

MARKETING

MARKETING is the process of attracting customers to our product or service. It very important for any company as it is an investment in the future of the business. A businessman has to identify the needs of his customers as they change all the time, and then decide how to satisfy those needs.

Marketing in the tourist industry is the art of offering various services at *the right time, right place, right price* to the *right customers* so that we achieve adequate profit.

The process of marketing has several steps:

1. We should *collect and analyse information* about the offered services and about the needs and demands of the customer.
2. We should *define the marketing objectives*. We must decide what kind of customers we want to attract, what kind of services we want to offer them and what we want to achieve.
3. We should *define the tactics of our marketing*, which means that we must decide how to achieve our objective. We should concentrate on certain sectors of the market. It's impossible to meet all the demands of different groups of guests. It is better to offer „everything“ to a smaller group than only “something” to everybody.
4. We should *decide for marketing mix*.

MARKET RESEARCH is very important. It tries to find out:

- what products or services the customer wants
- what forms, colours, packaging, price ranges and retail outlets the customer prefers
- what types of advertising and selling methods appeal to the customer

We must always ask ourselves how our customers like our product or service. We can find that out by following the media, reading trade papers and magazines, collecting sales data, going to trade seminars, talking to business-owners, managers ... Customers surveys are / can be very valuable. We need to make sure that we get answers to three basic questions: Where did you hear of our product or service? What would you like us to offer you? How can we serve you better?

THE PSYCHOLOGY OF BUYING

There are two motives for buying something:

Rational motive – the consumer has a reason to buy something (a new wool scarf will be good in cold weather, the price is reasonable, it is a good quality and will last a long time)

Emotional motive – the consumer buys from feeling rather than reason

- ✓ the product appeals to his sense of taste, touch, sight, hearing (perfumes, food, music...)
- ✓ he wants to take care of himself (healthy food, safety devices...)

- ✓ he takes pride in his appearance, home, family...and buys things that will give a good impression of them (new car, modern clothes...)
- ✓ he desires to be with other people in restaurants, discos, resorts...
- ✓ he desires to imitate others – film stars, singers, friends... (Nike shoes)

THE MARKETING MIX

is the blend of product, price, place and promotion that satisfies the needs and preferences of a target market. They are known as the 4 P's for marketing.

The **target market** is a specific market to which marketers want to sell a certain product or service. It must be big enough and must not be dominated by competitors. Marketers must study their target market carefully, as its characteristics determine the make-up of the marketing mix. To market and promote holidays it is very important that the companies know who their market is likely to be. When identifying target markets, we divide the total market into “**segments**”, or groups of customers who share similar characteristics.

There are several ways markets can be segmented:

- ✓ groups sharing a similar lifestyle (work patterns, social and leisure habits, etc.)
- ✓ age groups
- ✓ ethnic and culturally-distinct groups
- ✓ groups from the same country or region
- ✓ gender (male/female)
- ✓ socio-economic class (e.g. managers, professionals, semi-skilled, and unskilled workers etc.)

Product - It is important to determine the consumers needs and then produce a desirable product or service. So apart from accommodation hotels offer reservation, food & beverage service, sport facilities, shoe cleaning, laundry service, baby-sitting, etc. A well-provided service will make a good impression on the guest and he will come again.

Price - After deciding on the product, the marketing manager must decide how the company should price the product. Price is an important part of the service. For a large group of guests it may be a very important factor. The price is flexible and it may change easily if the competition is large. Sometimes lower prices will give larger profits. Sometimes “pricing below the market” is used by a company coming into a market in which competitors are well-established. Another method is “pricing above the market” used when some products depend on a high-quality image, so a high price is acceptable, or it is used for luxury goods (sold to high – income groups that want prestige), or some companies want consumers to think that their product is better than the competition so they charge a higher price.

Place - Some businesses sell directly to the consumer (travel agents), some companies sell to retailers, who resell to the consumers (tour operator). Because the tourism and hospitality products have to be consumed on the spot, the market moves to the product.

Promotion is a persuasive communication of selling products, services or ideas to customers. Very often the most important decision a marketing manager makes is how the company should inform the customer about its products. It is not a luxury, it's a necessity. If a business wants to make money and compete, it must promote. Promoting companies use many tricks to push their products. Some use famous people, some use beautiful pictures, some use attractive men and women, which is especially important in the tourist industry.

PRODUCT LIFE CYCLE

Every product goes through a "product life cycle" or *stages of growth and decline in sales and earnings*.

- ✓ the *introductory stage* during which we inform the public that the product exists; this stage involves market research and expensive advertising
- ✓ the *growth stage* where there is a rapid increase in sales
- ✓ the *maturity stage* when sales continue to rise for a time and then level off
- ✓ the *decline stage* when the profits begin to drop and the competing firms usually lower in their prices; sometimes the decline in the product is because a new product or better product has appeared, or just because of a change of taste.