can be very expensive and it is often difficult to decide whether or not it is successful.

Price

Price is the one element in the marketing mix which produces revenue. Most of the others involve cost, which may explain why marketing is less popular than it might be. Price is often determined by the cost, with a margin being added to yield a profit or return on the investment. Marketing, however, would recommend using price tactically to help to achieve the goals of the business, varying the price according to the level of demand and the willingness of the market to pay the price. Marketing is about giving each product or business its own 'unique selling proposition', so that it is different from all competing products and can command a premium price.

Price is also an indicator of quality, particularly for the first-time buyer, and while it remains so, subsequent purchases are much more concerned with judgement of value for money.

Place

Place really means distribution. A packet of tissues can be bought almost anywhere but the places where tourism can be bought are relatively few. Nor is tourism very well packaged in the domestic market: it is much easier to buy an all-inclusive holiday abroad than to buy one in the UK. Tourism is different from many other products in that we travel to the product, whereas most of the other goods we buy, from cars to tomato sauce, travel to us, or at least to the nearest garage or shop. But to enjoy a weekend in Capel Curig one must first travel to get there. Most marketing relates to products where there is something tangible, something you can hold in your hand. You can hold a can of beans or a bottle of Whisky whereas tourism is a service, mainly intangible at the point of sales and often cannot be inspected. Many service products like travel and tourism are 'ideas' in the minds of prospective buyers. They cannot easily be measured, touched or evaluated at the point of sale prior to performance, and in travel and tourism the point of sale is, more often than not, remote from the product. The role of third party product evaluation and reporting is vital here. You cannot hold an experience, and the familiar 'wish you were here' which is written on postcards by holiday-makers demonstrates a wish to share the experience because there is no way it can be packaged and brought home. The role of holiday snaps is interesting as they are an attempt to capture the experience so that it can be shared and relived. In much the same way third party product evaluation and reporting is vital as part of promotion in the form of recommendations and testimonials.

Positioning

Positioning is a function of all four Ps together in determining where in the market a product stands in relation to others.

Packaging

Packaging is an extension of Positioning insofar as it deals with how a product is presented in the market place and is a function of Promotion, Price and Place together.

Personnel

Personnel are crucial in tourism where a pleasant manner and appearance can turn a disaster into an acceptable experience, and an acceptable experience into a memorable one. This is marketing at the sharp end and the importance of people in delivering the tourism product underlines the need for careful selection of staff, their proper training and motivation, and the provision of the right tools and information to make their jobs easier and more effective.

Procedures

Procedures help to ensure proper delivery of the product by routinising the way it is delivered. Whether it is the carefully controlled queuing at Disney World, the cleanliness of MacDonalds or the bedtime chocolate in the Plaza in Kuala Lumpur. All these suggest that visitors are valued and thought is being given to their welfare and enjoyment.

Physical environment

The physical environment is very important in services. Imagine a dental surgery with blood on the floor: very unpleasant. A dirty plate in a restaurant would put anyone off and make it difficult for the service to be experienced as was intended.

Perishability

Products, as generally thought of, are manufactured and held in stock at a warehouse or on shelves in shops waiting to be bought. Services, however, are performed and are better understood as a 'capacity to produce'. Capacity can only be utilised when customers are present on the producer's premises or physically in the care of a supplier. If customers are not present then the capacity becomes wasted. I

In travel and tourism the plane, train, bus or ferry only leaves once at a given moment in time and bed-spaces are only available once on a given night or series of nights. If they are not taken up before time they perish. This is clearly felt by consumers missing the last train or finding no room left at the inn. Conversely, transport operators and accommodation providers left with empty seats and empty rooms experience perishability as the opportunity for selling them passes. There's no second chance to fill them. It is here where tactical marketing comes into its own.

Passion

Graham Phillips of the Marketing Group offers Passion as an ingredient. Often known now as the eighth P it is perhaps best explained as the kind of limitless enthusiasm for the job that drives a person on to achieve things that payment alone for the job would not necessarily guarantee; often producing results beyond expectation. Those marketers that have it for their work are more likely to succeed over those that don't.

There is little doubt that motivation plays a key part in marketing, whether its simply a motivation to succeed or perhaps just a motivation to please. But the marketing edge is likely to be held by those that have a belief in their work and their products.

Conclusion

What does it all mean? It means that marketing is about both thinking and doing. It is about care, activity and enthusiasm. It is about discovering customers wants and providing them profitably.