Chapter VII

Findings and Discussions

7.1 The data collection and analysis of the components of tourism sector brought about interesting findings about the components of the tourism industry. The findings depict that the tourism industry is poised for growth and if it becomes more organized and professional in its approach it can become one of the most successful service sector industry.

7.2 The findings are grouped and presented under the following heads –

7.2.1 Pune Customer Survey Findings – based on Customer Survey

7.2.2 Pune Tourism Company Findings – based on Company Survey,

7.2.3 Top Executives Survey Findings

7.2.4 Managers Survey Findings

7.2.5 Expert Interview Questionnaire Findings

7.2.6 Findings from Staff Observations

7.2.7 On Tour Observations

7.2.8 Case Study Findings

7.2.9 Important Suggestions made by respondents in all surveys.
7.3 Findings- Tourism Customers

Pune Tourism Customers - Socio Demographic Profile

7.3.1 Age -
Pune shows young population strata 30-40 years age group (33%) interested in tourism and going for tours. They are followed by the 40-50 age group at (30%) . The age groups 20-30 (17%) and above 50 (19%) come at the rear end showing less interest in tours.
(Refer Table No. 6.7.4  Chart No  6.7.5)

7.3.2 Gender
Male population at 882 (67.8%) show a marked inclination to go on tours rather than females at 418 (32%) Themales also went on tours independently and with their family.
(Refer Table No. 6.8.1  Chart No  6.8.2)

7.3.3 Marital Status
The largest segment is married couples (65.8%) choosing to go on tours. The next segment consisted of widows/widowers (13%) and singles (15%) who chose the option of going on tours whereas the divorced segment is the lowest segment with (5.8%) customers opting for planned tours.
(Refer Table No. 6.9.1  Chart No  6.9.2)

7.3.4 Occupation
The employed customers (49%) were the largest segment in tours. They had the benefit of structured holidays, LTA and fixed income so could plan holidays well and in advance. Self-employed customers (33.9%) formed the second largest segment with 441 customers in the category. They had a flexible income and a flexible holiday time. Housewives (11.7%) and retired people (5%) opted for tours suiting their interest and budgets forming the third and fourth segment respectively.
7.3.5 Income

Out of the customers surveyed, 1% customers were having income less than 2 Lakhs, 8% customer’s income was between 2 to 3 Lakhs, 30% were having income between 3 to 5 Lakhs and 61% customers were having income above 5 Lakhs. The tour costs are rising and customers are often compelled to choose tours within their means.

7.3.6 Q With whom do you like to spend your tour vacations?

The Pune tourism customers like to spend their holidays with family and friends. 23% people like to spend their vacations with their spouse, 49% like to spend with family, 26% like to spend their holidays with friends and rest 2% people like to spend their vacations with business associates.

7.3.7 Q On an average how much do you spend on a holiday outing?

The customer spending on holidays depends on their income. 38% spend between 50 thousand to 1 Lakh and 34% spend more than 1 lakh on their holiday outings. 1% customers spend between 10 to 20 thousand and between 20 to 30 thousand, 26% spend between 30 to 50 thousand on holiday outings.

7.3.8 Q Where do you like to go on holidays?

The taste of Pune tourism customers varies according to their interests and pastimes. They chose places ranging from hill stations, wildlife sanctuaries, religious places beaches and resorts. 33% customers prefer hill stations for spending their holidays, 6% prefer religious places, 33% gave preference to beaches, and 11% prefer sanctuaries and 17% gave preference to holiday resorts for spending their holidays.
7.3.9 Q What is the preferred mode of travel?

The choice of mode of travel depended on the type of tour the customers chose and their destinations. 48% people prefer airline as their mode of travel, 42% people prefer railway, 9% like to travel by their own conveyance, and rest 1% prefer hired vehicles for travelling.

(Refer Table No.6.15.1 ChartNo6.15.2 )

7.3.10 Q What are the hurdles faced by Indian Tourism?

The tourists felt that tourism in India did face difficulties and hurdles. The tourists (54%) considered the main hurdle to be poor infrastructural facilities. 24% people believe that poor service is the hurdle in Indian Tourism, 11% people think that it is lack of social concern, 2% people think that terrorism is the hurdle, 4% people felt that local communities hostile outlook was a problem and 5% people believe that the hurdle is lack of connecting airports.

(Refer Table No 6.16.1 Chart No 6.16.2 )

7.3.11 Q From where do you get the information about tours?

The majority of the customers (59%) got information from Newspapers. 14% people get the information about tours from friends, 9% people get the same from internet, 8% people get it through brochures, 4% people get such information from magazines, 2% get from hoarding, and rest 4% people get from TV ads.

(Refer Table No.6.17.1 Chart No 6.17.2)

7.3.12 Q How frequently do you go on Holiday trips?

People are including a holiday in their annual budgets. 21% people go on holiday trips every 6 months, 79% people go on trips once in a year.

(Refer Table No. 6.18.1 Chart No.6.18.2)
7.3.13 Q What is the primary reason of travel?
The reason people travel varies. 30% people travel for pleasure, 4% people like to travel in a group, 5% people like to travel to be with their families, 2% people like to be with friends, 14% people travel for adventure, 29% people like sightseeing, 4% people travel for religious pilgrimage, and rest 12% travel for shopping.

(Refer Table No 6.19.1 Chart No 6.19.2)

7.3.14 Q Which type of tour do you prefer?
The majority of the customers (61%) preferred conducted tours. 28% customers prefer package tours, and 11% prefer specially designed tours.

(Refer Table No.6.20.1 Chart No 6.20.2)

7.3.15 Q What is important to you in a tour?
People give importance to different factors when choosing a tour. 16% people feel that sightseeing is the important factor for them in tour, 23% people gave importance to accommodation, 12% people feel that it is transportation that is important, 19% people gave importance to entertainment, 11% feel that it is a good guide who is important, and rest 19% gave importance to food.

(Refer Table No.6.21.1 Chart No 6.21.2)

7.3.16 Q What is the primary deciding factor in making your choice of a Tour?
For 33% people primary deciding factor is the tour cost, for 12% people it is destination, for 38% people suitability of tour dates is the deciding factor, for 1% people shopping is the main factor and for 16% people sightseeing is the deciding factor for them.

(Refer Table No. 6.22.1 Chart No 6.22.2)
7.3.17 Q Which places have you travelled to? In India and Abroad?

Answer - Most of the Tourists responded by mentioning the following places in India -

- Kerala, Munnar Tekaddy, Periyar
- Rajasthan - Jaipur, Jaisalmer, Jodhpur
- Jagannath Puri
- Darjeeling
- Kolkata
- Hyderabad Nagarjunsagar Tirupati
- Kashmir, Shimla, Kullu Manali
- Chardham, Varanasi, Prayag, Kedarnath.
- Goa
- Andaman and Nicobar Islands
- Maharashtra - Shirdi, Kolhapur, Mahabaleshwar, Ajantha and Ellora
- Banglore, Mysore, Ooty
- Corbett National Park, Kanha National Park, Ranthambore Wildlife sanctuary.

Abroad

Most of the Tourists responded by mentioning the following places they had visited abroad -

- Thailand Singapore Malaysia
- Australia
- South Africa
- Dubai, Abu Dhabi
- USA,
- Maldives

(Refer Q. No. 6.23)
7.3.18 Q What new areas do you want to explore in Tourism?

At present the majority of customers were happy with the sightseeing places they could visit by opting for conducted and package tours. Some of them mentioned the following areas they wanted to explore –
They wanted to go for sports events like Olympics, International Cricket matches, Wimbledon etc.
They wanted to go to see the continent of Antarctica.
They wanted to visit wildlife sanctuaries in India and abroad.
They wanted high end cultural tours to festivals like Khajuraho festival Kumbh Mela etc

(Refer Q. No. 6.24)

7.3.19 Q What other services could the tourism companies provide?

The tourism customers were keen that the companies provide camping equipment on adventure tourism trips like mountain climbing, rafting and rappelling.
The customers wanted to hire heavy woolens, caps and shoes in colder climate. They wanted the company to make arrangements for the hire as they did not want to purchase these items.
The customers wanted travel guide books and maps to browse as they travelled to that area.
(Refer Q. No. 6.25)

7.3.20 Q Any suggestions

The common suggestions made by the customers were –
The company should make provisions for trained guides.
The company should give the customers local food at least once during the tour.
The company should arrange for a visit to the local arts and crafts center.
The company should provide some opportunity to interact with locals. Customers want short, weekend tours. Want more inputs from travel staff in terms of tour destinations (Refer Q. No. 6.26)

7.3.21 Collation of Customer Survey Findings –
Changes in the consumer behavior: - Tourists in future will be more demanding and more knowledgeable in all respects. This will need finer market segmentations and development of quality of services that can sustain the interest of the repeat customers. Tourism services need to be tailored both in content and execution to the specific tastes and demands of the customers.

7.3.22 Different Profiles of the Pune Tourism Customer
The profile of the Pune tourism customer that emerges can be classified into –

(i). Explorer: - Limited in number, these tourists are looking forward to discovering local culture, habitat and experiencing the way of life of the natives. Normally this type of tourist is keen on Alternative Tourism.
(ii). Elite: - People who favour special, individual and specially designed trips to exotic places. Examples of their destination choice are Bali and Papua New Guinea.
(iii) Offbeat: - These are filled with a desire to get away from the usual humdrum life and looking for off the beaten track locales like flora fauna, wild forests and natural beauty. They are often backpackers looking for adventure.
(iv) Mass Travelers: - A steady flow, traveling in small-organized groups using shared services. This is the group that goes for Conducted Tours finding safety in numbers and having everything organized for them.
(v) Charter: - Mass travel for relaxation, sports events, and mega entertainment events etc. which incorporate many world class facilities. This is the new upcoming market segment popular abroad and now making inroads to India.

7.3.23 Young Indian travelers are leaning towards identifying eco-friendly ways to explore the world but without compromising on comfort and style. Eco-tourism entails responsible travel to natural areas that conserve the environment and improves the well-being of local people.

7.3.24 The customer's socio demographic profile is changing – senior citizens are enjoying conducted tours, single ladies are opting to take tour breaks and children are sent on student special tours. The all-inclusive family tour concept though prominent is changing.

7.3.25 The customers are looking for foreign travel – starting from the Singapore, Malaysia and Thailand circuit to Dubai and Mauritius and Hongkong. The more affluent go to the USA, Greece, Turkey and Australia. The reason is that a foreign budget tour to Dubai and Thailand sometimes works out cheaper than Indian destinations in peak holiday season.

7.3.26 The pattern of taking an annual holiday break is now rooted in most families and planning for this is done meticulously and well in advance.

7.4 Tourism Companies Survey

7.4.1 Q How many years has your organization been in business?

Most of the Tourism companies have been in existence for five to ten years (24 companies). The others were in existence for 10 years (15 companies) and 1-5 years (11 companies). There is a growing demand for tourism services hence new companies are coming up regularly.

(Refer Table No.6.40.1 ChartNo 6.40.2)
7.4.2 Q How many different segments (leisure, corporate, adventure, religion etc.) does your organization market to?

The largest segment is the leisure component (34 companies) which forms the backbone of Tourism Company’s tour segment. The leisure segment includes Sun-n-Sand, Hill Stations and beaches. This segment is the largest in terms of Tourism volume. The Religious segment (9 companies) follows the leisure segment. It consists of primarily Yatra companies comprising of tours to Religious places, temples, confluence of rivers and shrines. The third segment is the Corporate segment or MICE (Meetings, Incentive, Conferences and Exhibitions) which caters to the needs of the Corporate and Business world. A small number of companies are into the Educational and Special tours.

(Refer Table No. 6.41.1 Chart No 6.41.2)

7.4.3 Q Does your organization have a website?

The majority of the companies (68%) have a website giving all information of their tours and packages. It was found that it was not maintained and updated. A small number (32%) do not have a website.

(Refer Table No. 6.42.1 Chart No. 6.42.2)

7.4.4 Q If yes then how often is this website updated?

Among those companies that have their own websites 68% are updated occasionally, 38% monthly and 20% after more than 6 months.

(Refer Table No. 6.43.1 Chart No.6.43.2)

7.4.5 Q Does your organization keep customer profiles?

The majority of the companies (92%) keep a record of the customer profile. This is used to send information about the tours that the customer is interested in. A small number (8%) do not keep customer records.

(Refer Table No. 6.44.1 Chart No. 6.44.2)
7.4.6 Q Does your company offer printed marketing material?

A large number of companies (92%) offer printed material like brochures pamphlets and flyers. They feel it makes an advertising impact. A small number (8%) do not offer any printed material.

(Refer Table No. 6.45.1 Chart No.6.45.2)

7.4.7 Q What tourism related events does the company participate in?

Exhibitions (68%) are the most favoured form of advertising in outdoor markets. The company gets an opportunity to exhibit its pamphlets, broucners and flyers. There is also a chance for direct interaction with the customers. The next segment is Trade Fairs (22%) where Tourism companies exhibit their new Tour programs. Tourism events (10%) include special sponsorships, cultural events and Social activities.

(Refer Table No. 6.46.1 Chart No. 6.46.2)

7.4.8 Q Which of the following media does the company use for advertising and promotion?

The overwhelming response was for newspapers (31%). This is because the companies felt that newspapers have the highest confidence level in the customers mind. This is followed by magazines and internet both at (6%). Radio, direct mail, television and others make a negligible impact.

(Refer Table No. 6.47.1 Chart No. 6.47.2)

7.4.9 Q Does your organisation evaluate the effectiveness of advertising and promotional plans?

A large number of companies (70%) always evaluate the effectiveness of their advertising. (18%) evaluate it sometimes and (12%) rarely evaluate the effectiveness.

(Refer Table No. 6.48.1 Chart No. 6.48.2)

7.4.10 Q Does your company have a marketing plan?
The majority (84%) said that they have a marketing plan that they follow. Only (16%) claimed that they do not have any fixed marketing plan. These 16% were market followers. (Refer Table No. 6.49.1 Chart No. 6.49.2)

7.4.11 Q How often is this marketing plan updated?
The companies (90%) update it annually, (8%) update it every 3 years and (2%) every 5 years when new tours are introduced. (Refer Table No. 6.50.1 Chart No. 6.50.2)

7.4.12 Q Are all your employees aware of the strategies of your marketing plan?
(90%) of the companies said that all their employees were aware of their marketing plan and only (10%) said that their employees were unaware. These companies did not discuss the marketing plan with the staff only expected them to implement the tasks given to them. (Refer Table No. 6.51.1 Chart No. 6.51.2)

7.4.13 Q How often does your organisation provide educational programmes to the public, private and nonprofit sector of the market to reinforce the image of the tourism company?
The majority (62%) never conduct educational programs because they believe it has no impact on sales companies which are into educational tours conduct such programs sometimes (20%) and always (6%). (Refer Table No. 6.52.1 Chart No. 6.52.2)

7.4.14 Q Does your organisation survey customers about their opinion of the organizations marketing efforts?
The majority (70%) said they do conduct customer surveys on the opinion of the customers about the company’s marketing efforts while (30%) said they do not conduct such surveys. (Refer Table No. 6.53.1 Chart No. 6.53.2)
7.4.15 Q Does your organisation conduct promotional activities in both in the peak and off season period?

(54%) conduct promotional activities only in the peak season because they feel customers sometimes make the decisions during this period. Some companies (46%) conduct promotional activities in both peak and off season.

(Refer Table No. 6.54.1  Chart No. 6.54.2)

7.4.16 Q Does your organisation maintain an inventory of attractions, events resorts in the service area?

(86%) of the companies said that they keep an inventory of attractions in the service area. (14%) said they do not keep an inventory of attractions. These companies plan their tour sightseeing points on the basis of leading tourism companies.

(Refer Table No. 6.55.1  Chart No. 6.55.2)

7.4.17 Q How often is this inventory updated?

(66%) said that they always update their inventory (165) said that they sometimes update their inventory while (12%) said that they never update their inventory.

(Refer Table No. 6.56.1  Chart No. 6.56.2)

7.4.18 Q How often is the target customers expectations studied / surveyed?

62% always study customer expectation while (26%) sometimes study customer expectations. The remaining study them almost always (4%) and some companies (8%) never study customer expectations.

(Refer Table No. 6.57.1  Chart No.6.57.2)
7.4.19 Q Does your organization engage market research to study the tourism market?

40% companies occasionally engage in market research to study current trends in the market, whereas 30% companies do such research before the season, 24% companies do the research annually and 6% companies do not conduct any such research to study the trends in the industry.

(Refer Table No. 6.58.1 Chart No.6.58.2)

7.4.20 Q How effective is web based marketing?

(60%) companies said web based marketing is not effective while (38%) said it was effective and (2%) said it was very effective.

(Refer Table No. 6.59.1 Chart No.6.59.2)

7.4.21 Q Does your company have a separate marketing department?

70% companies did not have a separate marketing department and only 30% had a separate marketing department. These 30% were medium and large companies.

(Refer Table No. 6.60.1 Chart No.6.60.2)

7.4.22 Q Does your print media budget exceed other forms of advertising?

(88%) of companies exceed print media budget and (12%) of companies print media budget does not exceed the budget of other forms of media.

(Refer Table No. 6.61.1 Chart No.6.61.2)

7.4.23 Q Do you have different marketing strategies for different market segments?

(46%) say that they have different marketing strategies for different market segments. (54%) have the same strategy for different marketing strategies.

(Refer Table No.6.62.1 Chart No. 6.62.2)
7.4.24 Q What do you think will be the next big thing in the tourism marketing method?

At present the majority of company respondents felt that newspapers ruled the roost. Internet based marketing included an attractive website, web marketing, podcasting, internet booking, online booking on company websites. TV advertisements travel programmes like Aamhi Travellkar, Bhatakanti and Hello Sachin are entirely travel based programmes giving information on tours especially conducted tours. Radio advertisements and jingles on Radio Mirchi target the younger crowd. Innovative strategies included marketing of special tours through target marketing to already existing groups. Tapping niche markets by sales representatives, POP at trade fairs.

(Refer Q. No. 6.63)

7.4.25 Collation of the Findings of Tourism Company Survey

Tourism Companies The Pune Tourism Companies are a motley lot. The researcher found that they range from small outfits to professionally managed companies. The companies are today in a state of flux—they are slowly realizing that the products and services they are offering need to be majorly revamped. There was not much choice before—the same Shimla, Kullu, Manali and Bangalore, Mysore, Ooty circuits made the customers happy. This is no longer true. The Tourism companies had for many years refused to come out of their comfort zone. The same destinations, advertising in the print media and the samemarket segment made them complacent. All this has changed in the last 5 years.
The Pune Tourism Company Survey Findings can be summarized as follows

(i) The Pune Tourism companies do not consciously monitor the latest trends in the tourism industry and its allied industries like the Hotel Industry. They are content in following a big tourism company which opens up a new sector.

(ii) Tourism Company do not effectively study the reactions of customers to products, services and facilities. The feedback taken is limited to the tour they undertook – the plus and minus points of the tour. There is no quizzing the customers about the future demands, plans and expectations.

(iii) The companies that the researcher visited had very little by way of visual display. Attractive posters, window displays and cutout figures were largely absent.

(iv) The location of the tourism companies was based more on convenience rather than trying to be near their target customers. Most of the Tourism companies were located in commercial areas and in market places. Most of them had not tapped the large malls and shopping arcades.

(v) The Tourism companies spend heavily on print media advertising because it immediately got the reader's attention. They are now slowly moving to web and other means of marketing.

7.5 Top Management Survey Findings

7.5.1 Q Do you use print media services for marketing of your travel and tour company?

The importance of print media was proved because 100% participants in the survey answered that they use print media services.

The breakup of the media depicted that out of the 100%, 80% used Newspapers, 6% use magazines for marketing of their tours, whereas 4% use flyers which is the least used these days, and 10% use brochures.

(Refer Chart No. 6.89.2)
7.5.2 Q Are all of your employees aware of the strategies of the marketing plan?

70% employees were aware of the strategies of the marketing plan. About 30% employees are not aware about the strategies of the marketing.

(Refer Table No. 6.91.1 Chart No. 6.91.2)

7.5.3 Tourism has seen a striking growth in the past 10 years. Has it been because of the marketing methods used by tourism companies?

70% participants answered in favor of marketing as an agent for the growth in Tourism. Whereas 30% felt that the growth in tourism was not related to marketing.

(Refer Chart No. 6.92.1)

7.5.4 What new tourism marketing methods have you introduced?

(i) Posters in large shopping malls, operating a travel desk at malls
(ii) The customer can bring a friend and get a discount for himself.
(iii) The customers come in a group and the company gives them a group discount.
(iv) Senior citizens discount. Discounts for customers over the age of 60.
(v) Medical Insurance during the duration of the tour.
(vi) Memorabilia given as gifts to customers on completion of tours.

Examples are Shikara models after Kashmir tours, Replica of Leaning Tower of Pisa in Italy.

(Refer Q. No. 6.93)
7.5.5 Which of the marketing methods used by you is the most effective?

100% i.e. all the respondents said that they found print media the most effective marketing method. Among this 80 % relied on newspapers and the rest on other forms of print media.

(Refer Chart No. 6.94.1)

7.5.6 Do you think email tourism marketing has a broad mass appeal?

Only 20% participants agreed to the fact that email tourism marketing has a broad mass appeal. But 80% said they don't believe that email tourism marketing has a mass appeal.

(Refer Table No. 6.95.1 Chart No. 6.95.2)

7.5.7 What do you think will be the next big thing in the tourism marketing methods?

The Tourism company respondents agreed that Print media currently was the most important medium of advertising. It was slowly being supplemented by TV advertising and conducting of travel shows like Aamh iTravellekar, hello Sachin (Sachin Travels). Jingles on Radio Mirchi were fast catching up. Internet was used for mailers and website advertising. Many respondents felt that with time podcasting and viral marketing would be popular among customers.

(Refer Q. No. 6.96)

7.5.8 Does your organization provide educational programs to the public to reinforce the image of the tours?

Only 10% participants in the survey provide such educational programs to the public and rest 90% do not provide such programs.

(Refer Table No. 6.97.1 Chart No. 6.97.2)
7.5.9 Do you think print media is important in tourism marketing methods?

Unanimously all the participants said print media is important in tourism marketing.

(Refer Chart No. 6.98.1)

7.5.10 Q What are the grounds on which Government and Travel agencies come together to promote tourism?

The respondents were keen that the Tourism Companies and the Central and State Government come together to promote tourism. Their main suggestions were –

1. Planning should be done keeping in mind a period 50 years. This is important because the government has an overview of population growth, infrastructural need and economic development in the forthcoming years.

2. Regulatory Laws should include all components of tourism - tourists, tourism companies and hotels.

3. Airports, Railways and Bus stands should have information kiosks.

4. Private entrepreneurs should be given more freedom to plan holidays in new destinations.

5. The government should increase the number of affordable hotels and Yatri Niwas.

6. Restoration and preservation of Forts, historical monuments should be a continuous activity.

7. Steps to bring tourism studies in the mainstream of career oriented education.

8. Cleanliness drive in religious places which are today not clean and getting more and more polluted every day.

9. Encourage local arts, adivasi, crafts to benefit both the local economy and the tourism industry and tourists.

11. Guide Training schools should be started at many places to encourage young people to come into the tourist industry. There is a dearth of trained guides today.

12. Encourage Jatra and Yatra as indigenous ways of Tourism.

(Refer Q. No. 6.99)

7.5.11Q Is there any legislation to regulate Tourism in India. Is it effective?

100% participants said there is no specific legislation to regulate tourism in India. The only legislation is the Shop Act which is for tourism companies who have offices and booking outlets.

(Refer Chart No. 6.100)

7.5.12Q. What is your planned annual advertising budget?

10% participants’ annual advertising budget is more than Rs 50000. 30% participants' annual advertising budget is more than Rs25000 but less than Rs50000. Whereas small companies whose annual advertising budget is less than Rs25000 are 60%.

(Refer Table No. 6.102.1  Chart No. 6.102.2)

7.5.13Q What is the number of tourism customers you serve in a year?

10% Organizations serve less than 50 customers. 25% Organizations serve between 50 to 100 customers and 15% Organizations serve more than 100 customers.

(Refer Table No. 6.103.1  Chart No. 6.103.2)
7.5.14Q Does your organization survey customers about their opinions of the organization's marketing efforts?

70% Companies do not survey customers about their opinion of the marketing efforts done by the organization. Rest 30% do take customer survey.

(Refer Table No. 6.104.1  Chart No. 6.104.2)

7.5.15Q Any Suggestions

Tourism Marketing

1. Print Media was overwhelmingly voted as the most preferred channel of Marketing.

2. The division of print media allocation of budget varies from company to company but the newspaper (Sakal) though it has exorbitant rates is the most common choice. From full page spreads of large companies to small advertisements of small companies everyone agreed that at present there is no substitute for the print media. Sakalisthe reigning newspaper.

3. The Top management of Tourism companies suggested that the Government Tourism Development Corporations should provide

(i). Promotional Materials – Pamphlets, Fliers

(II) Discounts on Tour Bookings.

(III) Open new tourism sectors.

(IV) Conduct Training Programmes for tourism company staff

(V) Publish list of Recognized Booking Agents

(VI) Build state hotels at Sightseeing points in tourist areas.

(VII) Give group discounts to tour companies.

(VIII) Develop a Quality Grading system like star category for Travel Agents.

4. Print Media is important because the Pune customers prefer to read the advertisement and come for the booking personally.

5. New marketing schemes that the Top management are trying out - ‘Bring a friend for a tour and get a discount for yourself.’ ‘Get a group discount for a Group.’ ‘Specific group tours like religious for senior
citizens Adventure tours for the young, ladiesonly tours, grandparents only tours etc. Other marketing trends include repeaters discount, marketing to ladies clubs, Business groups, corporate, direct mailers, lectures and exhibitions.

6. A big advertisement in the newspaper opens up the sector for all companies but the customer reads it and prefers to do the booking not necessarily with the advertiser but with his preferred company.

6. Programmes like Bhatakanti, HelloSachinon Marathi TV channels created awareness and helped small companies in getting customers.

7. Exhibitions, Trade Fairs are important but in exhibitions one stall costs Rs40000 a weekend. To recover this cost is difficult.

(Refer Point No. 6.105)

7.5.16Q What is the current Tourism scenario in Pune City?

When asked to describe the Tourism scenario in Pune city the Top Management Team described the scene as:

1. Many companies so there is a stiff competition.
2. Price cutting is common.
3. Discounts for repeat customers called loyalty bonus is given to retain customers.
4. Sector specific tours with tie ups with GTDC, KTDC and Andaman Nicobar Government.
5. Marketing Segment Specialists like Senior Citizens, Students.
6. Customers are very demanding asking for discounts.
7. Pune Airport is very restricted in its operations, international flights are non-existent. So all International tours are ex Mumbai inflating the costing and time required for tours.
8. Panvel Airport may help to plan Tours.
9. Big companies do not have a personal touch that small companies do.
10. Brand sells Like Kesari Tours and Travels.

(Refer Point No.6.106)
7.5.17. Top Management Opinion of Pune Customers

1. Customers are slowly surfing on the net but only for information not booking. Sometimes they do Airline Ticketing on the net but not much else.

2. Many companies say there are hits on their sites but customers still come to their offices for actual booking.

3. Many companies do not have online booking facility of tours so the customer has to do the tour booking personally.

4. Customers are asking for specially designed tours choosing their own destinations.

5. Culture Tours, Little known places, Festival tours Pushkar, Brij ki Holi etc.

6. People are also interested in Bed and Breakfast stays as Konkan region.
   (Refer Point No. 6.107)

**Top Management Opinion of the Future**

Travel companies will metamorphose into consultants as people become more aware of Tours.

Specially designed tours for the Super Rich class like shopping tours in Paris

New segments like Bikers rides, Photography, Bird Watching, Kass Pathar, Nature Trails etc

Advertising Media - Facebook, Twitter, net groups etc.

(Refer Point No. 6.108)
7.6 Tourism Company Managers Survey

7.6.1 Which Tourist segments does your Company target?

The Tourism Companies target Family groups because they are the largest component of the Tourism market. People prefer family holidays so they get time to spend together. Senior citizens come second with 16.7% as they have time to enjoy tours.

(Refer Table No. 6.76.1  Chart No. 6.76.2)

7.6.2 Which channels do you use for marketing?

Overwhelmingly the Managers have opted for Print media advertising because it has the maximum impact. Printed material in the form of newspapers and brochures are used extensively to create awareness and attract customers.

(Refer Table No. 6.77.1  Chart No. 6.77.2)

7.6.3 Which of the marketing methods used by you is the most effective?

Newspapers remain the most important form of advertising. They create an impact that is forceful leading to inquiries and bookings. The cost factor notwithstanding company managers of large and small companies opt for Newspaper advertising.

(Refer Table No. 6.78.1  Chart No. 6.78.2)

7.6.4 What is your planned annual advertising budget?

Small companies have a budget (upto 25000) that is used to sell tours through small newspaper insertions while larger companies go for full page advertisements with a budget of around 50000.

(Refer Table No. 6.79.1  Chart No. 6.79.2)
7.6.5 Q What is the number of tourism customers you serve in year?

The number of customers and the size of the company are related. The smaller companies see around 50 to 100 customers per year while large ones provide service to 200 odd customers per year.
(Refer Table No. 6.80.1 Chart No. 6.80.2)

7.6.6 Q What is the percentage of repeat Customers?

If the customer is satisfied with the Tourism company service he opts for the same company for his next tour. The percentage of such repeat customers is 1% repeaters in 8 companies and 5% percent repeaters in 4 companies.
(Refer Table No. 6.81.1 Chart No. 6.81.2)

7.6.7 Q Do you use web based marketing?

A very small number opt for web based marketing. The majority did not feel the need for web based marketing.
(Refer Table No. 6.82.1 Chart No. 6.82.2)

7.6.8 Q What are Customers looking for in you Tour?

Customers are mainly looking for pleasure (50%) followed by being in a group (41%) and to be with family (8%) when they opt for going on a tour.
(Refer Table No. 6.83.1 Chart No. 6.83.2)

7.6.9 Q Do you use print media services for marketing?

Overwhelmingly the Managers have opted for Print media advertising because it has the maximum impact. Printed material in the form of
newspapers and brochures are used extensively to create awareness and attract customers.

(Refer Table No. 6.84.1  Chart No. 6.84.2)

7.6.10 Q What is the present tourism scenario in Pune City?

Too many companies, crowding, price cutting, companies becoming sector specialists keeping customer base.

Many tourism companies leading to market saturation.

Hence price wars between companies

Companies are becoming tourism segment specialists and sector specialists.

Companies are trying to retain their customer base by different marketing techniques.

Print media creates awareness about tourism places, only 20% of this leads to confirmed booking.

People are slowly opting for FIT (Free Individual Traveler) and specially designed tours.

Conducted tours are chosen because of the safety factor.

Website is more for creating customer awareness of the company’s presence and not for online booking.

Price sensitive customers go to smaller companies whose pricing is considerably lower than bigger companies.

(Refer Q. No. 6.85)

7.7. Tourism Expert Survey

7.7.1Q What is the present state of tourism in your segment of Tourism?

**Historical tourism**-According to experts customers in Pune have traditionally visited Forts, Monuments, and ancient temples. The
customers love exploring the ruins and forts. Now they want trained tour guides who have a thorough knowledge of the historical sites and they are ready to employ local guides for additional information. Experts predict that in future Pune Tourism companies will have to plan and execute special Historical tours as per customer demands.

**Adventure Tourism**- The preferred choice of young tourists is Adventure Tourism. The young generation is exploring adventure tourism in the form of mountain climbing, going to Himalayan base camps, Nature Trails and Rappelling and Zomeering. Gradually as the current base of customers is replaced by the next generation adventure tourism will come into its own.

**Cultural Tourism**– Customers are keen on visiting places of cultural interests. The customers want to explore firsthand the colour, customs and traditions associated with local fairs and festivals. Experts in the field of cultural tourism are of the opinion that the Indian cultural events like Ajanta Festival, Khajuraho Festival and Pushkar Festival will see a surge in demand. Customers are now looking forward to cultural tours centred around religious events. This market segment is very likely to grow in future.

**Leisure Tourism**– This segment is the ever popular segment in tourism. According to experts, the component of leisure tourism is expanding exponentially. Customers are no longer satisfied with the Shimla Kullu, Manali (Domestic) and Singapore, Malaysia, Bangkok (International) circuit. They surf on the net to find out exotic places, places of special interest and destinations with great scenic beauty. Today customers are ready to pay for tours to exotic places.

(Refer Point No. 6.113, 6.114, 6.115, 6.116)
7.7.2 Q What future trends do you visualize in the tourism sector?

The Experts predictions for the future –

**Tourist Places of growing interest**

Corbett National Park
Kabini National Park
Ranthambhore Wildlife Sanctuary
Thimpu, Paro

**Exotic destinations**

**Special Interest Tours in future**

Motor Bike Tours
Bird Watching Tours
Butterfly Study Tours
Photography Study Tours

**Adventure Tours**

Snow Leopard Tracking
Rishikesh Rafting
Kenya
Tanzania safari

**New Tourism segments**

**New Types of Tours**

Food Festivals
Sports Events
Children's only Tours
Wine tours – South Africa- green mountain, Cape Ferrlkingdome
Traveling by cargo ships

Indigenous Tours - River people of Amazon - Brazil
Kayaking with seals – Nanbia – Walvis Bay
Lost world of Guyana- rainforest of Guyana
Travel experiences – catch fish, build fire, build a shelter, cook throws spears. The profit goes to the villagers; stay is in huts not hotels and adopt the lifestyle of villagers.

Light House Tours

(Refer Q. No. 6.118)

7.7.3 Q What do you think will be the next big thing in tourism marketing methods?

Marketing Tours in Future - The experts concurred that at present Print media mainly newspaper is the only effective means of advertising. At present adventure tours are advertised on the websites of Tourism companies. The experts opined that as the present customer base is replaced by the next generation advertising will very slowly move towards the web. The drawback is that many companies do not provide online booking facility. So the customer has to come to the office for actual booking. Gradually with the advent of new marketing channels (web, direct mails, online booking) the customer base will increase.

New ways of marketing according to the Experts

1. Posters in malls
2. Discount for repeat customers
3. Old customers bringing in new customers get discount for themselves.
4. Special tours marketed at select groups by emails, brochures
5. Customer’s loyalty bonus for old customers.
6. Posters in colleges, hotels.
7. Concession for repeat customers, mailers.
8. Sending mailers to contacts, customers.
9. Mailers, group contacts by lectures.
10. Tap a readymade group like ladies group, business associations etc.
12. Web based marketing, contacting small groups.
13. Lecturers to clubs, ladies groups.
15. Special tours advertised in print media.
17. Lifetime membership to customers
18. Early bird discount
(Refer Point No. 6.118.5)

7.7.4 Collation of Tourism Expert Opinion – the experts have suggested many new tours and destinations. As the tourism customer becomes more discerning and selective the role played by the tourism expert will become important. Now the experts are only consulted by the top executives when they plan special tours or open a new destination. The Raigad Ropeway Tour was for example entirely planned with the help of historical experts. The Expert opinion threw light on many aspects of the Tourism business including future trends, marketing options and expansion of market.

7.8 Findings from Staff Observation

The Staff were observed on the parameters of their personal appearance knowledge and execution ability. Tourism sector does not attract the top drawer talent pool. Usually those young graduates and undergraduates who are interested in travel join tourism companies. The training is in house. Very few employees of tourism companies have done professional tourism courses. The staff under observation was adequate to handle the current enquiries and bookings but not equipped to face the challenges of the future. Investment in training is essential.
7.9 Findings from On Tour observations

The researcher went on a conducted tour to Dubai and saw firsthand the marketing techniques used by the company. They included very good guest relations maintained by the tour guide and help at all sightseeing points. At the start of the tour there was a very practical briefing by the guide. The food was excellent throughout the tour. Free brochures were given by the company and a snacks packet was given to all customers in the tour. The researcher observed that the customers are likely to repeat the tourism company because the tour was well planned and executed. A good conducted tour thus acts as a means of marketing.

7.10 Findings from Case Study of Prasanna Holidays

Prasanna is an example of typical family owned business becoming a private limited company. The culture that exists is a mixture of traditional family values and new management ideas. Since there are many divisions in the Company the working style often is a eclectic mix. The employees need to become more professional in their approach. A feeling of complacency has set in and little effort is made to design new tours. Training is a strong point of the company. Prasanna Holidays has carved out a distinct image for itself. It now needs to consolidate its position and take advantage of its legacy to expand its customer base.

(Refer Point No. 6.131)

7.11. Important suggestions and predictions from all Surveys

The survey brought forth a host of valuable suggestions and predictions for the future. They are extremely important because they came from people who know the ground reality and are working in the field of Pune tourism for a number of years. Since the customers are the beneficiaries of the services their suggestions are equally valuable.
The suggestions come from discussions and interview questionnaires of the Tourism personnel.

7.12 Customers –

Customers are well researched when they come to book a tour so they know the sightseeing points the itinerary and have an idea of the cost of the tour – they are looking for value for money.

The customers age factor and the type of tours they prefer also shows that they are attracted to different types of advertising media. The young adventurous prefer the web based and online advertising.

There is a growing market for trips to unexplored destinations. Travelers seek to visit unspoiled beaches and islands.

Customers will come for advice to the tourism companies – they would already have done the basic ground work.

The customers will demand tours to exotic destinations.

Special interest tours will be in demand – they could be Paleo Tours like visit to Machu Picchu and Dark Tourism like the Twin towers 9/11 site.

Alternative tourism is another rapidly emerging holiday trend amongst Indian travelers. They look forward to understand and be a part of the culture and heritage of the destination they seek to explore.

Niche travel continues to be a popular holiday trend. From wine tours to spa retreats, travelers seek specialized itinerary around their favorite activities.

People want to go abroad as status symbol.

As we have seen the profile of the Pune Customers is changing – they are becoming more aware of the world tourism scenario and hence more demanding in the offerings of the local tourism companies.
It is currently fashionable to talk of the new tourist – a person who will shun the homogenized, mass market tourism products and destinations in favour of a more adventurous, active and individualized approach to holiday taking. The new tourist is educated, discerning, demanding, environmentally aware and prepared to pay premium for high quality products and services.

7.12.1 About companies

Print media will be augmented by social networking sites and emails.

Travel companies will metamorphose into travel consultants as people become more knowledgeable about tours.

Airline ticketing courses like IATA, UFFTA are costly so companies give own training for airline ticketing.

Pune Airport has very few flights so all tours have to be planned from Mumbai. The new airport is coming up in Panvel may help in the planning of tours.

The demand will grow but the companies will have to become specialist in sectors.

As the competition grows the companies are trying to retain their existing customers.

Companies will have to start designing special tours for niche markets.

New tour concepts like Bikersrides, Photography and Bird Watching tours will come up.
7.13 Marketing of Tours

The print media will be an important method of advertising. Internet Media - Face book, Twitter, Podcasts, net groups etc. will also be used.

Time Share Holiday concept will be also be used. Examples are Mahindra Holidays.

7.14 Discussion and Reflections

As the above findings depict the tourism companies are at an interesting threshold of their development. Tourism which began as a largely unorganized sector is poised to come into its own in 21st century. The expansion and diversification of Tourism companies would be possible only when they follow a well-designed marketing plan. The needs and wants of the customers can be met with by a well laid marketing strategy. It is towards this end that we now turn our attention.

Marketing Strategy – At present the majority of Tourism Companies in Pune City have not developed any particular marketing strategy for their services. They rely on sporadic and seasonal advertising mainly through print media and have done little marketing planning. The Researcher has drawn a road map for implementation of the marketing strategy for all types of marketing companies. It will help to enhance the marketing efforts of the companies and achieve their goals.

7.15 One of the very important marketing strategy for Marketing was suggested by David Edgell Sr., Kurtis Ruf and Alpa Agarwal in their article ‘Strategic marketing Planning for Tourism Industry’ in the Journal of Travel & Tourism Marketing. Their article presents a new approach to strategic marketing planning for the tourism industry. The authors recommend a planned step by step approach to strategic marketing planning for the tourism industry.
They emphasise quality, efficiency, and effectiveness in the marketing process. The framework presented shows tourism marketers how to analyze their marketplace and to develop a strategic marketing plan to increase sales in their target customer segments. The authors recommend a six-step approach to strategic marketing planning for the tourism industry. These steps include needs analysis, research and analysis, creative infusion, strategic positioning, marketing plan development and training, implementation, evaluation, and adjustment. The framework is designed to provide a road map for almost any tourism organization or destination and to help enhance and improve their marketing efforts. It is a strategic marketing system that aims to stretch marketing investment through planning, monitoring, and evaluation, but it is also action-oriented to benchmark and counter competitors’ strategies with built-in performance measures and evaluations.

**Chart No. 7.15.1 Strategic Marketing Planning for Tourism Industry**

[Image of the chart]
7.16 The researcher’s strategy is most likely to succeed in the Pune Tourism market. The reason is that the researcher found out in the course of her survey that tourism companies are entering a professional management stage. They are now formulating mission statements and setting goals. There are many shortcomings too - Many companies do not even have a separate marketing department. Trained manpower needed to implement a complex marketing strategy is not present, there is seasonal advertising, most companies just follow the lead of established tourism companies and no serious effort is made to offer new tours and open new tourism sectors.

7.16.1 Marketing Plan - To adopt this highly appreciated marketing strategy to the Pune Tourism companies the researcher has suggested the following marketing plan of for local tourism companies. The plan is well thought out keeping in mind the nature of Pune companies. It has taken into consideration their size, employees, tours conducted, number of customers handled and financial strength.

Developing a marketing strategy

Marketing strategies serve as the fundamental underpinning of marketing plans designed to meet market needs and reach marketing objectives. Plans and objectives are generally tested for measurable results. Commonly, marketing strategies are developed as multi-year plans, with a tactical plan detailing specific actions to be accomplished in the current year. Time horizons covered by the marketing plan vary by company, by industry, and by nation, however, time horizons are becoming shorter as the speed of change in the environment increases. Marketing strategies are dynamic and interactive. Marketing strategy needs to take a long term view and involves careful and precise scanning of the internal and external environments. Internal environmental factors include the marketing mix and marketing mix modeling, plus performance analysis and strategic constraints. External environmental factors include customer analysis, competitor analysis, target market analysis, as well as
evaluation of any elements of the technological, economic, cultural or political/legal environment likely to impact success. A key component of marketing strategy is often to keep marketing in line with a company's mission statement.

Once a thorough environmental scan is complete, a strategic plan can be drawn to identify business alternatives, establish challenging goals, determine the optimal marketing mix to attain these goals for implementation. A final step in developing a marketing strategy is to create a plan to monitor progress and a set of contingencies if problems arise in the implementation of the plan.

Chart No. 7.17.1 : Different types of marketing strategies
In this scheme, firms are classified based on their market share or dominance of an industry. Typically there are three types of market dominance strategies.

- Leader
- Challenger
- Follower
- Nicher

In this scheme we ask the question, "How should the firm grow?". There are a number of different ways of answering that question, but the most common gives four answers.

This deals with the firm’s rate of the new product development and business model innovation. It asks whether the company is on the cutting edge of technology and business innovation.

- Pioneers
- Close followers
- Late followers

Generic Strategy is based. These three generic strategies are defined along two dimensions: strategic scope and strategic strength. Strategic scope is a demand-side dimension and strategic strength is a supply-side dimension.

- Cost leadership
- Differentiation
- Focus

Horizonal Integration
- Vertical Integration
- Diversification
- Intensification

Growth Strategies

Innovation Strategies
The Choice of Marketing Strategy-

The Tourism companies have to develop a marketing strategy by analyzing the profile of their target Customers and studying the marketing mix relevant to them.

The Tourism companies have an option of the following marketing strategies before them -

Market Dominance Strategy

Innovation Strategy

Generic Strategy

Growth Strategy
7.17.2 Strategies based on market dominance - In this method companies are classified based on their market share or dominance of an industry. Typically there are four types of market dominance strategies:

- Leader
- Challenger
- Follower
- Nicher

The leader market dominance strategy is suited for Tourism companies who are leaders in their tourism segment. For example Kesari Tours is a leader in the Leisure tours segment. They very often dictate the destinations offered, pricing and itinerary planning. The challenger in this segment is Veena’s World who is offering competitive rates and all the tours the leader is offering. The majority of the tourism companies are followers – Saidutta Tourism, Girikand and, Vihar Tours and Travels. The nichers are commonly adventure tourism companies who have a set target market. These companies are Foliage, Pugmarks, Go Wild and Nature Trails etc.

The company can choose its strategy based on its strength.

7.17.3 The generic strategies are:


1. Cost Leadership.

The low cost leader in any market gains competitive advantage by being able to produce at the lowest cost. 'Cost advantage' is the focus. Costs are shaved off every element of the value chain. Services tend to be 'no frills.' Companies price at competitive parity, exploiting the benefits of a bigger margin than competitors.
Tourism companies in the Religious segment normally adopt this strategy. Their tours use economical transport, (state buses ,Dharmashalas and local food arrangements are made . They cut costs but deliver the service to price conscious customers

2. Differentiation

Differentiated goods and services satisfy the needs of customers through a sustainable competitive advantage. This allows companies to desensitize prices and focus on value that generates a comparatively higher price and a better margin. The benefits of differentiation require producers to segment markets in order to target goods and services at specific segments, generating a higher than average price. For example, Tourism companies differentiates their service by adding exotic destinations to standard packages ,design shopping experiences for customers and arrange local experiences like dances and cuisine .

The differentiating organization will incur additional costs in creating their competitive advantage. These costs must be offset by the increase in revenue generated by sales. Costs must be recovered. There is also the chance that any differentiation could be copied by competitors. Therefore there is always an incentive to innovated and continuously improve.

3. Focus or Niche strategy.

The focus strategy is also known as a 'niche' strategy. Where an organization can afford neither a wide scope cost leadership nor a wide scope differentiation strategy, a niche strategy could be more suitable. Here an organization focuses effort and resources on a narrow, defined segment of a market. Competitive advantage is generated specifically for the niche. A niche strategy is often used by smaller firms
7.17.4 Market growth strategies

"In the early growth stage, the marketing manager may choose from two additional strategic alternatives: segment expansion (Smith, Ansoff) or brand expansion (Borden, Ansoff, Kerin and Peterson, 1978). Ansoff's "growth strategies" are the most well-known. The product-market concept results from Ansoff juxtaposing new and existing products with new and existing markets in a two by two matrix. In this scheme we ask the question, "How should the firm grow?". There are a number of different ways of answering that question, but the most common gives four answers:

- Horizontal integration
- Vertical integration
- Diversification
- Intensification

These ways of growth are termed as organic growth. Horizontal growth is whereby a firm grows towards acquiring other businesses that are in the same line of business. Vertical integration can be forward or backward. Forward integration is whereby a firm grows towards its customers for example a tourism company acquiring an agency outlet. Backward integration is whereby a firm grows towards its source of supply for example a Tourism company acquiring a hotel at a tourist destination.

The Tourism companies which are well established can adopt any one of the suitable growth strategies.

7.17.5 Innovation strategies - This deals with the firm's rate of the new product development and business model innovation. It asks whether the company is on the cutting edge of technology and business innovation. There are three types:
Pioneers get the benefit of their new services because of their novelty value. Tours such as the NASA space tour for children, Ladies only tours were pioneering tours. Close followers adopted the same tour often cutting costs. The late followers came in when these tours had become common but their loyal customers often chose to go by their tours.
7.18 Marketing Plan for Tourism Companies

Step by Step Marketing Plan to implement these Strategies

7.18.1 The First Step Corporate environment analysis

The corporate environment analysis will begin by examining the company's mission and goal statements and its corporate objectives. It will also look into the financial environments under which the company will have to work during a given period. After this the marketing process begins by carrying out a corporate environment analysis. The corporate analysis begins with the setting of the organizational goals and objectives. The goals are determined after an objective study of the current economic and market environment. The company examines its strength and weaknesses in relation to the existing competition. Threats to business as well as opportunities are examined. The goals would include achievable targets — how many tourists to be covered in a given period and from which markets and market segments.

A marketing plan should include the following elements represented by acronym SWOT:

1. **Strength**: How does the service compare with other similar service?

2. **Weaknesses**: Its deficiencies in relation to competing services.

3. **Opportunities**: What new markets and market segments are available for the services?

4. **Threats**: Who are the principal competitors to the service in the marketplace and what are they doing?

The SWOT analysis reflects the company's true position.
7.18.2 The Second Step

The Second Step will be Market Segmentation and Identification of the Target market. This includes the identification of target customer, market segmentation and study of the target customer’s expectations. The Company needs to identify the customers who will buy their services, where they live and what they want. This can be done by looking into their present customer base and inquiries made by walk ins and at the hits on the company website. A market survey and research also helps. The company needs to know also what are the competitors are planning. The company must understand the type of customers who will buy their product. Are the customers in the age group of 40-50 or do they come from the younger crowd? Are they professionals? Are they the people who seek adventure or they the people looking for a cultural experience? Also who are the people who can afford the tourism services of the company?

Table No7.18.3.

<table>
<thead>
<tr>
<th>Bases of Market Segmentation</th>
<th>Psychographic Segmentation</th>
<th>Socio EconomicSegmentation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Demographic Segmentation</td>
<td>Education</td>
<td>Religion</td>
</tr>
<tr>
<td></td>
<td>Social Class</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Age</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sex</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Occupation</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Income</td>
<td></td>
</tr>
<tr>
<td>Psychographic Segmentation</td>
<td>Motives</td>
<td>Knowledge</td>
</tr>
<tr>
<td></td>
<td>Product</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Life style</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Personality</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Interests</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Peer group</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Rich</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Poor</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Rural</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Urban</td>
</tr>
</tbody>
</table>
The Pune Tourism Customers can be studied by the company by survey methods. The researcher’s survey shows that the tourism customer in Pune is literate, belonging to middle and high income group, with age group ranging from 20 to 60 and both male and female show a lot of enthusiasm for Tourism. The company will have to study in depth its target customers.
### 7.18.4 Major tourist segments and their characteristics

<table>
<thead>
<tr>
<th>Sr.No.</th>
<th>Marketing Characteristics</th>
<th>Main Tourist / Traveler Segments</th>
<th>Leisure Tourists / Travelers</th>
<th>Business Tourists / Travelers</th>
<th>Lay Tourist</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Typical Destination</td>
<td>Resort – oriented</td>
<td>Big City</td>
<td>Visit friends, for education.</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Seasonality</td>
<td>High, marketing mix can assist in spreading demand levels.</td>
<td>No seasonality</td>
<td>Partial seasonality</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Length of Stay</td>
<td>Could be influenced by promotion / communication</td>
<td>Normally short and cannot be prolonged by advertising.</td>
<td>Prefer long stays.</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Mode of Transport</td>
<td>Varied mode(s) of transport. Time spent on the way to destination is part of the holiday or package tour.</td>
<td>Aero plane invariably. Objective is to reach the destination as soon as possible.</td>
<td>Cheap transport</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>User Requires Entertainment</td>
<td>Very much so. Normally the entertainment is part of the tourist package.</td>
<td>Yes, but to a limited degree.</td>
<td>No.</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Price Sensitivity</td>
<td>Very sensitive (high price elasticity of demand)</td>
<td>Low price elasticity of demand.</td>
<td>Sensitive.</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Role of Advertising / Marketing Communication</td>
<td>Very important</td>
<td>Rather limited.</td>
<td>Quite particular about promotion.</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Tour Package(s) Importance</td>
<td>Of great interest and demand.</td>
<td>Of no appeal at all</td>
<td>Limited importance.</td>
<td></td>
</tr>
</tbody>
</table>
7.18.5. The profile of the Tourism customer will give the company ideas for designing the tourism offering to suit the target customer. It also suggests the right marketing channel to reach the customer.

The company now knows the

- Market share potential
- Revenue potential
- Profitability potential

for its customer base.

7.19 The Third Step - Formulation of the Service

The company can now formulate the service to suit each segment of customers. The tourism service must meet the customer’s expectations in terms of sightseeing points, time available and his budget. The Researcher's survey showed that the customers gave importance to a number of factors in a tour from the tourist place, accommodation, transportation to shopping opportunities. At this stage the Quality standard matching the customers’ expectations has to be built in the service offering.

7.20 The Fourth step-Formulating the marketing strategy.

To develop a target market segment based marketing strategy the right marketing mix has to be chosen.

The service marketing mix includes the 7 Ps of marketing. They are Product, Place, Price, Promotion, People and Physical Evidence. Then the following strategies can be designed:
7.20.1 Service Strategy: Service strategy is a core component of the overall marketing strategy. Decision-makers assess the Service attributes, industry and competitors. The information is used to develop a Service strategy designed to achieve short-term and long-term sales, revenue and distribution goals. The Service strategy is developed and written by the organization's marketing team, and requires final approval by the chief executive officer (CEO).

7.20.2 Pricing Strategy: The company must price the Service attractively to interest the customers. It should be affordable to the target customers. Sometimes in an effort to deliver high end services the company out prices itself in the market. The income bracket of the target customer becomes very crucial in the pricing of the tourism product.

7.20.3 Distribution Strategy: Here the company decides where to sell the service, in which areas and through what kind of sales network. The product should be easily accessible to enable potential customers to buy it. Tourism companies often are highly localized and seek customers of a particular area and neighbourhood.

7.20.4 Promotion Strategy: It is an important part of the marketing process which ensures that the potential customers know about the Service. We have already looked at the different channels of marketing. It includes every aspect—mass media, advertising, public relations, press releases, direct mail and now Internet, websites, etc., to draw the attention of customers to the product. The promotional channel should be the one at which the target customer is attracted.
7.21 The Fifth Step - Putting the Strategy in Place

This step includes putting the strategy in place and implementing it. The market would react to the strategy implemented and decide its success or failure.

7.22 The Sixth Step Evaluation and Control.

With suitable changes the marketing plan is put back in place. If the steps are followed assiduously then the tourism product stands a fair chance in the market.

Each of these steps will work together but not in isolation. Together they make up marketing for tourism. It is a cyclic process, with periodic review of product — market mix and the promotional strategy to measure their success. The strategies can be modified or changed if it is discovered that they are not effective.

The strategy is most likely to succeed in the Pune Tourism market. In such circumstances this strategy would work and gradually a strategy with more detailing can be implemented. Creative infusion, customer inputs, strategic positioning can then be thought of.

7.23 The Advertising Channels for Pune Tourism Companies

Current Channels and Their Advantages and Disadvantages

We shall now look into the advertising channels that can be used when the tourism company implements a strategy.

There are certain traditional methods still in use. They have their advantages and disadvantages. These can be enumerated as follows -
## Chart No 7.23.1 Advertising Channels

<table>
<thead>
<tr>
<th>Media type</th>
<th>Advantage</th>
<th>Disadvantage</th>
</tr>
</thead>
</table>
| Newspaper and magazines         | . Relatively inexpensive  
. Segmentation possible  
. Flexibility  
. Use of color possible | . Can be of poor production quality  
. ‘Static’ medium  
. Smaller advertisements may have little impact  
. Expensive |
| Television                      | . Access to a large audience  
. High degree of creativity  
. Sound, vision and color  
. Repetition easy | . Expensive medium  
. High production costs  
. Difficult to target market segments |
| Radio                           | . Immediacy  
. Relatively inexpensive  
. Segmentation possible  
. Repetition easy  
. Low production costs | ‘Background’ medium  
. Limited audience numbers  
. Can be of poor production quality  
. Lack of visual impact |
| Cinema                          | . ‘Big screen’ impact  
. Segmentation possible  
. Access to young audience  
. Local and regional coverage | . High production costs  
. Limited market |
| Transport and outdoor advertising | . Lowcost per site  
. Flexibility | . Localised coverage  
. High production costs |
| Electronic media (e.g. Internet, web communities) | . Novelty value  
. Speed  
. Segmentation possible  
. Use of graphic and images | . Expensive initial investment  
. Limited market currently |
7.23.2 Internet Marketing Strategy -

Internet will gradually become an important means of advertising. It is therefore essential to see how the internet can be used for advertising.

Chart No 7.23.3: Internet Marketing Strategy:

### Internet Marketing Strategy

<table>
<thead>
<tr>
<th>Traffic Sources</th>
<th>E-Marketing Techniques</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Search engines</strong></td>
<td><strong>SEO</strong></td>
</tr>
<tr>
<td><strong>Affiliates</strong></td>
<td><strong>Affiliate marketing</strong></td>
</tr>
<tr>
<td><strong>E-Mail</strong></td>
<td><strong>Email marketing</strong></td>
</tr>
<tr>
<td><strong>Advertising</strong></td>
<td><strong>Directory submissions</strong></td>
</tr>
<tr>
<td><strong>Directories</strong></td>
<td><strong>Pay Per Click</strong></td>
</tr>
<tr>
<td><strong>Link partners</strong></td>
<td><strong>Link building</strong></td>
</tr>
<tr>
<td><strong>Press</strong></td>
<td><strong>Press releases</strong></td>
</tr>
</tbody>
</table>

Recurring Tasks:
- Re-optimization
- Finding affiliates
- Directory submissions/revisions
- Sending email newsletters
- Finding link partners
- Writing press releases
- Optimizing Pay Per Click

7.24 Types Of Online Advertising

Advertising of the internet comprises essentially three different types of format:

1. Search marketing
2. Classified advertising
3. Display advertising
7.24.1 Display Advertising

Online advertising has developed rapidly over recent years from the early forms. The main forms of online display advertising are similar to print advertisements or short moving image clips, sometimes called 'banners' or 'skyscrapers' depending on where they are positioned on the screen. These can take the form of interruptive advertisements or pop ups. These are advertisements which automatically open a new window of the advertiser's site when a link is clicked on form a host site. Pop ups have a range of types including pop overs which sit on top of the website being viewed or pop unders which stay behind the website being viewed until the window is closed. These forms of advertising has been heavily criticized by consumers, who feel that it is overly intrusive.

7.24.2 Email marketing

Email marketing is a form of direct marketing. A user or potential customer logs onto an organisations website and the site asks him to provide certain contact details, in order to register to gain access to the website content or at the point of purchase he makes on the website. The information demanded generally includes demographic details and email contact address. The organization builds up a database of email addresses which it then uses to send direct marketing emails.

7.24.3 Viral Marketing

The concept of viral advertising is literally a type of word of mouth that uses an online platform as opposed to the spoken word. Viral marketing works on the assumption of peer to peer communication and recognizes that people will pass on and share relevant and striking content which reflect their personal values most often by email or in social networking spaces.
7.24.4 Affiliate Marketing

This type of online marketing is different in that it relies on links between a ‘host’ website or online publisher, the affiliate and the organization placing the advertisement. An affiliate can be organization or an individual which promotes similar values or content, or complements the activities.

7.24.5 Sponsorship

Sponsorship is to sponsor online content areas and promote products through the sponsored website.

7.24.6 Tenancies

This refers to the ‘renting’ out of a part of a website by an advertiser or brand who then pays commission to the media owner on any revenue generated from sales which have been derived from this space.

7.24.7 Podcasting

Podcasting involves the production of audio content mainly in the style of a radio programme that is stored as an MP3 compatible file format and made available for downloading from a website. Online audio communications are at an early stage of adoption as a form of marketing communications but have been used effectively in non-advertising messages for the voluntary sector.

7.24.8 Online community

Online communities also provide an outlet for user generated web content often through the use of traveler forums or special interest groups. These types of sites are becoming increasingly popular with users and the business community. This type of content is often very useful for customers and advertisers alike since they have descriptions and explanations of tourist places.
7.24.9 Virtual worlds

Another interesting development is the growth in uptake of subscribers to virtual worlds such as 'second life'. These are internet sites where individuals subscribe as a member and create a computer generated version of themselves an avatar to populate or live in a virtual community or world where real activities can take place. 'Second life' (http:// secondlife.com/) currently has a total of 10million 'residents' and is rapidly growing. The amount spent in Second Life is over $2m per day. Businesses are already trying to work out marketing communications strategies through a presence on Second Life and other virtual worlds.

7.25 Customer relationship marketing (CRM) is a core tool and tactic used within the tourism industry. Companies gather demographic data (age, income, location, etc.) and "psychographic" information (interests, hobbies, lifestyle, etc.) from email list brokers, hotels, airlines and other tour service providers. The information is used to develop marketing strategies to target prospects and develop tour "products" based on travel interests like visiting the Caribbean, Europe, major cities in the United States and more.

7.26 Building Repeat Business and Referrals

Marketing is used to gain preference by travelers to generate repeat business. Companies market awards and loyalty programs to allow travelers to earn points for each time they stay at a hotel, buy a ticket on an airline, rent a car, or use a travel company sponsored credit card. This marketing tactic increases the likelihood of tour participants to return again and recommend others to tour the city or destination they visited. Marketing
tactics are also used to provide travelers with incentives and rewards for repeat visits and referral.

7.27 Experiential Marketing - The experiential marketers argue that consumers no longer exist and we are all prosumers—enlightened and empowered consumers. The unique and memorable experience emerges as a strategic choice for tourism and leisure organizations in order to capture an intangible differentiation (Feakins and Zea, 2000; Pine and Gilmore, 1999; Williams, 2006). It is imperative to understand the role of the emotional relationship that is established between the consumer and hotel services, which contributes to boost the consumers' satisfaction when their expectations are fulfilled (Fuchs and Weiermair, 2004; Stockdale, 2007).

Traditionally, tourism researchers argue that people go on vacation in order to get away from everyday experience or in search of new experience.

7.27.1 Other Important Channels of Tourism Marketing

Apart from the above channels the following channels are used extensively –

**Events, Exhibitions and Trade shows** are becoming an increasingly important in B2B marketing process in tourism. They are employed by tour operators, hotel chains and resorts and are widely represented since it is through these trade events that allocation deals and package-tour arrangements can be made between the principals and the destinations.

The main purpose of trade exhibitions is to

- Launch new products
- Meet new contacts with a view to product development
- Gather competitor intelligence
- Learn about new trends and market developments.

Apart from these well-established forms of marketing tourism companies employ the following methods too.
7.28 Sponsorship-

Sponsorship has been defined as a business relationship between a provider of funds, resources or services and an individual, event or organization which offers in return some rights and association that may be used for commercial advantage.

Sponsorship generally takes the form of broadcast (such as television or radio programmes) or events (such as sports, music, cultural events). The main forms of sponsorship are:

1. Sports sponsorship
2. Programme sponsorship
3. Art Show sponsorship
4. Events sponsorship

7.29 Publicity and Public Relations

Public Relation is defined as ‘the discipline which builds and maintains reputation, with the aim of earning understanding and support and influencing opinion and behavior of the customer’. It is the planned and sustained effort to establish and maintain goodwill and mutual understanding between an organization and the customers.

In the case of tourism destinations, the use of ‘press kits’ has been widely used to entice travel writers to the destination so that a favourable review will be written. In terms of internal stakeholders, newsletters are often created to alert audiences to changes in personnel or organizational structure, sales figures, awards and prizes, new products and mergers, new development in respect of a re-positioning or re-branding exercise.
7.30 Personal selling

Personal selling is an essential part of the marketing process in international tourism. It not only provides enterprises with the financial resources necessary for survival and growth, but also plays an important role in supporting an organization’s customer service function. The highly personalized nature of the delivery many tourism products and services means that the bulk of staff working in the industry are likely to be involved in some form sales activity during the course of their work. Personal selling involves persuasive communication between a seller and a buyer, which is designed to encourage the customers to purchase the products or services on offer. The prime objective of personal selling is, therefore, to make a sale. It is, however, a much more wide-ranging activity and should be seen by those managing and working in tourism as a continuous process that can help build loyalty, develop long-term relationships between companies and their customers, and provide lasting benefits in enhanced of customer service.

7.31 Sales promotion

Tourism organizations use a wide variety of sales promotion techniques to sell their products and services. Some target customers directly by putting up posters in travel agencies. Public Exhibitions, discounts vouchers, loyalty schemes, free gifts and discounts are other ways of sales promotion. Staff working in tourism companies is encouraged by bonus payments, discounted holidays and travel products gift vouchers and hospitality at trade launchers. It is common practice for tour operators and airlines to offer financial and other incentives to travel agency staff to encourage them to sell their products.

The essential features of sales promotion techniques in tourism is that they are temporary, short-term inducements. They may be undertakes as a direct response to competitor activity or be part of a wider promotional campaign integrated with, for example advertising or direct marketing.
7.32 Direct Marketing

Direct marketing is the term used to describe the various techniques an organization uses to communicate directly with its customers, without using the services of an intermediary. It is particularly suitable for smaller companies with limited promotional budgets. Existing customers can be contacted to introduce them to new products and special offers, while new customers can be identified and encouraged to purchase products and services through direct channels.

7.33 Direct mail is the best-known method of direct marketing and is used extensively in all sectors of international tourism. This can be done by mailing a brochure to all households within a 10-mile radius or hotel automatically sending a Diwali card to all past guests on its database or a travel agency sending a quarterly newsletter to all its current customers. Achieving success in any direct mail campaign necessitates a methodical approach to planning and implementation.

7.34 Telemarketing is used extensively in business-to-business activities, where one company provides services and facilities for another company. For example, the sales staff of a tour operator may telephone all the people who enquired about its holiday programmes at a recent travel trade promotion.

7.35 Direct response advertising is any type of advertising that asks a member of the public to respond in some way. This could be by completing a coupon, calling a telephone number, or visiting a tourist spot. This allows the organization to build up a mailing list at the same time and respond to the customer.

7.36 Door-to-door leaflet distribution is particularly suitable for reaching a local or regional market. In the tourism industry, it is popular with local attractions and leisure facilities. A certain amount of market segmentation is
possible with particular postcode areas being targeted for its sociodemographic profile.

7.37 Brochures

The production and distribution of brochures is an important part of the promotional mix of the great majority of tourism organization. Brochures are used to inform potential purchaser of the features and benefits of tourism products with the hope of converting into the interest into sales. The intangible nature of tourism products gives brochures a special significance in the industry. Booking are often made on the strength of the words and images depicted in holiday brochures, making their design and content of particular significance in tourism.

The companies can make use of the appropriate advertising channel for using the right strategy.