CHAPTER IV

REVIEW OF LITERATURE
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4.1) INTRODUCTION

The literature on tourism has provided conceptual knowledge about subject and provided useful guidance for identification and selection of the problem to the researcher of this research study to be oldest civilization like India and Maharashtra Pune. It also helped in construction of questionnaire of data. The literature on tourism provided valuable information about the objectives for travel and tour, management of tourism business, facilities for tourists, development of tourism destination, tourism policy etc.

The literature on personal management provided valuable information on various aspects relating to personnel in organizations such as job analysis, recruitment and selection, training, personnel, evaluation, motivation, remuneration, legal framework etc.

Literature on the subject was available through the following:

- Reference book and text books
- Newspaper
- Year book
- Journal and periodicals
- Governing demand for tourism

Tourism demand emanates from both individual tourist motivations and the economic social and technological factors.

These include income levels leisure time, mobility, growth of business and motivation. In researching income levels, more leisure time, increased
mobility, and increasing volume of transnational business and attendant international travel have contributed to sport in tourism related demand.

Even with all these, the traveler should have the motivation for touring.

This may spring from a variety of needs. According to Smith, a tourist can be classified into seven categories:

A) Explore- very limited in number: these tourists are looking for discovery and involvement with local people.
B) Elite-people, who favor special, individually tailored trips to exotic places.
C) Offset- such travelers and filled with arrive to get away from the usual humdrum life.
D) Unusual- visitors who look forward to trips with peculiar objectives such as physical danger or isolation.
E) Incipient mass- a steady flow, travel alone or in small organized groups using some shared services.
F) Mass- the general package tour market, leading to tourist enclaves abroad.
G) Charter-mass: travel to relaxation destinations, which incorporate many standardized, developed world facilities.

**Measures of Demand for Tourism**

In economic terms, demand can be defined as the quantity of a commodity or service that a community is willing and able to buy during a given time period.

Actual demand represents the quantity of goods and services that consumers require at a given time. Analyzing these demands in tourism
involves studying the reasons behind the development and the intensity of tourism flows between destinations and levels of participation in-site tourism activities.

Therefore, the determination of demand and measures of demand for tourism should reflect the scale of analysis (international tourism, domestic tourism, or on-site tourism demand) in terms of the measurement and operational variables.

Demand for tourism is measured in different ways.

The most commonly employed measures for demand and includes:

- Number of visitor arrivals or number of participants.
- Tourism expenditures or receipts.
- Length of stay or tourism nights spent at the destination site.
- Travel propensity indices.

The measurement of visitor volume in the form of tourist’s arrivals and the amounts of money spent by tourists on goods and services (receipts or expenditures) has dominated tourism demand models at the international levels. However the number of trips taken in the given time period and length of stay (days and nights spent) as measures of demand are commonly used at the national and local levels.

Empirical results indicated that length of stay does affect the average daily expenditure per person and vice versa.

The higher income visitors stay longer and spend more per day than visitors with low incomes.
Resorts destinations are also interested in the length of stay of tourists, since the night’s stay in the basic commodity purchased by tourists.

Such a measure for tourism demand might be superior to one reflecting actual tourist numbers since it accounts for changes in the average length of stay, though it does not allow for changes in average daily expenditure.

The measurement of tourist expenditures as a measure of tourism demand performed better than the use of arrivals and the alternative measures for demand should be employed to increase the accuracy and reliability.

The price-quantity relationships within the various sub markets of tourism demand signify the importance of multiple destination trips in demand measures.

Demand for tourism is also expected in terms of travel propensity. The region/country potential generation index can be used to assess the relative capability of the region or country to generate trips.

The population can be thought of as potential pool from which tourists are generated. There are two types of travel propensity: net and gross. Net travel propensity refers to the proportion of total population, or a particular group in the population, who have made at least one trip away from home in the period in question. Gross travel propensity, by contrast, is defined as the total number of trips taken by the population under study.

Grouch (1994) indicates that the responsiveness of demand for international travel varies, depending on the nationality of the tourist and the specific destination involved. Thus, demand-elasticity for international tourism varies by country-of-origin and country of destination. The demand
for tourism is therefore a function of the tourist country of origin, since, culture affects travel behavior.

Classical economic theory states that the quantity of a good or service demanded is a function of its price, the income of the consumer, the prices of related goods, and personal preferences of consumer tastes. Thus, demand theory directs the inclusion of such variables as prices and income.

Even though income and price related factors are likely to play a major role in determining demand for tourism, as a embedded in economic theory; the number of potential demand determinants in the tourism literature is almost unlimited.

The possible factors that are likely to influence demand may be divided into three types of demand determinants:

- Exogenous (business environment) determinates,
- Social-psychological determinates, and
- Economic determinants.

Among the demand determinants, the most important type which we focus is economic determinants

Economic determinants of demand are the easiest to measure and are commonly employed in tourism demand studies.

The most commonly occurring economic variables effecting tourism demand are: income levels, population, relative prices, and exchange rate and travel costs. Because of the difficulty involved in relating the volume of demand to so many variables at once, we will focus on the most influential variables to delineate the determinants of the demand for tourism. The
following section focuses mainly on the commonly used economic determinants of demand, along with some marketing and supply related factors

4.2) QUALITATIVE GROWTH OF TOURISM DEMAND

It is not only the growing volume of tourists that propels ICT penetration. Tourism demand is undergoing a great transformation and qualitative trends are applying more pressure on the industry to use ICTs.

Tourist become sophisticated and more demanding, requesting high-quality products. The “new” tourist is more knowledgeable about tourism destinations and organizations and seeks exceptional value for money and time. Value for time becomes much more significant, as time pressure forces busy people to take fewer holidays and to spend less time organizing themselves.

They constantly compare experiences between destinations, and enterprises and have clear views on their references.

4.3) ECONOMIC EFFECTS OF TOURISM

The tourism industry generates substantial economic benefits to both host countries and tourist’s home countries.

Especially in developing countries, one of the primary motivations for a region to promote itself as a tourism destination is the expected economic improvement.
The ability of the tourism destination is to attract tourism revenues and investment in infrastructure is influenced by a complex number of characteristics, such as:

- Political constraints and incentives (attractiveness of the taxation policies regarding local and foreign investment and imports)
- The resources and conveniences offered (attraction, access, hospitality, medical and other services, pricing transportation etc.)
- Market characteristics (visitor taste and preference, disposable income propensity to travel and proximity to destinations etc.)

4.3.1) Tourism Expenditure

The link between the tourism industry`s expenditures and the economic growth of the tourism industry has attracted considerable interest on the part of economic researchers both in the theoretical as well as in the empirical level the overall approach in that the tourism industry may require major investments in overall approach is that the tourism industry may require major investments in basic infrastructure such as transport, accommodation, water supply and health care(kahvell2001) it must be pointed out that, countries potentially benefit from increasing expenditures on tourism

The public and private expenditure in the tourism industry is an important policy tool to be used to ensure a reasonable level of economic activity and secure on increase in productive investment, thus providing a socially optimal defection for growth and development (Ram, 1986), specially by simultaneous increase in short and long-term revenues.
The imperial light on the issue of tourism expenditure promote economic growth by focusing on the experience of the small open economy, namely on India.

The primary and secondary effects of tourism expenditures are influenced by a complex number of characteristics in its simplest form; the economic impact of tourism can be measured as the difference in economic well-being between the income levels that would have existed without tourism activity and the income levels after tourism activity. There are an number of potential tangible and less tangible economic benefits and costs that should be considered. The potential economic benefits of tourism marketing, promotion and development include:

- Increased resources for the protection and conservation of natural and cultural heritage resources.
- Increased income and improved standard of living from tourist expenditures.
- Increased induced income from tourism expenditures.
- New employment opportunities.
- Increased community visibility leading to other economic development opportunities.
- Increased tax base
- Improved infrastructure and facilities
- Development local handicrafts
In addition to the economic costs discussed above, there are other costs that may have an indirect or long-term impact on the economic contributions of tourism.

For example, land values may change as high-priced projects replace traditional and less profitable land uses.

If agricultural landowners choose to sell or develop their land for tourism purposes, the tourism economy may have to rely on some food imports to feed the tourists and locals. The loss of traditional land values can also have an impact on the local heritage and sense of place.

Moreover, conflict may arise between those landowners who do not see the loss of the historical character of their community and area, and pro-tourism proponent’s residents and speculators who suffer or benefit from rising land prices might join in the fray. Such conflict could escalate as tourism pressures increase, and the resulting scores on the community might take a long time to heal. This short example helps to illustrate that understanding and measuring economics impacts is some complex than simply measuring direct impact.

It is also important to view economic impacts from a long-term perspective.

Environmental degradation and pollution will result in short-term environmental costs and associated economic costs incurred in repairing the damage caused by the pollution. There could also be considerable long-term economic costs to the local, regional and national economic if the destination is no longer desirable due to the effects of degradation and pollution.
Economic growth alone is not sufficient to overcome poverty but tourism creates a development community which obtains means to provide the poor people’s basic needs through more productive work and more widely available social service.

Direct and indirect effects of tourism earnings

The economic benefits of travel and tourism can derived directly or indirectly.

The primary effect is direct benefits that result from direct tourist expenditures for goods and services at the destination. These are realized through business receipts, income, and employment and government receipts from sectors that directly receive the tourism expenditure. Indirect benefits are generated by the circulation of tourism expenditure in the destination country through domestic inter-business transactions. For example, indirect benefits can be generated from the investment and spending by the businesses that benefit directly from tourism expenditures. The direct business receipts, when re-funneled as investments or used to purchase other goods and services form domestic suppliers (who in turn, purchase goods and services from other domestic suppliers), stimulate income and employment in other sectors. In addition tourism spending within the destination area can create induced benefits. As income levels rise due to the direct and indirect effects of change in the level of tourism expenditure some of the additional personal income (related to the change in tourism expenditures) is spent within the destination. These results induced benefits such as local income and jobs in the local goods and service sector.
Hence the spending by tourists at the destination can create direct benefits in tourism-related services and sectors such as accommodation hospitality, attractions, events and transportation. This spending can also create a significant amount of indirect and induced benefits in other sector such as agriculture, construction and manufacturing. Indirect and induced benefits are also referred to as the secondary effect.

Tourism differs from other potential exports activities because the ultimate consumer of goods and services comes to the exporting country rather than having more goods and services delivered to him at home. Therefore, in the analysis of the economy of tourism, transport and marketing arrangement need place of prominence and focus of attention.

The presence of foreigners in the exporting country generates significant social effects by demonstrating allies and unattainable like styles and values. Instead tourists purchase goods and service from a variety of industries with most of their expenditure in hotels and restaurants or resorts especially for holidays.

4.3.2) Income

Overview of the past research by crouch (1994) reveals that the income variable has been incorporated into demand models as the single most important determinate of international tourism demand.

Demand theory implies that the higher the per capital income, the more people are likely to travel. Like in many goods and services, the demand theory hypothesizes that the demand for international tourism is a positive function of income. The high income elasticity indicates that international.
The income variable is incorporated into demand models in the form of real per capital income. Income is the variable most commonly used to explain and determine tourism demand. Changes in consumer income can cause changes in the demand for goods and services. An increase in real income provides consumers with greater purchasing power.

In tourist demand functions, the real capital income of tourist generation countries is commonly used. The form of income, however, should be adjusted to accommodate different tourism contexts. In the case of income, the holiday visits or visits to friends and relatives are under consideration of personal disposable income. Inattention focuses on business visits, and then a more general income variable should be used.

4.3.3) Price

Price is an important factor in determining demand, because it reflects another dimension of purchasing power. However, the role of price is a mere complex construct than income in the case of international tourism. There are two elements of price. The cost of travel to the destination and the cost of staying for the tourist in the destination.

These elements of price exert influence on the intensity of travel flows, and the amount of demand for a given place. The cost of staying is represented by the price of tourist goods and services in the destination, and is sometimes separated by the effect of exchange rate variations on purchasing power. Another aspect of the price variable is the price of other substitute or complementary products.

Due to the unavailability of price data and the difficulty in obtaining uniform price data, a consumer price index (CPI) is usually regarded as a
reasonable proxy for the cost of tourism in national and international demand models. The use of CPI is justified on the grounds of convenience (sometimes the data are readily available) and the argument that tourists spending are spread over a wide range of the economy and patterns, or that at least the CPI will track tourism price closely.

Ideally, the measure to responsiveness of tourism demand to the level or relative prices, a tourist services index in needed. Such an index would specifically measure changes in the price of tourist services. Consumer price indices, which measure changes in prices across a board spectrum of consumption, do not necessary reflect changes in travel-related prices.

Traditionally, economic theory assumes that quantity of demand for a product declines as the price of the product increases.

It is useful for the industry and government to know how competitiveness is changing and why these changes are occurring patterns of changes in demand need to be assessed in the light of changes in price competitiveness. It is important to know, how the price of goods and services that tourists purchase can be compared between countries.

The comparative price, in some countries is compared in terms of prices that tourists are likely to pay for such thing as air travel and accommodation, restaurant meals and transport, neither or these index types are appropriate.

There is therefore a case for developing a tourism price competitive index which can compare the price in different countries of the goods and services that tourism actually buy, are obtained for different countries and
are then combined using weights obtained from their shares in tourist budgets.

The construction of price competitiveness indicates from the ground component of tourism required several steps that are included:

- The origin countries are chosen
- The destination markets are chosen
- Expenditure patterns of tourists from different origin markets must be identified
- Involves the compilation of revenant price data
- Price and expenditure share data are aggregated
- Purchasing power parties for tourism expenditure are calculated

In order to compute price competitiveness indicates it is necessary to attach weights to different goods and services consumed by tourists to reflect purchase patterns.

The potential for any countries tourism industry to develop will depend substantially on its ability to monitor competitive advantage in its delivery of goods and services visitors. Competitiveness is a general concept that encompasses price differentials coupled with exchange rate movements, productive levels of various components of the tourist industry and qualitative factors affecting the attractiveness or otherwise of the destination. We may distinguish several determinates of the demand for tourism.

A socio-economic and demographic factor such as population’s income in origin country, leisure time, education, occupation, etc.
Empirical research indicates that per capital income has the greatest impact on out bound tourism flows from individual countries. The countries where out bound tourism in growing most rapidly are those, which are experiencing the real rates of economic growth.

Price factors the lost of tourism to the visitor includes the cost of transport services to and from the destination and the cost of accommodation, tour services, food and beverage and entertainment. Changing costs in particular destinations relative to other, adjusted for exchange rate variations, are regarded as the most important economic influence on destination shares of total travel abroad. It is widely accepted that international travelers are sensitive to price, therefore, it is important to pay particular attention to the price competitiveness of a nation’s tourism industry, as compared to that of its competitors, if the nation is to prosper as a tourist destination.

The weight used is the share of expenditure of each of the items in the tourist basket. Expenditure varies depending upon the origin market of the visitor.

International tourist would be responsive to changes in prices in the destination country and the effect of such relative prices would be significant as a determinate of demand for international tourism (lode 1982). Barry and O’Hagan (1972) suggest three aspects of price: (1) the costs of living at the destination; (2) transportation cost; and (3) exchange rates. Demand theory hypothesizes that the demand for travel is an inverse function of relative prices. That is, the greater (lower) cost of living in the destination country relative to the origin country, the lower (greater) tourism demand, other factors being held constant. This hypothesis has been supported by previous
research and, in cases the relative prices variable has been statically significant (kwack 1972; loed1982; puayson and var 1982; smeral, Witt and Witt 1992, usual and Crompton 1984). Since it is a highly complex variable and data on tourism prices are rarely available, the consumer price index (CPI) has been most frequently.

Used as a proxy for tourism prices (crouch 1992). In this sense, this study includes the variable of relative prices using CPI between origin and destination country. Infrastructure and facilities in a country can negatively affect both relative prices and the quality of products. The variable of transportation costs may determine the level of demand for international travel. That is, an increase (decrease) in transportation costs is likely to decrease (increase) the demand for international tourism. Researchers frequently encounter difficulties in measuring appropriate transportation costs because they vary depending on the mode (airline, surface, etc), season, and whether or not the tourist is travelling first class. Price is one of the most important and visible elements of the marketing mix. When setting

Prices it is important to take into consideration all of the following:

- Business and target market objectives;
- The full cost of producing, delivering and promoting the product;
- The willingness of the target market to pay for the product/services;
- Prices charged by competitors offering a similar product/services to the same target market(s). The availability and prices of substitute/services;
- The economic climate (local and national) and
- The possibility of stimulating high profit products/services.
When establishing prices, R/T businesses should give attention to pricing strategies which may encourage off season and non-peak period sales, longer stays, groups business and the sale of package plans (combination of room, meals, and recreational facilities).

Pricing is typically more complex in services than in manufacturing. Because there is no ownership of services, it is usually more difficult for managers to determine the financial costs of creating a process or performance for customer than to identify the costs associated with creating and distributing a physical good.

One of the most complex and difficult takes of services marketers is pricing of the service on the basic of perceived value, and if perceived value and willingness to pay differ across countries, then services marketers may provide essentially the same service but charge different prices in different countries. Here as in pricing domestically the challenge is to determine the perceived value not just too different customers but to different customers in different parts of the world. While pricing was complex to administer, the marketer had full flexibility in pricing and could seek the profit, maximizing price in the each country. Prices across countries tended to vary widely, both in services and in products.

Any pricing strategy must be based on a clear understanding of the company`s pricing, objectives.

4.3.4) Price Elasticity

The economic contribution of tourism activity to a community or region is influenced by a diverse number of factors within and outside the
destination. Given that diversity, it is difficult to calculate impacts due to the wide range of effects associated with tourism economic activities, the diverse number of participants involved in those activities, and the complex interrelationships between various sectors.

The economic activity is often explained using the concept of supply and demand. A number of variables influence the demand and supply of the tourism product or service. For example, if the tariff of a hotel room increases, demand may decrease, as visitors seek other location or accommodation sources, and the supply of available hotel rooms therefore increases, the supply demand relationship of tourism goods and services can be influenced by factors such as the price elasticity of demand for tourism. When demand is price elastic, a lower price could generate a higher demand and hence higher revenues.

Similarly, if demand is price inelastic, a lower price could result in lower overall revenues. Knowing the price elasticity of demand can aid tourism service providers in designing their product mix. However, a number of factors affect price elasticity, making it difficult to calculate.

The price/elasticity of tourism demand varies, both overtime and between different origins and destinations. If demand is inelastic with respect to higher prices, the argument that increasing taxes on tourism will result in falling revenue is unlikely to hold. However, if demand is price elastic, the total revenue from tourism taxes may decrease unless producers absorb a significant proportion of the tax rise as higher costs and lower profits. Knowledge of the price elasticity of tourism demand is obviously a necessary step in predicting the direction and scale of the overall effect on
revenue, while further research is necessary to ascertain the behavioral responses of tourism producers.

Effective revenue management requires two or more segments that attach different values to the services and have elasticity. To allocate the price capacity effectively, the revenue manager needs to determine how sensitive demand is to price and what net revenues will be generated at different prices for each target segment.

4.3.5) Cost Based Pricing

In costs-based pricing, a company determines expenses for raw materials and labor, adds amounts or percentages for overhead and profit, and thereby arrives at the price.

In the case of goods, the prices are often based on the type of production. For example; the price of petrol is based on the cost of oil in the international markets. Similarly, in the case of services, the cost-based pricing serves as the basic or starting point for the service cost.

Pricing serves as the basic or starting point for the services cost-based prices are calculated based on certain accumulation of the accounting data.

The usual components of costs are:

- Variable cost: consisting of direct materials and direct labor and consumables. These are directly attributable to each unit of product or service.
- Fixed cost: employee costs, marketing costs of advertising and sales promotion and distribution costs.
• These are not directly attributable to the product or service but have to be incurred nonetheless.
• Financial costs and profits: consisting of depreciation, interest and return on investment

The situations under which service prices are based on costs are:

When the service is introduced for the first time. There are no other references for price fixing. For example, when mobile company first introduced mobile phones, the initial prices were based on the service operator’s costs.

Expected number of connections, and the anticipated return on investment. Thus the cost is the main basis of pricing.

When the number of competitors in market is limited to one or two, cost based pricing allows the competitors to make adequate returns and makes them helpful of achieving the target returns.

This situation of “live and let live” continuous until either fresh competition enters the market place or the marketers realize that the current pricing policy is not enabling them to grow and achieve larger returns in the end. The cost based pricing system continued in the mobile telephone circles when only two operators were present in each circle.

In the case of unusual work or work whose content is difficult to predetermine, the service provider on the client may come to a mutual agreement on the basic of the cost of the effort made by the service provider.
4.4) OBJECTIVES FOR PRICING

The most common pricing objectives are related to revenues and profits, as well as to patronage, market share and market penetration. Alternative objectives for pricing are as follows:

a. Achieve a specific target level but do not seek to maximize profits.
b. Maximize revenue from a fixed capacity by varying prices and target segments over times typically using yield or revenue management system.
c. Cover fully allocated costs, including institutional overhead
d. Cover costs or providing one particular service, excluding overhead.
e. Cover incremental costs of selling one extra unit or to one extra customer.
f. Maximize demand subjects to achieving a certain minimum level of revenue.
g. Build market share and/or large user base, especially if there are significant economies of scale that can lead to a competitive cost advantage.

Pricing of any product or service to be acceptable to the customer has to be competitive many a time the customer links the price of a product or service with the quality. In other words, it is the perceived quality of the service by the customers that influences pricing to the large extent. The pricing for the service offering should handle the following issues:

a. Demand fluctuations, since the service offering cannot be normally kept in inventory, the company should encourage the customers to make use of the services sooner.
b. Price of offered service package should be based on the tangibles where the customer can perceive its cost implication.

c. The customer should feel that the price he is paying for the service offering is for the value additions made with quality indication.

d. Price of the service offering should also take into account the market competition. In other words, the first three guidelines have to be meshed into the theory of pricing.

e. Company should take into account product lifecycle, and competitors strategy to finalize its pricing.

Price is a key variable in the marketing of goods and services both. Apart from the different prices levels prevailing for different available products or services, in the case of services it helps the service provider the make up for a number of deficiencies in the other areas such as capacity and availability

the tools under pricing include:

- Price discount, reductions, commissions and margins
- Terms of payment: in the case of high value items, the credit terms help to lubricate the sale
- Bundled prices: these enable the customers to achieve greater satisfaction due to the higher value of the need statisfaction.

Many of the aspects of pricing of services are the same as pricing of goods. These aspects are as follows:

- The firm must consider many factors in setting its pricing policy: selecting the pricing objective, determining demand, estimating costs, analyzing competitor’s price and offers, selecting a pricing method, and selecting the final price.
• Companies do not always seek to maximize profits through pricing. Other objectives may include survival, maximizing current revenue, sales growth, market skimming, and product/quality leadership.
• Marketers need to understand how responsive demand would be to a change in price.

Various types of costs must be considered in setting prices, including direct and indirect costs, fixed and variable costs, indirect traceable costs and allocated costs. If a product or service is to be profitable for a company, price must cover all costs and include a markup as well.

Competitor`s offerings must be considered in establishing prices. A variety of pricing methods exist including markup, target return, perceived-value, going-rate, sealed-bid, and psychological. After setting a price structure, companies adapt prices using geographic pricing, price discounts and allowances.

Promotional, pricing, discriminatory and product mix pricing.

Price is one of the most important and visible elements of the marketing mix. For setting prices it is important to take into consideration all of the following:

a. Business and target market objectives
b. The full cost or producing, delivering and promoting the product
c. The willingness of the target market to pay for the product or service you provide
d. Prices charged by competitors offering a similar product service to the same target market(s)
e. The availability and prices of substitute products/services (for example, campground, motels, and bed and breakfast are all substitutes for loading)
f. The economic climate (local and national) and
g. The possibility of stimulating high profit products/services (such as boats) by offering related services (such as maintenance) at or below cost.

When establishing prices, R/T businesses should give attention to pricing strategies which many encourage off season and non-peak period sales, longer stays, group business, and the sale of package plans (combination of room, meals, and recreational facilities)

4.5) PRODUCT

Earlier we said the principal products that recreation and tourism business provide are recreational and tourism business provides are recreational experiences and hospitality. The factors create a quality recreational experience often differs among people. A quality experience for one skier might include an uncrowned, steep slope. To another it might be a good restaurant and a chance to socialize. Decisions on what facilities, programs and services to provide should be based on the needs and desires on the target market(s). They should not be based on the preferences of the owner/manager or necessarily on what the competition is providing. Recognize that a recreational/tourism experience includes five elements: trip planning and anticipation; travel to the site/area, the experience at the site, travel back home, and recollection.

Businesses should look for ways to enhance the quality of the overall experience during all phases of the trip.
This could be accomplished by providing trip planning packages which include maps, attractions route and on site, information regarding lodging, food and quality souvenirs and mementos.

Recreation and tourism business should also view their service/product in generic terms. Thinking of products/services in this manner helps focus more attention on the experiences desired by customers and also the facilities.

Programs and services that will produce those experiences. For example, campgrounds are the business of providing recreational” lodging” not just composites to park on RV or set up a tent. Marinas should provide recreational “boating” experiences, not just slippage.

4.6) LOCATION AND ACCESSIBILITY PLACE

Too many tourism businesses and communities fail to recognize their focus instead on servicing the customer once they arrive at the site/community. A bad experience getting to or leaving an R/T site can adversely affect a person`s travel experience ways to help prevent this include:

- Providing directions and maps
- Providing estimates of travel time and distances from different market areas
- Recommending direct and scenic travel routes
- Identifying attractions and support facilities along different travel routes
• Informing potential customers of alternative travel methods to the area such as airlines and railroads

Potential businesses should also carefully assess alternatives locations for:

1. Distance and accessibility to target markets
2. Location of competitors with respect to target markets
3. Modes of travel serving the area, and
4. Other attractions and activities that might induce travel to the area.

Artisan Villages

In the coming years, three artisan villages will also come up in the state including one in Mumbai. The arts and craft village will either be either at Goregaon or Andheri. Here artisan from Maharashtra as well as all over the country will be showcased. The other place in the state where similar village will come is Aurangabad city. In addition to this MTDC announced its plans to develop an artisan village covering about 100 acres near Panvel which will be on the lines of artisan village in Delhi called Delhi Haat.

Fishermens Village

Sindhudurg District administration authorities have planned to establish two fishermen’s villages in the district in the style of Holland. The MTDC and fishermen department will jointly implement the project. The project aims at providing basis infrastructural fishermen village, the fishermen would be provided with the stalls for the sale of the sea food
eatables. Besides, foreign tourists visiting the fishermen’s village would also taken on boat rides to demonstrate the traditional art of fishing.

**Mahabhraman Scheme**

The different countries on a global planet promoting tourism for optimizing the return on investment, so tourism is considered as business. In tourism business, the private sector players innovate tourism products and by using the effective marketing mix create market for them. The focus of tourism business is to provide pleasure, comfort, leisure, recreation and entertainment to the travelers. The tour operators organize the package tours at beaches, resorts, hill stations and places of natural beauty.

India is a unique country on this global planet. We have different casts, religions, languages, and culture. The country has geographical, climatic and environmental heterogeneity; therefore, tourism is a mission to create national unity, integrity, and belongingness to the country. Tourism is a knit India movement. Tourism is also aimed for creating awareness about the multi facets of India. Therefore, MTDC has introduced an innovative ‘MAHABHRAMAN SCHEME’. Maharashtra is a unique state in India. In order to create awareness among people, about farmers life style, rock faces of Sahyadri, natural beauty of thick forest, roaring rivers, colorful life under the sea, the arts, crafts, fairs and festivals; the state government has sponsored the scheme for Knit Maharashtra. The Maharashtra Scheme is a mission of Maharashtra Government for Maharashtra Darshan. The MTDC as an apex tourism body is entrusted the task for promoting this tourism scheme in the state. In this scheme an attempt is made to provide one platform to NGO’s farmers and small entrepreneurs. The state government will popularize and market the scheme through the organized and established
channel of products distribution. The scheme will be marketed through the market players and service providers by providing incentives. Initially MTDC intends to promote about 350 tour packages, but according to MTDC officials MTDC has received only 57 proposals by 2007.

The service providers, market players and NGO have to register for marketing the Mahabhraman scheme. The requirements for Mahabhraman scheme are as under

1. The marketers/users have to apply through a printed form.
2. They have to submit the ‘project report’ to MTDC
3. The provision of tourism facilities to the tourists

New destination development by MTDC

MTDC is a catalyst in promoting tourism activities on behalf of the Maharashtra state.

The following locations have been developed by the MTDC recently

4.7) TOURS

One of the most significant segments of the global, leisure-travel market is that of tours. A tour can be defined as any form of travel from place to place, with multiple features that can be packaged and sold as a single unit.

The history of modern tours can be traced to the 1840`s and a British individual name Thomas Cook. Cook is recognized as the first travel
professional to organize a group of travelers for a tour. Over the course of several decades, Cook and his son led groups of British travelers throughout Europe, Africa and the Middle East.

4.7.1) Tour Production

Creating and implementing a successful tour is one of the most challenging and rewarding aspects of the travel business. Tour production may be thought of as a pyramid, with the components of the tour at the base, the operators who sell and operate the tours in the middle, and the client who participates and enjoys the tour at the top.

At the base of this pyramid are the tour wholesalers. The tour wholesaler is the person or business entity that obtains the components of the tour such as transportation, accommodations, attractions and sightseeing, and packages them together in the form of a tour for sale to the tour retailer.

The four retailers is the person or business entity that buys the tour product form the tour wholesaler either at a net cost or on a commission basis, and sells the tour product to the general public. The tour retailer may or may not choose to operate the tour. The tour operator is the person or business entity that is responsible for the actual implementation and operation of the tour with the tour participants. Tour operators, in effect, take the tour plan that was conceived and packaged by the tour wholesaler and actually carry out the tour.

It should also be mentioned that the differences between the roles played by tour wholesalers, tour retailers, and tour operators have become increasingly blurred. It is no longer certain that a tour wholesaler produces
tours for sale to the retailer who in turn hires a tour operator to run the tour. In some cases, tour operators own retail travel agencies and sell their products directly to the general public. Similarly, some travel agencies package and operate their own tours, thereby cutting out the intermediary. This can reduce costs and result in greater profits for the agency and travel professionals.

4.7.2) Types Of Tours

One of the reasons tours are so popular is that they come in many different forms and can be organized to fit almost any traveler’s interest and budget. Travel professionals identify two basic types of tours: custom-designed tours and pre-packaged tours. Pre-packaged tours can be further divided into three subtypes: independent, hosted and escorted.

4.7.3) Custom-Designed Tours

Travelers who desire the highest degree of control over of the elements of a tour will often select a custom-designed tour. Travel professionals create custom-designed tours, usually by working closely with the client, to accommodate all of the individual needs and requests a client makes with respect to the tour elements.

A custom-designed tour is commonly referred to as an F.I.T (or FIT), which is short for “foreign independent tour”. The term FIT, however, is used loosely to describe both domestic and foreign tours. FIT’s are almost always organized for leisure travel, and are not commonly organized for
business travel. FIT’s were extremely popular prior to the 1960’s when pre-packaged tours became a more common manner to organize and operate tours. Because FIT’s are tailor made for the individual, they are generally more expensive to operate than pre-packaged tours, as volume discounts that are generally available to organizers of pre-packaged tours are not available to an organizer of FIT’s.

4.7.4) Independent Tours

An independent tour, as the name implies, is a tour where participants travel independently without a group or guide. Participants in an independent tour can depart and return on any day and can even adjust the length of their stay to suit their individual needs and preferences.

Independent tours are particularly popular with travelers who wish to go to resort for the primary purposes of relaxation. Frequently independent tours will include a rental car as part of the package. Many independent tours will also give travelers the option to select from a variety of hotels ranging in price from budget/economy to luxury.

Independent tours offer tremendous flexibility and autonomy for the tour participants. Independent tours are idea for travelers who value the opportunity to make their own choices and set their own schedules. Independent tours are not, however, for everyone. Many travelers seek more structure to their travel plans for these travelers hosted and escorted tours may be a more appropriate option.
4.7.5) **Hosted Tours**

Hosted tours offer travelers an opportunity to travel independently, but also to receive guidance and assistance from a host at each of the tour`s destinations. The host is a representative of a tour company or ground operator who assists participants with the planning and organization of their activities and other tour arrangements. The host serves as an information specialist, facilitating the needs and wants of the tour participant.

Hosted tours are ideal for travelers who want independence and flexibility with respect to their itineraries and destination activities, but still desire the on-site guidance of a travel professional.

4.7.6) **Escorted Tours**

Travelers who desire an even higher level of on-site assistance and structure will appreciate the benefits of an escorted tour. On an escorted tour, participants travel together as a group and are always accompanied by a professional escort, who coordinates the group`s itinerary and activities and is responsible for making sure all aspects of the tour run smoothly. The accommodations, meals, transport and sightseeing on an escorted tour are all pre-arranged and as a result the details and difficulties of these matters are taken out of the hands of the participants.

Escorted tours commonly visit many destinations and as a result the tour participants are frequently on the move. Unlike independent and hosted tours, which frequently focus on a single destination, escorted tour often stop
in a different city every night. Travelling between the sightseeing stops is generally done in a motor-coach. The participants do not select the individual hotels during their stay, but rather select a level of accommodation when they purchase the tour package. For travelers seeking great independence and flexibility, escorted tours will probably not be the best choice. The group itinerary comes before individual needs. When the motor-coach is set to depart, all participants must level. However, for travelers who want convenience and do not wish to be bothered with organizing travel details, escorted tours are a logical and popular choice.

4.8) PRE-PACKAGED TOUR COMPONENTS

There are many possible tour components and these will vary depending on the objectives of the tour and the underlying budget. Certain elements, however, are basic to most tours; these include transport, accommodation, itineraries, sightseeing and meals.

4.9) TRANSPORT

Virtually all tours include transport as part of the tour package. Transport for tours comes in many forms and may include air, car, motor-coach, train or ship to name the most common forms.

Frequently, modes of transport are combined or used sequentially to achieve the objectives of the tour. For example, there are fly/drive tours that use a combination of aero planes and rental cars. Some tours offer fly/cruise
packages, wherein the travelers fly to a part of embarkation and then board a cruise ship for most of the tour.

Perhaps the most widely recognized form of touring is the motor-coach tour, which as the name implies utilities, buses or motor-coaches to move participants form destination to destination and to visit sightseeing attraction along the way.

4.10) ACCOMMODATION

Virtually all pre-packaged tours that are longer than a single day in duration includes some type of accommodation. Accommodations range from a simple tent to luxurious hotels and resorts, and as such can be tailored to fit almost my traveler’s budget. Typically, participants choose accommodation from different price ranges. On escorted tours, the tour participants stay at the same accommodation for the entire tour.

4.11) ITINERARIES

Selecting a tour with an appropriate itinerary for the individual client is another important component of a pre-packaged tour. The elements of an itinerary include the route, distances, travel times, activities of sightseeing during the tour. Helping a client select a tour with an appropriate itinerary is an essential function for a professional travel agent and is an effective way to gain client trust. Happy clients are also more likely to use your services in the future and to refer you to their friends and business associates, thereby generating additional revenue.
When considering tour itineraries, it is helpful to understand one basic guideline, which may be broken down into five categories: Pace, Routing, Interests, Details and Energy (P.R.I.D.E).

- **Pace**: pacing refers to how quickly or slowly an itinerary moves. Providing a comfortable pace for clients is essential to their enjoyment of the tour.
- **Routing**: tour routes should be both interesting and efficient. Tour routes should avoid back-tracking, doubling back or routing a client in circles. The hub and spoke routing has become increasingly popular for motor-coach tours. With this type of routing, travelers stay at a central destination and travel via motor-coach to surrounding destinations during the day, returning to the central destination at night.
- **Interests**: one very significant way to add value to your client’s tour is to match their interests with corresponding activities and attractions along the way. To do this effectively, you must talk to your client and listen carefully to the types of activities and the manner in which they describe their interests.
- **Details**: once you have determined interests when planning a tour itinerary, it is very important to pay attention to details. Paying attention to the individual parts of a tour ensure a successful itinerary. These parts include the dates and times of departure, attractions involved in the daily itinerary, and communication the included and excluded items of the itinerary. Details are a critical part of the itinerary planning process because clients expect to get what they are expecting.
• Energy: finally, matching the energy level of the client with the energy level and intensity of the tour itinerary is another way to assure the overall success of the tour.

4.12) SIGHTSEEING

Many tours include some type of sightseeing. Some tours, particularly escorted tours, may have itineraries that are packed with sightseeing. On an independent tour or hosted tour, tour participants generally receive sightseeing vouchers and admission tickets to featured attractions in advance. On an escorted tour, the escort will generally retain the vouchers and distribute them to the tour participants at the appropriate time. This has the added advantage to the participants of eliminating the responsibility and hassle of keeping track to vouchers and tickets.

Meals

A wide range of meal plans is available on pre-packaged tours. The level and type of plan is one of the factors that significantly affect the price of a tour.

The four steps of tour development

1. Planning: the initial phase of tour development involves the planning of the tour. Tour planning involves much more than just taking an idea and carrying out a tour. It requires a written and well thought-out plan that includes all the key tour elements. Tour planning also generally involves
sites inspections, the development of a management strategy and plan, and market testing to ensure that the tour will have sufficient market appeal.

2. Negotiations: the next step in the process involves the negotiation of the tour concept by securing the involvement of various tour suppliers and operators. Prices must be discussed and agreed upon.

3. Costing: once the elements of the tour have been negotiated, it is time to develop a detailed cost estimated for the tour package. Tour costing can be done in a variety of ways. One common way is to take all the fixed and variable costs and add a price mark-up. Another method takes all the net costs and adds a fixed percentage mark-up to determine the final cost.

4. Promotion: the best-designed and most cost-effective tour in the world will not be a success without adequate promotion. The most basic form of tour promotion is a tour brochure. A tour brochure describes the features, terms, and conditions of a tour, as well as providing (in most cases) color photographs of key aspects or destinations of the tour. Ideally, a tour brochure should appeal to the consumer and have adequate information to act as a sales tool for the travel professional. A tour brochure will generally include the tour operator’s professional credentials and operating experience at the front of the brochure, as well as key features of the tour and an explanation of any important terminology used in the brochure. The main section will list the tours offered as well as itineraries and costs. Finally, the back of the brochure is reserved for legal information including terms and conditions, and condition of carriage. Other forms of promotion include advertising, public relations and direct marketing which involves the mailing of a promotional piece (usually less detailed than full brochure) to a wide range of potential clients.
4.13) MARKETING

The fundamental buying motive leading to creation of demand for tourism products and services is the tourist’s attitude towards the tourism experience. These attitudes are not directly accessible to those who are responsible for tourism development. In the marketing of tourism it is possible to identify typical situations in which certain kinds of tourist motivations will be predominant. This has practical importance from marketing point of view.

The marketing situation in respect of tourism has certain characteristics. These characteristics are:

a. The impact of tourism on the local population varies according to the predominance of different types of tourists e.g. tourists desiring temporary identification with one another, or settled tourists retiring to a destination.

b. In the stage of tourism development- the tourists discover a destination; in response the local entrepreneurs provide facilities to accommodate growing number of visitors and last ‘institutionalization’ or mass tourism follow.

c. Development of tourism facilities come under the control of agencies-private and public which may be routed outside the local community and country.

d. The planners of tourism development first identify feasible alternatives and after assessing their possible outcomes build the necessary infrastructure.
e. On the demand side of tourism development there are tourists who stay in hotels or guest houses.

f. The inflow of tourists is for religious pilgrimages and there is resort tourism.

The main demand situation wherein tourists seek sun & sand, stay in large hotels; often travel in group tours that provide transport room and board in one package. The popularity of such package tours is because of its low cost. There are economic scale in respect of money and time for the customers.

There are no constraints created for ‘resort tourism’ by limited skills, entrepreneurship or savings of the population of the resort area. Good beaches reasonable weather, low vicinity of the area from tourist’s distance, can facilitate making available the human and financial resources from national or international sources, if not available locally. This feature has made resort tourism an appealing choice for the rapid stimulation of large scale development. It has also important implications for social and cultural development of the host community in tourism area. Therefore, to be successful package tourism like any other mass-consumer product has to appeal to a large market- the mass marketing technique has to be used. The ‘market’ potential for tourism in India and Iran is very vast. Both domestic and foreign tourism can develop provided both the qualitative as well as quantities aspects of tourism are cared for by government. The major areas for qualitative developments are hotel accommodation, transport sector, airlines, road development and maintenance of wild life, parks, beaches and monuments. The development and preservative aspect of tourism should be
looked after by encouraging private investment and participation by the local people.

According to the American Marketing Association, marketing is a process of planning and executing the conception, pricing, promotion, distribution of idea/goods, and services to create exchanges that satisfy individual and organizational objectives. Simply stated it is creating and promoting a product (ideas, goods or service) that satisfies a customer’s need or desire and is available at a desirable price and place.

Marketing’s contribution to travel and tourism has been undervalued by both policy makers and practitioners, leading to a misunderstanding of the nature and value of the marketing discipline for the travel and tourism industry. The lack of detailed work in relation to strategic issues in travel and tourism marketing and distribution processes, seems to be a need to emphasize a more strategic approach to international travel and tourism, so that, for instance, a competitive advantage can be established in overseas markets.

The focus on marketing a country’s tourism destination as a whole rather than on marketing a particular tourism product such as an individual airline, hotel chain or resort. A national or federal tourism authority promotes a country’s destinations, sometimes directly to tourists and sometimes through intermediaries; for example, airlines may play an important role in marketing concept based on a “long term commitment” to the satisfaction of traveler’s needs and motives and for a more strategic approach to marketing instead of relying on operational measures such as marketing communication.
Modern marketing is a way of doing business, heavily based on the “marketing concept” which hulks that businesses and organizations should consider the design of their products/services to meet customer needs and wants;

Focus on those people who are most likely to buy their product rather than the entire mass market. Develop marketing efforts that fit into their overall business objectives. By adopting this concept you not only provide your customers better product, you will avoid wasting valuable time and money and developing and promoting a product or service nobody wants.

While planning future marketing efforts, a business must first know something about its current customers. In the case of tourism, this first means gathering basic data on the number of visitors, the amount of money spent, and the types of activities most commonly undertaken. Such information provides a starting point for allocating marketing resources because it helps to identify markets in which people are already predisposed to visiting. It also enables the marketer to greater marketing investment to attract them to a destination. Crouch (1994) found that marketing expenditure was highly significant in influencing the level of international tourism demand in some studies. Promotion expenditure is incorporated as a demand determinant in order to investigate impact of marketing expenditure on international tourism demand.

The primary objective of service producers and marketers is identifiable to that of all marketers: to develop and provide offerings that satisfy consumer needs and expectation, thereby ensuring their own economic survival. In other words, service marketers need to be able to close the customer gap between expectations and perceptions. To achieve this
objective, service providers need to understand how consumers choose and evaluate their service offering. When purchasing services, consumers seek and rely to a greater extent on personal sources for several reasons.

First, mass and selective media can convey information about search qualities but can communicate little about experience qualities. The consumer can obtain information vicariously about experience qualities.

Second, non personal sources of information may not be available because (a) many service providers are local, independent merchants with neither the experience nor the funds for advertising; (b) cooperative advertising is used infrequently with services because most local providers are both producer and retailer of the service; and (c) professional associations banned advertising for so many years that both professionals and consumers tend to resist its use even though it is now permitted.

Third, because consumers can discover few attributes before purchase of a service, they may feel greater risk in selecting a little-known alternative.

Personal influence becomes pivotal as product complexity increases and when objective standards by which to evaluate a product decrease. Most managers in service industries recognize the strong influence of word of mouth in services; the primary marketing objectives in the short term are to:

- Move to offset the adverse impact of the September 11 event and its aftermath on Indian and Iran`s international markets, and performance of its tourist industry;
- Establish the foundation for expanding the scope and range of marketing activities in the medium term; and
• Develop the domestic, regional and selected long-haul markets from Europe and East Asia, and improve the image of India and Iran in the other long haul markets of Europe, East Asia, and North America.

4.13.1) Marketing Variables

Promotional expenditures are also suggested to influence demand for tourism, yet are not generally included in international tourism-demand models. Generally, promotional expenditures spent by tourist offices and organization are expected to play a role in determining the level of tourism demand since these activities are destination specific and are more likely to influence tourist flows to the destination concerned. However, a major problem regarding the inclusion of a marketing

Variable relates to difficulties in obtaining relevant data. In addition, the impact of advertising on tourism demand may be distributed over time.

4.13.2) Marketing Communications Mix

Some of the basics about communication are the same for goods as for services. The aspects of communication are different for services and will illustrate communications in a service context.

The traditional components of the marketing communications mix communicate information to customers about products and services:
• Advertising: any paid form of non personal presentation and promotion of a company`s offerings by an identified sponsor.
• Sales promotion: short =term incentives such as coupons, premiums, or discount that stimulate customer purchases.
• Public relations: building a favorable company image with a firms public though publicity, relations with the new media, and community events.
• Direct marketing: the use of mail, telephone, fax, e-mail, and other non personal tools to communicate directly with specific consumers to obtain a direct response.
• Personal selling: personal presentation by a representative from the firm to make sales and build customer relationship.

4.13.3) The Characteristics of Tourism Marketing

Travel and tourism products are ideal for marketing on the internet. This is because tourism information-intensive industry and the internet is the most effective and efficient means in information exchange worldwide. The net can greatly facilitate the promotion and distribution of tourist products and potentially enable tourism destinations and enterprises to compete on a level playing field.

4.13.4) Recreation and Tourism Marketing

Earlier it was mentioned that a product can be “ideas, goods or services”. Since tourism is primary a service based industry, the principal
product, provided by recreation/tourism/RT) business are recreational experiences and hospitality. These are intangible products and more difficult to market than tangible products such as automobiles. The intangible nature of services makes quality control difficult but crucial. It also makes it more difficult for potential customers to evaluate and compare service offerings. In addition, instead of moving the product to the customer, the customer must travel to the product (area/community). Travel is a significant portion of the time and money spent in association with recreational and tourism experiences and is a major factor in people’s decision on whether or not to visit your business or community. As an industry, tourism has many components comprising the overall “travel experience”. Along with transportation, it includes such things as accommodations, food and beverage services, shops, entertainment, aesthetics and special events; it is rare for one business to provide the variety of activities or facilities tourists need or desire this adds to the difficulty of maintaining and controlling the quality of the experience. To overcome this hurdle, tourism related business, agencies, and organizations need to work together to package and promote tourism opportunities in their areas and align their efforts to assure consistency in products quality.

4.13.5) Market Environment Analysis

The next step in developing a marketing plan is to assess the impact of environmental factors (such as economic, social and political) on present and future markets. Changes in these factors can create marketing opportunities as well as problems demographic.
And lifestyles are having a major impact on R/T participation. An assessment of these trends is important to understand how they may affect your business or community. One of the important trends that bear watching:

1. Population growth and movement;
2. Rural community growth compared to metropolitan areas;
3. Number of adult women employed outside the home;
4. The number of households is growing, especially non family and single parent households, but family size is decreasing;
5. The impact of two wage earner households on real family income;
6. The number of retired persons with the financial ability to travel;
7. Better health to an older age; and
8. Continued aging of the population (becoming a middle aged society).

4.13.6) Market Segmentation (Identification)

Recreation and tourism businesses and communities often make the mistake of attempting to be all things to all people. It is difficult, and risky, to develop marketing strategies for the mass market. Strategies designed for the “average” customer often results in unappealing products, price, and promotional messages. For example, it would be difficult to develop a campground that would be equally attractive to recreational vehicle campers and backpackers or promote a property to serve both snow mobiles and nature oriented cross country skiers. Marketing is strongly based on market segmentation and target marketing.
Market segmentation is the process of:

1. Taking existing and/or potential customers/visitors (market) and categorizing them into groups with similar preferences referred to as “market segments”; 
2. Selecting the most promising segments as “target markets”; and  
3. Designing “marketing mixes”, or strategies (combination of the 4 Ps), which satisfy the special needs, desires and behavior of the target markets.

There is no unique or best way to segment markets, but ways in which customers can be grouped are:

a. Location of residence-instate, out-of-state, local;  
b. Demographics-age, income, family status, education;  
c. Equipment ownership/use-RV’s sailboats, canoes, tents, snowmobiles;  
d. Important product attributes-price, quality, quantity; and  
e. Lifestyle attributes- activities, interests, opinions.

To be useful, the segment identification process should result in segments that suggest marketing efforts that will be effective in attracting them and at least one segment large enough to justify specialized marketing efforts. After segments have been identified, the business or community must select the “target markets” those segments which offer them the greatest opportunity. When determining target markets, consideration should be given to:

1. Existing and future sales potential of each segment;  
2. The amount and strength of competition for each segment;  
3. The ability to offer a marketing mix which will be successful in attracting each segment;  
4. The cost of servicing each segment; and
5. Each segment's contribution to accomplishing overall business/community objectives.

It is often wiser to target smaller segments that are presently not being served, or inadequately, than to go after larger segments for which there is a great deal of competition.

4.13.7) Potential for Tourism Marketing

Organized tourism marketing by government (department of tourism) has to be destination oriented once the visitor-oriented approach leads to an increase in travel. When available information on the tourist characteristics and their motivation increases, effectiveness of tourism marketing increases. There are, however, many factors which suggest that the historical product-oriented approach may lead to expansion of tourism market though at a slower rate. These factors are:

- Continued increase in the population of both developed and underdeveloped countries.
- A continuous increase in the real per capita incomes and affluence of large number of people in both developed and developing countries-as a result very large number of people will have more money to spend on travel.
- A continuous increase in the leisure available to millions of people in the world, in the very low and very high classes-who would like to spend on and average holidays of three weeks in a year.
- A continuous increase in the average educational attainment of people in both developed and developing countries. Spread of literacy and rising levels of education broadens interest which in turn creates a desire to travel.
• A continued increase in life expectancy - active life in old age - coupled with retirement at a lower age.
• A continuous increase in the number of people having prior travel experience.

A continued improvement in transportation technology leading to reductive efficiency and easier, faster, safer and more comfortable travel.

Despite higher air fare and automobile fuel price mobility of people travelling is maintained at a high level in future the potential benefits like increased profit and employment opportunities added tax revenues and improved balance of payments would be high and therefore it is necessary to design the optimal tourism marketing programs which must be destination oriented and would ensure satisfaction of the wants, and desires of visitors e.g. enjoyment of delightful climate, beaches, beautiful nature scenery, great works of men, historical architectural monument, foreign are and culture etc. development in mining, manufacturing, agriculture would play a significant role in developing tourism. Tourist industry entrepreneurship in hostelling, camping, catering, restaurants, sightseeing are undoubtedly considered as positive development. The selling points are to be created by developing to tourist service trades.

4.14) TECHNOLOGY

The newer concept of electronic commerce as a new technology is the use of online networks to promote or sell products or services. It is also the process of using electronic methods and procedures with information technology as a tool, to conduct all forms of business activity. New
technology utilizes different technologies and forms such as Electronic Data Interchange (EDI), electronic mail (e-mail), facsimile transfer, electronic cataloguing, video-conferences and multimedia communications and all other forms of sending electronic data messages between enterprises. Earlier application of EDI was too costly and complex to succeed. The use of smart cards adds a further dimension to enable on-line transactions around the globe.

The internet has increasingly become a popular medium for marketing. The potential of internet for tourism marketing and the current constraints on the full realization of such potential need consideration. Through an examination of the advantages of the internet as a marketing tool and the characteristics of the tourism industry, the paper found that the internet was ideal for marketing tourism. It then analyzed the main internet applications in tourism marketing and explored the key factors that were attributable to the current low level of travel sales on the internet.

As one of the most exciting technological innovations of the twentieth century, the internet has profoundly altered the way we communicate, learn, find entertainment, and do business. Although it seems like a new medium, this giant network of computer networks has actually been around since the early 7960’s.

Over the last four decades, the “Net”, has evolved from a network for government and university researchers into an information and entertainment tool used by millions around the globe. Use of the internet exploded in the early 1990’s with the development of the World Wide Web, which organizes the immense store of information on the internet into interconnected “pages” of text, graphics, audio, and video. Today, nearly 260 million people around
the world top into the internet, and experts project that number will grow to almost 500 million worldwide by the end of 2002.

The most popular uses for the internet have been for academic research and business information, but now growth is oncoming in goods and services purchases.

Technological developments are increasing rapidly. New recreation products, such as all-train vehicles and wind surfers, provide new ways for people to satisfy their recreational preferences. New production technologies and material offer recreation and improve the quality of their products/services. Advances in telecommunications have and will continue to create new promotional opportunities. Technological innovations, in relation to jobs and the home, have resulted in increased leisure time for many people.

Tourism is an unusual product, in that it exists only as information at the point of sale, and cannot be sampled before the purchase decision is made. The information-based nature of this product means that the internet, which offers global reach and multimedia capability, is an increasingly important means of promoting and distributing tourism services. The ease of use, interactivity and flexibility of web-based interfaces suggests an allied and important role for World Wide Web technology in destination marketing, and indications are that tourism websites are constantly being made more interactive.

Technology, specifically information technology is currently shaping the field and influencing the pricing of services marketing. Technology is dramatically changing the nature of service, resulting in tremendous
potential for new service offerings not imaginable even a decade ago. Technology is profoundly changing how services are delivered, enabling both customers and employees to get and provide better, more efficient, customized services.

Technology facilitates the global reach of services that were historically tied to their home locations. In fact some would argue that the internet, the king of current technologies, is “one big service” vehicle. Together with globalization, the influence of technology on service is the most profound trend affecting the field today.

In addition to providing opportunities for new serviced offering, technology is providing vehicles for delivering services in more accessible, convenient, productive ways. Technology has moved face-to-face service to telephone based service to widespread use of interactive voice response systems to internet-based customer service and now to wireless service. Through self-service technologies customers can serve themselves more effectively. Wells Fargo finds that the online customers are the most satisfied customers.

Technology can provide tremendous support in making them more effective and efficient in delivering service- customer relationship management and sale support software are broad categories of technology that can aid front- line employees in providing better service. By having immediate access to information about their product and service offering as well as about particular customer, employees are better able to serve them. They can also be much more efficient and timely than in the old days when most customer and product information was in paper files or in the heads of sales and customer service representatives.
Technology infusion results in the potential for reaching out to customers around the globe in ways not possible before. The internet itself knows no boundaries, and therefore information, customer service, and transactions can move across countries and across countries, reaching any customer who has access to the web. Technology also allows employees of international companies to stay in touch easily to share information, to ask questions, to serve on virtual teams together. All of this facilitates the global reach as well as the effectiveness of service businesses.

With the facilitation of booking travel and tourism electronic technology is leading more suppliers to seek to increase their direct sales, bypassing the travel agent or other intermediary. While household access to the internet is less than 10 percent currently in industrialized countries, penetration levels of 50 percent are widely predicted by 2010.

Airlines, hotel groups, rail networking, tour operators, car rental firms, all are examining the reduction of the levels of standard commission paid to travel agents, arguing that the speed and ease of booking through their computer reservation systems do not warrant retention of the original rates which reflected more time input on the agent’s part.

All businesses and organization that operate on the internet are essentially providing service—whether they are giving information, performing basic customer service functions, or facilitating transactions. Thus all of the tools, concepts, and strategies you learn in studying services marketing and management have direct application in an internet or e-business world. Although technology and the internet are profoundly changing how we do business and what offerings are possible, it is clear the customers still want basic service.
The rapid growth of the internet, especially the WWW, has attracted a great deal of interest among both academic researchers and business practitioners, especially in the fields of information technology (IT) and marketing. There are also an increasing number of publications on internet tourism marketing, in the last few years. The works of Bender (1997), Sheldon (1997), Inkpen (1998), Richer and O’Neil-Dunne (1998), Buhalis and Schertler (1999), Marcussen (1999) and O’Connor (1999), among others, have provided the necessary background and some in-depth discussions of the various issues of marketing tourism on the internet, in particular its impacts on tourism distribution. However, this field of research is by and large, still in its infancy and much more effort must be made to improve our understanding of the internet’s role in tourism marketing and the ways through which tourism organizations and destinations can exploit its full potential.

Internet is used widely. It is relatively inexpensive and worldwide internet growth in the last 10 years has increased more than 35%, service producers can create their own web sites with several links for important information. The organization should evaluate its existing needs and resources, select simple visible pilot projects, get support from management, have a small project team, develop a small internet portal, and get the feedback.

Electronic technology will revolutionize the way we live in the next decade or so, in travel, the most important developments seem likely to be:

Smart card destination loyalty schemes where the user gets discounts for using the card at a destination and, in return, the destination gains valuable marketing information about its customers;
Plasticization of travel, cheques, again uses smart card technology. Internet video telephony whereby consumers can “test drive” a prospective holiday by viewing current pictures through cameras placed in hotels, clubs, restaurants and other sites in the destination and transmitted via the internet;

Intelligent agent computer programs which are a combination of pre-entered information (e.g. likes and dislikes in respect of holiday) and observed behaviors in use of on-line booking patterns to make suggestions on possible option for the user, thus saving time in “surfing” the internet;

On-line booking via the internet is certain to grow at rapid rates over the next decade with access available to most of the population of industrialized countries. Through transfer of such access to user ship in respect of travel booking may take time, it is clear that this medium will achieve increasing spoke in the next 10 to 15 years.

e-ticketing- with the increasing popularity of electronic-ticketing(e-ticketing) or ticket less-travel, especially among airlines, online tourism distribution over the web may one day have no physical goods (not even a ticket) to deliver at all. Ticket less travel means that chick-in is achieved by proof of identity and a booking reference number. This saves the cost of ticketing for the airline which would usually include stationery, printing and postage and speeds up the check-in process at airports by enabling passengers to self check-in at check-in machines with a credit card. Worldwide, there are more than 30 airlines that offer e-ticketing in at least some routes in its networks (IATA 2000). About 60% of United Airlines passengers are now using e-tickets. British Airways has even announced that from May 2000 travelers will be charged 25 pound for a printed ticket where e-ticketing is available for the flight. It could also cost the traveler 50 pounds
to replace a lost paper ticket. Obviously, e-ticketing is a key development that will accelerate the acceptability and convenience of booking air travel via an on-line travel agent. Since such a web-based E-ticket seller has no physical ticket to deliver, it can potentially sell from anywhere to anyone in the world. E-ticketing (or ticket less travel) is being operated, on a limited basis already, by a number of airlines. Central database of traveler information will provide extensive insight into individual on a commercial basis.

4.15) USE OF THE WEB FOR TOURISM MARKETING

Tourism is an unusual product in that it exists only as information at the point of sale, and cannot be sampled before the purchase decision is made. The information-based nature of this product means that the internet, which offers global reach and multimedia capability, is an increasingly important means of promoting and distributing tourism services. The ease of use, interactivity and flexibility of web-based interfaces suggests an allied and important role in World Wide Web technology in destination marketing and indications are that tourism Web sites are constantly being made more interactive. Moving from simply broadcasting information to letting consumers interact with the website content allow the tourism organization to engage consumers, interest and participation (increasing the likelihood that they will return to the site), to capture information about their preferences, and to use that information to provide personalized communication and services. The content of tourism destination websites is particularly important because it directly influences the perceived image of the destination and creates virtual experiences for the consumer.
The websites have the numerous internal and external links to further information, and incorporated value-added features characteristics of the tourism industry such as key facts (on location, climate, weather and services), maps itineraries, news and media releases, and a photo gallery. Often, there would also boo a more interactive feature such as a currency converter or a web-based contact form. These sites also contained information on accommodation, tourist attractions, activities and events in the region, usually in the form of a list organized by category and with contact details and/or links to the third-party operator(where available). Most of the organizations in this industry sector are at a relatively advanced stage of adoption of internet commerce.

Web site has been considered from the beginning as an additional tool in the marketing and communication strategy of the organization that would complement existing traditional tools that together would allow the optimization of results and address the public that previously were out of our reach. The conventional methods, principally advertising, achieved new product launches, created brand image and awareness and with new mediums such as the internet, to establish direct client contact; to customize the message and create brand loyalty has been possible.

But it`s the internet, that people feel, has totally transformed both the way the industry does business and how consumers buy tourism. The emphasis PF tourism marketing was always on your appearance in print-now your brand and your face lives or dies with your website.
4.16) E-TOURISM

The internet has provided a new economic environment in which to conduct business. E-tourism is a growing sector and many tourism businesses are involved in developing their internet services including traditional travel agents, tour operator, national tourist offices, airlines, hotels and other accommodation providers and care hire firms. They key differences from traditional markets are the speed at which information can be communicated, global accessibility and the minimal costs of establishing a business online.

According to the study, 39% of leisure American travelers think that the internet is easier and faster to user for travel planning than a travel agent. 66% of American users believe that E-Tourism web sites provide better services than travel agents.

4.16.1) Some of the Suggested Benefits of E-Tourism

- That is the most effective way of communicating with target markets and disseminating information.
- It is a quick and easy way for the customer to purchase the travel products.
- It offers opportunities for improvements in customer service and retention through meeting and promoting individual preferences.
- It reduces costs through increased efficiency in internal operations and purchasing processes.
- The preference of many customers to conduct complicated transactions in a face-to-face environment.
Existing travel agent business being super ceded, with resultant job losses.

- Growing inequality and increased social exclusion for those customers and businesses without access to necessary technology.
- The general trend is for a growth in online business despite recent high levels of closure amongst dot.com.
- It is claimed that in the near future on third of travel buyer will purchase at least some of their travel product online.

4.16.2) Key Points of E-Tourism

- E-tourism describes a new way of doing business. It means fast communications, global accessibility and minimal costs for new businesses going online.
- On the positive side, E-tourism provides cost effective communications, it can make purchasing easier for customer and provide the impetus for improved customer service. New opportunities open up for collaboration with previous competitors.
- However customers are taking time to come to fully trust the technology and many still prefer face to face contact. E-tourism can have job implications for certain sectors and may begin to exclude the “digital have nut`s”.

4.17) SURVEY OF LITERATURE:

The area of research in unorganized, the researcher hold mounting difficulties in the survey of literature. The tourism area is the recent emerging area after globalization. A new global trend and awareness are
developed in the field of tourism the developed countries are the trend setter for tourism industry for income propagation and employment generation. As a consequence of high growth performance during post economic reforms a new thrust area of policy and strategy has emerged in India. Therefore, researcher has selected tourism a services sector area, the researcher work a volume and magnitudes are not done in fact it is a neglected area of research. During the survey of research work, the researcher has difficulties to find the useful books on the tourism. The researcher articles and also very few. Most of them are descriptive in nature they do not have research input the researcher has been heavily relied on news papers reporting tourism companies and hotels on various aspects of tourism.

- However on attempt is made to summaries the core areas of survey of literature.

- Research work of Dr. Private Seth on “successful tourism management, fundamentals of tourism” published by Sterling Publisher Pvt. Ltd is an introductory on tourism this research work is fundamental in nature. The research work has a theoretical approach and historical in nature.

- Maneet Kumar, associate professor of Himachal Pradesh University has done research on tourism today an Indian perspective and published by Kaniska publishing house, New Delhi, has focus on conceptual framework of tourism, growth of tourism in India and tourism market. The research work is more informative in nature and focus is placed on tourism working in India. It seems, the research scholar has given less attention to the core areas of tourism.

- A research work on “Development of tourism in India by H. Lajipathi Rail, published by printwheel Jaipur, has provided the coverage to global
tourism, prospect to the tourism in India. The researcher has tried to provide a vast coverage. The work has no coverage to cost benefit analysis. It seems more descriptive.

- A research output on tourism of hotel lie ring by Jms Negri, of institute of hotel management New Delhi is pioneering research work of good quality contents approach and methodology. He has focused on finance and investment marketing, infrastructure and socio-economic benefits of tourism. He has used the Keynesian approach of multiplier to examine the cost benefit relationship of tourism.

- A researcher work on basics tourism theory, operation and practice by KK Karma and M.Chand, published by Kanshika publishers New Delhi is technically sound work.

- It has focused on current tourism areas; he has created a conceptual frame work of tourism, tourism products, travel motivation, attractive function, and travel intermediaries, data analysis and useful exhibits for supplementing the descriptive and mathematical explanation.

- A research work on Dynamics of tourism “planning and management edited by ps. Gill published by Amol publications Delhi has focused on tourisms growth and development of tourism, publicity and promotion and travel agencies.

- The book is informative in nature and lacks research input in its approach.