



THE ROLE OF 7 PS IN DEVELOPING MARKETING STRATEGIES FOR TOURISM PRODUCTS AND SERVICES: A SERVICE MARKETING MIX PERSPECTIVE ANALYSIS

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ABSTRACT: *A strategy consists of a well thought out series of tactics to make a marketing plan more effective. Marketing strategies serve as the fundamental underpinning of marketing plans designed to fill market needs and reach marketing objectives which have measurable results. It is possible to write a tactical marketing plan without a sound and well-considered marketing strategy, but without a sound marketing strategy a marketing plan has no foundation. A marketing strategy often integrates an organization's marketing goals, policies, and action sequences (tactics) into a cohesive whole. Marketing strategies are dynamic and interactive. They are partially planned and partially unplanned. The particular combination of the tourism marketing mix used by any organisation needs to offer it a competitive edge or differential advantage in the target market segment. This means that the marketer is creating something unique that the potential customer will recognise and value, and something that is distinguishable from competition. The edge or advantage may be created mainly through one element of the mix, or through a combination of them.*

KEYWORDS: Marketing Strategies, Tourism Products, Tourism Services, Service Marketing Mix, 7 Ps of Tourism Marketing Mix

1.1. Background of the Study

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 or packages.

Since the nature and types of products offered by tour operators are different, the tourism products and services marketing are significantly different from the marketing of tangible products. In the tourism 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 specialists.



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 tourism products, packages or destinations. It seems sensible to develop and adopt a well structured and systematic marketing plan for marketing of tourism products, packages and services.

1.2. Statement of the Problem

For the effective marketing of tourism products, it is essential that different segments of products are managed in tune with the changing habits and desires of users. This may be helpful in offering and marketing a package holiday product or package tour. The marketing of tourism products and services is the major contributing factor to the growth of tourism industry. Therefore, a good knowledge about tourism products and services will be helpful to formulate most suited strategies for marketing the same. The present study is the analysis of the marketing strategies of Tourism products and services with special reference to the 7 Ps of the tourism marketing mix perspective

1.3. Objectives of the Study

1. To explore the concept and philosophies of Marketing strategies of tourism products and services
2. To analyse the role of 7 Ps of the Tourism Marketing Mix in formulating marketing strategies for tourism products and Services
3. To identify the steps in determining marketing strategies for Tourism Products and Services

1.4. Research Design and Methodology

Present Research is a qualitative study about the role of 7 Ps in developing marketing strategies for tourism products and services with special reference to the tourism marketing mix perspective. The data and literature required for the study are collected from secondary sources consists of magazines, journals, survey reports, brochures, booklets, books, published as well as unpublished research works, and tourism related literature published by various organisations.

1.5. Concept and Philosophies of Tourism Marketing Strategies

Marketing strategy: Marketing strategy is a process that can allow an organization to concentrate its limited resources for the greatest opportunities available to increase sales and achieve a sustainable



competitive advantage. A marketing strategy should be centred on the key concept that customer satisfaction is the main goal of marketing. A marketing strategy can serve as the foundation of a marketing plan which contains a set of specific actions required to successfully implement a marketing strategy.

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Tourism Marketing Strategy: The most important objective of any tourist enterprise is to achieve maximum return to stakeholders. This will depend on a properly conceived marketing plan and strategy. In tourism marketing planning process it has been vividly described. Through the market segmentation process appropriate targets are identified and analysed. The marketing strategies attempt to penetrate and persuade the target markets through the marketing mix element namely promotion. Similarly the buying decisions of customers will be greatly influenced by certain elements of marketing mix which include product, price, place and promotion.

Tourism Marketing Mix: Marketing strategies consists of a mixture of ingredients that has been called the marketing mix. Marketing strategies for tourism products can be formulated by analysing the elements in the marketing mix, which includes product, price, place and promotion. But various researchers commented that this 4 Ps concept of marketing mix developed by McCarthy in 1978 is insufficient for tourism marketing. As a result in 1981 Boomi and Bitner adopted a 7 Ps concept for marketing tourism. They added three more variables namely physical evidence, people and process. The particular combination of the tourism marketing mix used by any organisation needs to offer it a competitive edge or differential advantage in the target market segment. This means that the marketer is creating something unique that the potential customer will recognise and value, and something that is distinguishable from competition. The edge or advantage may be created mainly through one element of the mix, or through a combination of them.



1.6. Steps in Determining a Marketing Strategy for Tour Packages

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

1.6.1. Identification of the Market Segment to which the Strategy is aimed

The first and vital step in determining a suitable marketing strategy for a tourist product is identifying a market segment. The key elements or the variables that define the market segment are:

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

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.

1.6.2. 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.

1.6.3. 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.



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

1.6.4. 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.

1.6.5. 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.



1.6.6. Decide a pricing policy/strategy bearing in mind the factors which influence it

As the ultimate objective of a business is to maximize 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 pricing.

1.7. Role of 7 Ps in Tourism Marketing: A Marketing Mix Perspective

1.7.1. Product

In marketing or consumer centric-perspective, the product is an amalgam of benefits, utilities, and satisfaction. This is particularly sensitive in the tourism marketing context; where the consumer is buying into seem-less experience in which no boundaries are obvious to them between their accommodation, transportation and overall holiday experience. Hence, the formulation of a sound product strategy is, of course, a challenging task before the tourist organisations. The product strategy involves quite a range of things that have a bearing effect on the buying decisions of the tourist, which includes products range, product mix, quality of product, product level, brand name, new product design and development and launching of the new product.

1.7.2. Price

As far as the tourism products are concerned, the pricing decision strategy becoming more critical due to the increasing complexity of tourist markets and the high degree of product intangibility often reduces the number of alternatives basis for comparison by customers. The pricing of tourism products also have to take into account the complexity created by seasonality of demand and the inherent perishability of the product. Therefore, when it comes to determining the pricing



strategy to be adopted, a number of options exist. The key approaches to pricing in the tourism industry are:

- a. Cost-plus pricing
- b. Marginal pricing
- c. Demand based (differential) pricing
- d. Price skimming
- e. Penetration pricing
- f. Product line (port-folio) pricing
- g. Business to business (supplier) pricing

1.7.3. Place (Distribution)

In the tourism context the place or distribution element of marketing mix means the routes of exchange through which a tourist accesses, books, confirms, and pays for a product or package. The two most common form of intermediary in the tourism industry are the tour operator and the travel agent. The tour operators bring together the essential components of a holiday and make those holiday products available through various outlets of distribution like traditional retail travel agents. In determining the most suitable strategy with respect to distribution, certain factors need to be considered. These include:

- a. The nature and particular characteristics of the market.
- b. The commitment of resources necessary to implement the strategy.
- c. The nature and intensity of competitor activity.
- d. The balance to be achieved between cost and control
- e. The overall portfolio of distribution channels used by the organisation with regard to number, type, cost and potential.

In tourism marketing, the two main strategic choices exist. The former is to adopt an intensive, selective or exclusive distribution strategy regarding outlet types and numbers, while the latter is to adopt a push or pull strategy which is fundamental to all tourism related organisations. A push strategy focuses on distribution outlets, urging them to sell to the tourist, while a pull strategy is directed at generating tourism demand and then sucked through the appropriate distribution outlets.



1.7.4. Promotion

Among the elements of the marketing mix, it is the role played by promotion that has been instrumental to the growth of modern mass tourism. As with all elements of the marketing mix, however, integration with these elements is imperative for success. The same will be in the case of marketing communications, which represents the promotional elements of the marketing mix. Therefore, when it comes to selecting the most appropriate strategy or techniques to convey the desired message and induce a response from target markets, a variety of choices are at the disposal of tourism marketers, which include

- Advertising
- Personal selling
- Public relations
- Sales promotions
- Direct marketing
- Database marketing

1.7.5. People

The people element of marketing mix is significant because it contributes most to the variability of the tourism products from a service encounter context. This applies to interaction and relationships between tourists, employees of tourism organisations, and the host community at destination level. The interactions and relationships between these three key people group will impact significantly on the level of product satisfaction experienced by the visitor. So the marketing mix needs a thorough behavioural analysis with impetus on training, commitments, discretion and appearance of these three groups of people.

1.7.6. Process

In addition to people, the process element is frequently instrumental in the final delivery of the service encounter. Other essential components of the value chain such as booking system, payment system, queue management and visitor-flow techniques and the area of interpretation are examples for the process component of marketing mix in tourism context. In most instances of the tourism marketing the process element of the marketing mix is involved. Instrumental to the effective



delivery of the tourism product encounter, marketers required to make strategies to identify these incidents critical in engendering a positive experience outcome for tourists.

1.7.7. Physical Evidence

The final element of the extended marketing mix advocated by Boom and Binter is represented by physical evidence. In many aspects of tourism, the physical environment is a core component of the tourism product. Due to the intangible nature of tourism products, the physical evidence aspect of the marketing mix is more important to influence purchasing. The physical evidence is significant because of the underlying principle of simultaneous provision and consumption.

1.8. Conclusion

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

The tourism 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 tourism 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. Recognising the importance of tourism marketing, tour operator develops the required mechanism to build effective tourism marketing strategies. It 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 tourism marketing planning process, perhaps the most complicated problem is connected with the formulation of marketing strategies. Because the working effect of an appropriate strategy may directly related to the nature and type of the tourism products and services, such as which strategy is most beneficent for inbound tours or outbound tours or incentive tours. This is based on the ability of the product 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 etc.



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