



COOPERATIVE AND COLLABORATIVE STRATEGIES FOR MARKETING TOURISM PRODUCTS AND SERVICES

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ABSTRACT: *In the context of poor prospects of the manufacturing sector and the severe threats facing agricultural and traditional sectors and the uncertainties facing expatriate employment in the Gulf, tourism is considered as one of the sectors, which can drive the state's economy to take the pinnacle of socio-economic development. As tourism is the fastest growing industry in the world, it became one among the world's most competitive industries. The competition is increasing day by day since more and more countries seek to attract tourists and more companies and organisations become involved in the highly skilled business of transporting, accommodating and catering for tourists, and attractions and destinations. There are a number of destinations competing with each other to get a bigger and bigger share of the tourist market. Tourism organisations are adopting newer methods, techniques and strategies for marking such destinations. The present study analyses and evaluates the various strategic approaches for marketing tourism products, services and destinations with special reference to tour operators' perspective.*

KEYWORDS: *Marketing Strategies, Cooperative and Collaborative Strategies, Tourism products and services, Tourist destinations*

Background of the Study

Tourism as an industry has been flourishing and growing since time immemorial, but it has been in the last few decades that specific attention has started to be given to this smokeless industry because of the huge return from this in the form of foreign exchange and other means. Tourism has emerged as an important as well as organized industry which scattered its benefits over large segments of the population. Tourism is vital for many countries due to the huge investment in their goods and services and the opportunity for employment in the service industries associated with tourism.¹

As tourism is the fastest growing industry in the world, it became one among the world's most competitive industries. The competition is increasing day by day since more and more countries seek to attract tourists and more companies and organization's become involved in the highly skilled business of transporting, accommodating and catering for tourists. Just as any other products tourism



too needs to be marketed, as it is an industry in which the customer still has an immense variety of choices². There are a number of destinations competing with each other to get a bigger and bigger share of the tourist market. Tourism organisations are adopting newer methods, techniques and strategies for marking such destinations³.

Statement of the Problem

In the scenario of globalisation, competition among the global players of tourism related service industries are unavoidable. Again, the global village concept has considerably increased the expectations of the people from all spheres. In such a situation only organisations capable of creating a competitive edge can continue their achievements. Therefore, the present study '*Cooperative and Collaborative Strategies for Marketing Tourism Products and Services*' aimed to study the various cooperative and collaborative strategies and approaches which can be adopted for marketing tourism products and services with special reference to the tour operators perspectives.

Relevance the Study

Tourism has emerged as one of the few economic alternatives to develop the state's economy. It has been recognized as an important sector for the development on account of its potential for generating income and employment. In the context of poor prospects of the manufacturing sector and the severe threats facing agricultural and traditional sectors and the uncertainties facing expatriate employment in the Gulf, tourism is considered as one of the sectors, which can drive the state's economy to take the pinnacle of socio-economical development. Therefore, a planned cooperative and collaborative marketing strategy to tourism products, services and destinations has become an urgent requirement for the socio-economic development of any state.

Objective of the Study

To explore the cooperative and collaborative strategies for marketing tourism products, services and destinations on tour operators' perspective.

Design and Methodology

Since no variables in this study were quantifiable, the data and literature used for the present investigation are qualitative in nature hence descriptive research design is adopted for the current



study. The data and literature used for the study is collected from secondary sources consists of books, journals, magazines, web based databases etc.

Marketing of Tourism Products, Services and Destinations

The most important and central aspect of any marketing processes/activities or theories is to identify the different customer needs and satisfy his wants and needs. So it is the tourism marketing which applies much more sophisticated strategies to know what the tourist want and how can satisfy his needs by means of the services rendered with planning, preparing, and experiencing his travel, destinations or packages⁴.

Since the nature and types of tourism products offered by tourism organizations and tour operators are different, the tourism products marketing is significantly different from the marketing of other service products. In the tour industry the marketing strategies that are effective and profitable for mass tour operators, may be substantially different than the strategies adopted by tour vendors or specialists⁵. Therefore, it has become imperative for a tour operator to analyse logically what has been beneficial or productive for him in comparison to the other tour companies having the same tour packages/ destinations. It seems sensible to develop and adopt a well structured and systematic marketing plan for marketing of tourism products, services and destinations⁶.

Developing Collaborative Marketing Plan for Tourism and Products

The central aspect of a tour marketing plan is the organizational objectives. Since, a tour marketing plan provides a clear understanding of what the tour operators wants to achieve through marketing efforts, it is important as the tour company is concerned to have a clear understating about its products and markets before developing a marketing plan⁷.

The tour marketing plan is normally a short term plan which guides the tour operator for a particular period of time, usually one to three years. It provides a clear direction of the tour marketing operations based upon a systematic approach to planning and action. It also coordinates the resources of the tour company to achieve the set targets. Recognizing the importance of tour marketing, tour operator develops the required mechanism to build effective tour marketing strategies⁸.

It makes clear that how the marketing planning process will function and ensure that marketing activities match the resources, time requirements and objectives of the tour company. In the tour



marketing planning process, perhaps the most complicated problem is connected with the formulation of marketing strategies⁹. Because the working effect of an appropriate strategy may directly related to the nature and type of the tourism products, services and destinations, such as which strategy is most beneficent for inbound tours or outbound tours or incentive tours. This is based on the ability of the package to provide a substantial return on investment. After identifying the marketing strategies, tour operator develops annual media plan, advertising plan, sales plan, direct mail plan, telemarketing plan etc¹⁰.

Tour Brochure as Tool for Marketing Tourism Products and Services

There exists a plenty of tools, strategies and techniques for marketing tourism products, services and destinations such as tour brochures, advertisements, direct mail, sales promotion, public relations, personal selling, tour literatures, exhibitions, travel marts, films and video clips, telemarketing, conferences and debates etc.

A tour brochure is the most vital marketing tool for tourism products, services and destinations by way of tour packages, which contains comprehensive information to persuade and motivate holiday makers to buy tourist products/ services. Since tourism is an intangible product which cannot be presented by the prospective consumers prior to the purchase, the brochure becomes the important channel of informing a customer about the packages and motivating him to buy the packages.

A tour brochure consists of detailed information about the destinations including cruises, bus tour, charter vacations, etc with photographs. The cover page of a tour brochure shows the title, captions, theme, tour code, date, name of the company etc. and the inside flaps highlights the tour features, a brief itinerary, mode of transport, type of accommodation, payments, unique appeal of destinations, payment conditions, insurance, currency, documents required etc.

Steps in Determining a Marketing Strategy for Tourist Products and Services

The following are the key steps in deciding a marketing strategy suited for tourist products¹¹.

a) Identification of the Market Segment to which the Strategy is aimed

The first and vital step in determining a suitable marketing strategy for a tourism products, services and destinations is identifying a market segment. The key elements or the variables that define the market segment are:



i) the country and region of origin from where most tourists are expected, ii) Expected tourist's social status/ class, educational background, and lifestyle, iii) After-tax disposable income of the expected class of tourists, iv) Availability of average time for holidaying, and month or season planning to visit, v) Number of expected tourist, their marital status and family size, vi) Tourist's stage in life cycle, vii) Special interest motivators of the segment, viii) Likes, dislikes and other psychological characteristics, ix) Tourist-product preferences¹².

But, to a considerable extent it is within the seller's power to decide which segment he wishes to attract and which segment he wants to demote.

b) Find out what influence the segment most.

The next step in determining the marketing strategy is to find out the important influences of the market-segment on the buying decisions of the tourists. The following are the most determinant buying-decision factors which impel that segment to buy, and their relative importance.

- i). Price in relation to expected satisfaction.
- ii). Quality of product in regard to tourist's definition of quality.
- iii). Image of the product among the tourist.
- iv). Sales persuasion- effectiveness on the segment
- v). Customer service- influence of customer services on the buying decisions of the segment.
- vi). Product availability – whether the customer is ready to accept an alternative product, if that particular is not available.
- vii). Factors other than the above mentioned also may influence on the buying decisions of the segment¹³.

c) Find out what the segment likes, and is like.

If the organisation, for whom the marketing strategies is to be determined, has been once identified its market segment, the next logical step it should follow, must involve the creation of the tourist products in accordance with the needs, requirements, and likes and dislikes of the identified market segment. After finding out the characteristics of client's market segment, it must be aligned the clients profile with that of the product of the firm.



d) Recognize that there are generally two clients, not one, and catering for both

Next step in determining the marketing strategy is the recognition of at least two types of clients with the emphasis on the fact that the marketer must take care to treat and cater both the clients. The motivations and approaches of the clients in both groups may differ, and sometimes are opposed, but the classical nature of a good marketing strategy, despite of the differences and difficulties, is to cater both the group successfully. And when they are visualising about the marketing policies and segment, the organisation must think of the segments within both classes of client.

e) Align the element of marketing mix with the client's buying-decision factors

The fifth step in the determination of a successful tourism marketing strategy is the alignment of the elements of marketing mix with the client's buying decision factors. It means that in accordance with the relative importance of the factors attached with the client's buying decision influences the corresponding elements of the marketing mix. Therefore, the relative importance of the elements of marketing mix must be studied in relation to the clients buying profile. As far as the clients buying is concerned, this will help in identifying the irrelevant or the less important elements of marketing mix and to give less importance to such irrelevant elements. Hence, the elements of marketing mix must be accordance with the importance to the clients buying decisions.

f) Decide a pricing policy/strategy bearing in mind the factors which influence it

As the ultimate objective of a business is be to maximise total profit or contribution, pricing decisions play a vital role in generating profit. Therefore, the sixth and last step in the development of a marketing strategy is the determination of a suitable pricing policy, bearing in mind all those factors which influence it. One of such factors which have a greater influence on pricing decisions is volume sensitivity. Volume sensitivity denotes that profits are very sensitive to volume of sales, i.e. a decrease in sales volume may decrease the profit enormously or sometimes it may lead to loss stage.

The important pricing strategies which can be applied to tourism products are: optimum pricing policies, penetration pricing strategy, differential pricing policy, skimming price policy, dual pricing, cost leader pricing, and capital turnover pricing¹⁴.



Marketing Strategies for Tourism Products, Services and Destinations

Marketing strategies serve as the fundamental underpinning of marketing plans designed to fulfill the market needs and to reach [marketing](#) objectives. A good marketing strategy should integrate an organization's marketing goals, policies, and tactics into a cohesive whole. Hence, every business organizations should be engaged in establishing marketing strategies suitable to their products and making alterations or new strategies in accordance with the changes in time, situation, environment and products etc. As the marketing situation once quite forever never repeat itself again as it was. Therefore, it is imperative to develop marketing strategies based on the environmental situations and the inputs gathered and in the light of the best available information. But there are certain classical marketing strategies which are worth exploring. Important among them are¹⁵:

1. Develop a Vigorous New Product Policy

The strategy 'Develop a Vigorous New Product Policy' recommends developing a new tourist product that has the potential to attract tourist. There is nothing to prevent even a small organisation with limited resources from developing its own tourist products and attractions. But the product should be fit within their background.

2. Go for Quality

The emphasis of this type of marketing strategy is given to the quality of the tourist product. Here the most important thing is the quality and no compromise at all, then considers all other elements.

3. Go for Growth Sector

In this type of marketing strategy the efforts are made to pinpoint the growth sectors and concentrate on those products that have potential to grow more compared to other products. Answer to the questions, such as, who has the money, and who will have more of it in future? Should it sell to youth; or workers through trade unions and working-men's clubs? help to identify the growth sector and the products to be concentrated for making profit through the satisfaction of tourists.

4. Concentrate on Building a Brand Name

This type of marketing strategy suggests taking efforts that can help in establishing of a good name for the product in the market. The brand name with a good image attracts the tourist to choose that



particular product and its pull effect is very great. Cox and King has build a very good image and brand among across the world.

5. Specialize

Through this type of marketing strategies the organisation or agency gives special attention to a particular segment of the market or product to serve customers in a better way. For example, an organisation specialising in sports tourism can attract only those people who have interested in sports tourism and can take special care of them. Specialisation helps the agency to become an expert in a particular segment of the market and can satisfy customers by providing better services to them.

6. Developing Tailor-made Tour Packages

Tour Package is a newer method of destination marketing in worldwide and is one of the means which enable tourists to enjoy destinations and other tourism resources at lower prices. Tour Packages contributed far and away to the unexpected growth of the global and domestic tourism industries.

7. Tap an Undiscovered Goldmine

The various or alternative uses of a particular products can be popularised through this type of marketing strategy. In such marketing strategies the marketing manager takes efforts to promote the alternative uses of the same product.

8. Renovate a Decaying Product

Through this type of marketing strategies the organisation rejuvenate the existing products in market or re-invent the past product with certain modifications. Old palaces of emperors and other historical buildings can be renovated and can be used for good quality hotels.

9. Turn Clients from Ciphers into Human Beings

This type of marketing strategy concentrated on relationship marketing where a relationship can be developed with the client by keeping him in touch with the organisation. Sending a Christmas card, Birthday card or New Year card to the past clients, which helps keep the relationship for a long?



10. Offer the Widest Possible Product Range

Through this type of marketing strategy the agency or organisation focuses to offer a widest possible range of variety products to the concentrated market segment and diversifies as far as they can. This will help in attracting various interested or motivated group of tourists to the organisation. People go to Thomas Cook's not only because of the venerable name, but they will find a tour for almost every tourism products, services and destinations¹⁶.

11. Generic Strategy Models

Michael Porter (1980) developed a thesis that a firm's profitability and competitiveness were determined by the characteristics of its industry and the firm's position within in the industry. By using his framework to analyse industry structure, he developed the following three generic strategies for firms¹⁷.

And any other strategy followed by firms are classified as 'Getting Stuck in the Middle'

- a. *Cost Leadership:* Through this type of strategy a firm sets out to become the low-cost producer in the industry. The sources of cost advantage are varied and depend on the structure of the industry and they may include the pursuit of economies of scale, proprietary technology, preferential access to raw materials etc.
- b. *Product Differentiation:* In a differentiation strategy a firm seeks to be unique within the industry with some dimensions that are widely valued by buyers. The firm selects one or more attributes that many buyers in an industry perceive as important, and uniquely positions itself to meet those needs and the firm is rewarded for uniqueness with a premium price. Here the firm creating a customer perception that its product is superior to those of competitors so that a premium price can be charged.
- c. *Market Focus:* This model strategy rests on the choice of a narrow competitive scope within an industry. The firm selects a segment or group of segments in the industry and tailors its strategy to serve them better to the exclusion of others. By optimising its strategy for the target segments, the firm seeks to achieve a competitive advantage in its target segment even though it does not possess a competitive advantage overall.

12. Push and Pull Strategy



In the push marketing strategy or trade-oriented approach most of the marketing efforts are will fall on the channels of distribution, who will be encouraged – morally and financially- by the seller to push the products through to the customers¹⁸.

But in a pull or consumer oriented strategy or approach, less will be spent on the distribution organisation, and more on sending the message directly to the consumer, who will be encouraged to pull the product through the channels of distribution by demanding it from them. In the first case, there will be discounts for wholesalers, in the second case there will be big advertising campaigns.

Conclusion

Marketing investment by established tourism destinations is high in recognition of the increasingly intensified tourism destination competition. The full range of marketing communications, promotions and public relations activities are already used. The heavy use of e-marketing, including social media is a growing trend in destination marketing. It is necessary for established and growth tourism products, services and destinations to maintain and increase its marketing presence, especially when it introduces new types of product/experience which the tourists may not associate with the destination¹⁹. The marketing budget review process should ensure that the criteria are established and used to measure the return on investment for the individual types of marketing and promotional activity. In light of these measurements, the components of future marketing and promotional campaigns may need adjustment.

In destinations with well-established tourism sectors, the private sector is expected to share the execution of marketing activities in fulfillment of marketing strategy through cooperative and collaborative tourism promotion and marketing boards or some other form of combined agency or arrangement. This can entail a separation of the tourism product development and marketing strategy roles, with the planning and management of tourism product development fully within government, and marketing linked to, but outside, full government control. There should be the closest liaison between the dedicated tourism product development function within government and the tourism marketing body²⁰.

Electronic technology permits ever increasingly sophisticated study of tourist markets to be carried out. This enables segments and niches to be accurately and narrowly defined, with products and services specifically designed to meet those which are characterized by growth in demand.



Corresponding marketing communications messages can be refined to turn this potential into business for the destination.

Endnote

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