CHAPTER SEVEN

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7.1. Summary of the Findings

A. Marketing Performance of the Tourism Industry in Bangladesh: The annual growth rates (AGRs) of the earnings from tourism show positive trends in all the years (1991-92 to 1996-97) under study. The AGRs of the earnings from this sector have been found as 46.17% in 1991-92, 14.57% in 1992-93, 35.42% in 1993-94, 35.66% in 1994-95, 36.64 in 1995-96 and 59.92% in 1996-97.

The net profit of the BPC has gained a positive annual growth during 1991-92, 1992-93 and 1994-95, while the same has experienced a negative annual growth during 1993-94, 1995-96 and 1996-97. The positive AGRs of net profit are 25.15%, 35.46% and 26.57% for the above three years respectively, while the negative AGRs of the same are 01.12%, 49.19% and 02.70% for the remaining three years respectively.

The percentages of net profit of the BPC over the value of its fixed assets have been found as 12.96, 17.76, 25.75, 22.27, 29.22, 13.53 and 13.81 for the years from 1990-91 to 1996-97 respectively.

The PCS of the BPC’s accommodation is 31.05% in 1990-91, while it reached at 44.35% in 1996-97. On the other hand, the ARGE of the accommodation sector of the BPC has been found 24.84% in 1990-91 and 35.84% in 1996-97. Both the PCS and the ARGE have shown positive trends every year excepting 1995-96. 1994-95’s data in this regard has not been available and, hence, is not shown. The reasons for declining the PCS and the ARGE in 1995-96 may include the chaotic political situation and the resulting decline in the tourist arrivals in the country during that year.

Besides, it is revealed that the AGRs of the GDP of recreational services are 18.79%, 6.76%, 7.29%, 7.35% and 6.96 for the years 1991-92, 1992-93, 1993-94,
1994-95 and 1996-97 respectively, while the AGRs of the overall GDP of Bangladesh have been found as 4.23%, 4.48%, 4.21%, 4.45% and 5.88 during the same periods. Of course, the AGR of the GDP of recreational services has been 2.80% in 1995-96 which is lower than that (5.35%) of the overall GDP of Bangladesh. This has happened mainly due to the political unrest throughout the country during that year.

The AGRs of the indicators experience positive trends in some years and negative trends in the other years. Similarly, the PCS and the ARGE also fluctuate to some extent. Therefore, from the analyses of the AGRs, PCS and ARGE, we get a mixed picture of the marketing performance of the BPC and the industry as well.

The indicators considered (year-wise average number of tours handled, average number of tourists served and average amount of revenue earned) for measuring the performance of the private sector tour operators have experienced a positive annual growth in every year excepting the politically chaotic year, i.e., 1995-96. Therefore, the private sector tour operators are showing good performance in their marketing activities.

In the case of measuring the performance of Biman Bangladesh Airlines, the four indicators including passengers carried, employees employed, revenue earned and net profit gained have been considered. The AGRs of ‘passengers carried’ have been found 11.93% in 1991-92, -1.48% in 1992-93, 7.56% in 1993-94, 8.47% in 1994-95, 0.75% in 1995-96 and 6.58% in 1996-97. The AGRs of the ‘employees employed’ have been -0.64% in 1991-92, 1.05% in 1992-93, 6.01% in 1993-94, 4.99% in 1994-95, 0.73% in 1995-96 and -1.53% in 1996-97. The ‘Revenue’ as an indicator of performance of Biman has gained AGRs by 19.71% in 1991-92, 11.60% in 1992-93, 9.93% in 1993-94, 10.35% in 1994-95, 0.78% in 1995-96 and 4.08% in 1996-97. The ‘net profit’ shows a positive annual growth in 1991-92 and
1992-93 and a negative annual growth in other years. The AGRs of this indicator are 239.88%, 95.30%, -5.84%, -4.37%, -6.41% and -438.10% for the years 1991-92 to 1996-97 respectively. Therefore, the analyses of the above indicators show a positive annual growth in some years and a negative annual growth in the other years and, hence, indicate a mixed picture of the performance, i.e., fair marketing performance of Biman Bangladesh Airlines.

B. Performance of Marking Mix Elements of the Tourism Industry in Bangladesh: The performance of marketing mix elements has been measured on the basis of the opinions expressed by the foreign tourists on the same. In the case of the service/product, only two out of the nine key factors have received the mean scores greater than 4.00, six factors have secured the value equivalent to or greater than 3.00 and the remaining one has given an average score less than 3.00 indicating good, fair and bad respectively. The overall mean satisfaction score has stood at 3.43 with a standard deviation of 0.42, the maximum and the minimum being 4.04 and 2.68 respectively. The overall mean satisfaction score indicates the fair performance of the tourism services/products in Bangladesh.

On the basis of the opinions expressed by the respondent foreign tourists on the performance of channel members, the tour operators and the accompanying guides are found fair and the BPC, the travel agents, the transport firms, etc are found bad.

The prices of information materials and shopping items are perceived to be quite reasonable, while the prices of foods and drinks and transports are perceived to be fairly reasonable. On the other hand, the prices for accommodations and the guided package tours are perceived to be quite unreasonable.
In the case of promotion performance, only word-of-mouth (WOM) communication out of the eleven key forms of tourism promotion has received the mean score greater than 4.00 indicating quite effective. Another two forms of promotion including motivation by the tour operators and internet have got 3.72 and 3.13 mean scores respectively which indicate fairly effective performance. The mean score for other eight elements remain below 3.00 and more than 2.00 indicating quite ineffective. The overall mean effectiveness score of the promotional measures of the tourism industry in Bangladesh has been found 3.10 with a standard deviation of 0.53. This score indicates fair performance of the promotional measures of the tourism industry in Bangladesh.

Therefore, the results of the analyses and the measurements of the marketing mix elements provide mixed pictures of the performance of the same.

C. Marketing Strategies of the Tourism Industry in Bangladesh:

i. Product Strategies: Both the BPC and the sample tour operators offer a good number of package tours and river cruise programmes to meet the wide-range of choices of the visitors. They usually make necessary changes in their services/products over time and develop those on the basis of ideas and experiences. Biman Bangladesh Airlines is operating its flights to different countries around the globe and to different important destinations of the country. Biman offers different service packages for two different classes (economy class and executive class) of the international passengers. It also conducts holiday package tours of different time lengths and half-day sight seeing tours (in and around Dhaka City) for the stopover passengers. The travel agents in Bangladesh usually arrange the booking of the air tickets for the outgoing passengers and occasionally make the booking for hotel rooms, package tours and cruise programmes for the foreign tourists. Therefore, the travel agents do a little with respect to tourism activities and on behalf of the producers, wholesalers and or customers. The star and standard graded
hotels usually offer the customers flexible options of services. The general or economy hotels provide economy beds and some common services like break fast, tea, coffee, etc. Some Chinese and standard general restaurants operating at Dhaka, Chittagong, Cox’s Bazar and Sylhet offer many options and choices for their customers. The small restaurants and the fast food houses offer few choices for their customers.

ii. **Place Strategies**: BPC uses both direct and indirect channels of collection to collect tourists for its services. On the other hand, the private sector tour operators mainly sell their package tours and river cruise programmes directly to the customers. Sometimes, the travel agents and hotels make booking of their package tours and river cruise programmes. Biman sells its tickets and package tours by using both direct and indirect channels. The travel agencies are the channel members of Biman Bangladesh Airlines. In selling or booking the air tickets, Biman-approved and or ATAB-member travel agents use both direct and indirect channels. The small travel agents who do not have any approval and who sell directly to the customers are the channel members of the approved travel agents. The standard hotels also use both direct and indirect channels to sell their bed-nights and catering services among the guest-customers. The restaurants usually sell their products directly to the ultimate consumers.

iii. **Pricing Strategies**: Both BPC and the private tour operators follow cost-plus pricing method for setting prices of their services. On the other hand, Biman, the travel agencies and the hotels follow going-rate pricing method while setting prices. Most of the standard restaurants in Bangladesh fix/set prices earlier and maintain set menu for the customers. They also follow the cost-based pricing method.
iv. Promotion Strategies: BPC and tour operators publish and distribute all the traditional information materials like souvenirs, brochures, booklets, guides, folders etc free of costs. They also emphasize advertisements and publicity through locally printed and television media to motivate the local people, residential foreigners and visiting foreign tourists. They again use sales promotion techniques like off-season discounts, improved services, free information materials, desk calendars, etc. Biman mainly uses advertisements as promotion tools and its advertisements are directed through newspapers, magazines and signboards at both home and abroad. Biman also publishes an effective in-flight magazine (quarterly) named ‘DIGANTO’ for creating greater awareness among the passengers regarding its services and introducing Bangladesh as a tourist destination. Moreover, it uses sales promotion techniques like free distribution of diary, calendars, money bags, telephone index, etc and student concessions, SAARC countries’ package tour concessions, special incentive price, etc. The travel agencies in Bangladesh do not play any significant role in the promotion of country’s tourism among the potential markets. Almost all the hotels in Bangladesh mainly focus on visualized symbols like clean rooms, soft beds, attractive furniture, etc. Only the star hotels are found to advertise occasionally in the local newspapers, specialized magazines and international hotel guides. Most of the restaurants (both Chinese and standard general) emphasize inside decoration and lighting of their firms. They also demonstrate good behaviour of the service boys and render prompt services to their customers.

7.2. Hypotheses Reconsidered

The analyses of the indicators considered for different firms and in different situations show mixed picture of performance, i.e., combined result of good (quite reasonable/effective), fair (fairly reasonable/effective) and bad (quite unreasonable/ineffective) performance. The study has found that the performances are good in some cases (firms years indicators), fair in some cases and bad in other
cases. At the same time, the same firm or indicator of the firm shows positive AGRs in some years and negative AGRs in other years. In the case of marketing mix elements, some factors/components of a mix element show good, some show fair and some show bad performance. The overall mean scores have been found as 3.43 for product/service arrangements, 3.01 for channel members, and 3.44 for prices and 3.10 for promotional measures indicating fair performance of all the marketing mix elements of the tourism industry in Bangladesh. Therefore, on the basis of the above findings of the study, the first hypothesis is partially proved.

The tourism industry in Bangladesh can not offer enough and diversified attractions, necessary facilities, easy accessibility etc which together constitute tourism products. The role played by the existing channel members is not sufficient to meet the present needs of the industry as well as the markets. Adequate number of private sector service providers and channel members has not yet come up to perform the marketing activities of the industry efficiently. The study has found that most of the firms of the industry in Bangladesh have failed to set reasonable prices for their products/services. Most of the firms do not maintain and follow scientific cost accounting system to ascertain the exact costs of their products/services. They simply estimate the costs on the basis of assumption and add lump-sum margins to set the prices to charge. The tourism industry in Bangladesh has also failed to launch necessary promotional measures to disseminate information among the potential foreign tourists, motivate them to visit the country and enhance the image of the country as a tourist destination. Therefore, tourism industry in Bangladesh does not follow effective marketing strategies and, hence, the second hypothesis is proved.

7.3. Conclusion

Thanks to the vast strides taken by the developmental process the world over in transport and communication, the world’s size has shrunk and distances have
disappeared. People are taking keener interest in knowing about other countries by visiting there as tourists. Thus, tourism has gained today top priority in most of the destination countries. It has engaged the attention of both the local and the national governments who have found tourism's potential to mobilize resources, earn increased amounts of foreign exchange, create employment opportunities, improve the country's image and acquire respect of other countries/people. Bangladesh, as a tourist destination, has many things to offer to the potential tourists who are interested in enjoying cultural heritages, nature, pristine beauty, and people's genius with a tradition of the advanced culture. Though the industry is contributing to the overall economy of the country through earning valuable foreign exchange, generating employment opportunities, accelerating the mobility of resources and enhancing the image of the country, its position in the world of tourism is at the low end. At present, Bangladesh finds a place at the bottom of the list of the tourist importing countries in the world. The tourism industry in Bangladesh has not grown commensurately or has not been able to show its potential performance due to a lot of reasons as mentioned earlier in chapter five.

As tourism consists of multi-faceted activities and many small businesses, its actual performance or contribution to the economy cannot be measured accurately. However, the analyses of AGRs, net profits over the value of fixed assets, PCS, ARGE and GDP of recreation services in comparison to the overall national GDP show mixed pictures of performance of the tourism industry in Bangladesh. The evaluation of marketing mix elements of the tourism industry by the respondent foreign tourists also provides mixed pictures of performance.

'Selling tourism' to the tourists in today's competitive tourism environment is something like 'selling dreams'. The challenge for the marketers in this highly competitive industry is to transform these dreams into reality. The success of the marketers of tourism industry, therefore, depends upon the extent to which they
can close the gap and bring about reality into the tourists' dreams. For this, the tourism marketers in Bangladesh should change their marketing philosophy from 'sellers market' to 'buyers market', i.e., from 'selling concept' to 'marketing concept'. Moreover, the concerned firms have to introduce scientific tools in their marketing management to successfully fulfil their marketing objectives and bring about reality into tourists' dreams. Therefore, the tourism firms in Bangladesh should perform their functions sincerely and efficiently so that the foreign tourists visiting the country can go back to their own countries with maximum satisfaction and happy memories of Bangladesh. Improved marketing strategies to meet the needs and expectations of the tourists and ensure long term satisfactory performance of the industry are called for. A increased number of offers, widened services, improved facilities at the destinations and easy accessibility to the destinations should be the first priorities. Better business relationships among the members of the channel of collection network have to be maintained and reasonable prices for different tourism components have to be set to ensure an increased number of foreign tourists and their repeated visits. Right and adequate promotion campaigns are also of great importance in this regard. Besides, development of the infrastructure, enhancement of the perceived image of the country and giving enough financial supports for the private sector tourism firms by the government are also essential to improve the marketing performance and develop the industry in near future.

BPC, the premier or prime tourism organization in Bangladesh, should perform its role in developing tourism facilities all over the country. It should promote the sector among the potential markets of both home and abroad, and continue the delivery of services until or unless adequate number of private sector firms come up to provide these services. For these, the formulation and adoption of proper marketing strategies are the key to success for the service-providing firms. At the same time, the providers of tourism services should review their marketing
strategies over time to adapt with the changing conditions of the markets. They should also improve the standard of services to meet the expectations of all the concerned including tourists, local community, host government, etc. For all these, the marketing executives and the employees of the concerned firms in Bangladesh should gain right exposures of marketing policies and strategies and thus be professionally skilled to handle their marketing activities and problems efficiently.

BPC, as a national tourism organization to develop and promote Bangladesh tourism and as a promoter of foreign exchange earner, should seek cooperation of other ministries and departments. Especially, it should seek cooperation from the Ministry of Home for easy embarkation/disembarkation as well as secured movements of the tourists and Ministry of Foreign Affairs to undertake promotional efforts through its diplomatic missions abroad. It should also seek cooperation from the archaeological department for regular production and distribution of maps on the archaeological sites. Besides, Ministry of Environment and Forests should preserve the forest resources and facilitate access of the foreign tourists there. Moreover, Ministry of Civil Aviation and Tourism, Bangladesh Parjatan Corporation, Tour Operators Association of Bangladesh, Biman Bangladesh Airlines, Association of Travel Agents in Bangladesh, hotels and restaurants should adopt an integrated marketing approach. This will help undertake efforts to develop the overall tourism sector, take programmes to enhance the image of the country as a land of tourism, formulate effective marketing strategies to ensure efficiency of the industry and thus deliver expected services to ensure greater level of satisfaction of the tourists. These efforts, programmes and strategies will also guide the long term marketing plans and activities of the tourism industry in Bangladesh to ensure a long-term satisfactory marketing performance. It should be remembered that any failure to deliver expected services(s) by any unit of the industry may spoil the total marketing programmes or efforts of the overall industry and entire satisfaction of the tourists.
Realizing the prospect of this sector, the Government of the People’s Republic of Bangladesh has now started giving due importance to this sector. The Government has already declared tourism as an industry and prepared ‘National Tourism Policy’ in 1992. The policy has emphasized the development of the overall infrastructure of the country, diversification of tourism facilities and allocation of necessary funds to implement development projects. It has also emphasized the measures to encourage the private sector investors (both domestic and foreign) to come forward for investing in the tourism sector and carrying out of general promotion programmes to make the prospective tourists aware of the tourism arrangements in Bangladesh. BPC has recently completed some projects in different destinations and the work of some more projects is on progress and expected to be completed very soon. Within the existing infrastructure, facilities, accessibility, resource capability and image, both the government and the private sector firms have to take measures on the priority basis. A lot of efforts are still required to offer right tourism services, develop the infrastructure, improve facilities, create easy accessibility etc. There is also a lot of scope for the tourism industry in Bangladesh to adopt effective marketing strategies to improve the situation. If the government, BPC, Biman and the other private sector firms continue with their efforts within the framework of the National Tourism Policy and if effective marketing strategies are adopted by the service providers, Bangladesh tourism industry may expect to experience better performance, emerge as a major contributor to the economy and enter into a new era of tourism in near future. In line, it is believed that the findings and recommendations of this study would substantially contribute to the growth, development and performance of the tourism industry in Bangladesh.

7.4. Direction for Further Research

The present study has covered merely the nature and structure of the tourism arrangements, marketing performance and marketing strategies of the tourism
industry in Bangladesh. Though this may not have entirely plugged the research gap in relation to the marketing performance and strategies of Bangladesh’s tourism industry, it is hoped that this research work would result in some appreciation to explore the knowledge in the above aspects. In this context, it may perhaps be worth while that the following aspects lend thoroughly for further research:

A. Planning and development of the tourism industry in Bangladesh;
B. Market-segmentation strategies and marketing-mix decisions for different market segments;
C. Development of eco-friendly and sustainable tourism in Bangladesh;
D. Assessment of the dominant factors influencing the marketing performance of the tourism industry in Bangladesh, etc.