

DEPARTMENT OF COMMERCE (CA)
TRAVEL AND HOSPITALITY SERVICES (Semester-III)

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UNIT-III

Marketing Mix for Tourism – the Product Mix – Promotion Mix – Price Mix – the Place Mix – the people – Tourism Marketing in Indian Perspective.

TOURISM MARKETING

Tourism marketing is different because the customer purchases a series of services. While marketing a tourism product, the sales or marketing person insists on the positive facets of the following four components.

PRODUCT MIX

Product The tourism being a service sold to the customers, tourist experience is the product, which is intangible, and non-storable. The quality of the tourist experience as a product is directly proportional to the quality of the service a tourism business provides. The product must be designed to highlight its features and to satisfy the tourist's needs. If the product is branded, the customers find it more reliable.

PROMOTION MIX

Promotion is intended to inform the customers about the products, create an image about the product, and position the products in the market. There are various effective ways of promoting the tourism products –

- Advertising the products on television commercials, newspapers, radio stations, and websites.
- Distributing promotional material such as diaries, brochures, keychains, wallets, purses, water bottles, pens, or any small gift item designed for promoting the product.
- Setting Point of Sale (POS) displays at various places such as retail stores, shops, malls, or petrol pumps.
- Promoting tourism products in local fairs.

- Promoting the products with their attractive features on the website of the tourism enterprise.
- Conducting programs of sponsorships, or promoting products by offering them as incentives.

PRICE MIX

Determining the price of the product requires consideration of three key factors :

1. Operating costs – Operating costs include both fixed and variable costs. Fixed costs remain same regardless of the sales which involve building, insurance, and equipment costs. Variable costs include costs for wages, gas, electricity, cleaning, maintenance, repairing, materials used in production, office stationery, linen, food, petrol, machinery, uniforms, bank fees, marketing research expenses, and expenses for advertisements, promotions, brochures, and conducting consumer or trade events.

2. Profit Margins – This is determined by comparing the competitors' offers and the own product offers. Profit margins are set without compromising the competitive advantage.

3. Commissions of Intermediaries – Working with intermediaries incurs commissions. Commissions are the fees paid to the intermediaries to distribute and sell your product.

Market Mix

Tourism Product Pricing Policies

Commonly followed pricing policies include –

Discount Pricing – This strategy calls for reductions to a basic Price of product or services. It is a form of sales promotion which at times proves to be rewarding for the customers.

Variable Pricing – pricing varies with respect to the variation in features of a product.

Loss Leader Pricing – It is selling few products at prices lower than the actual prices. It helps to settle the loss by attracting customers to buy more number of products.

Promotional Pricing – It is selling a product for free with another product with the objective of promoting the free product. Customer interest is generated to use the free product thereby increasing the sale.

PLACE MIX

The place is where the tourists visit and stay. The potential of a tourist destination lies in its attractiveness or aesthetic value, accessibility, and the facilities it provides to the tourists. The tourists also seek a place highly for the activities it offers, the amenities and skilled workforce it provides, and its location.

PEOPLE MIX

It plays a most important part in tourism. In people local people are very important, that how they treat tourist. The travel agents, guides, staff of travel companies, sales staff etc are the people.

TOURISM MARKETING IN INDIA

History of Indian Tourism

In the earlier days soon after independence, Indian Government did not pay much attention to tourism. Worldwide, the numbers of international tourists were limited and among those tourists, there were only few who considered going too far away places like India.

The first public milestone in the history of tourism was the creation of the Indian Tourism Development Corporation (ITDC), in 1966. This federal organization was meant to develop tourist infrastructure and services.

TOURISM MARKETING IN INDIA

- The Ministry has launched a scheme for development of nationally and internationally important destinations and circuits through mega projects. 53 mega projects have been identified, out of which 35 projects have already been sanctioned. The mega projects are a judicious mix of cultures, heritages, and spiritual and eco-tourism in order to give
- tourist holistic perspectives. More than 50% of the Ministry's expenditure on plan schemes is incurred for development

- of quality tourism infrastructure at tourist destination and circuits spread throughout the country. Ministry of Tourism organized an All India workshop on 2011 to evolve strategies for launching a campaign Clean India with aim to create collective mindsets of hygiene and cleanliness through persuasion, education, sensitization, training, demonstration and regulation.
- Ministry of Tourism has taken initiative of identifying, diversifying, developing and promoting niche products of the tourism industry.
- New products added in due course. The Ministry of tourism has constituted committees for the promotion of Golf Tourism and Wellness Tourism. Guidelines have also been formulated by the Ministry to support Golf, Polo, Medical and Wellness Tourism.
- The Ministry of tourism identified film tourism as niche tourism segment and has announced several initiatives for promoting film tourism through film shot in India. The Ministry Information and Broadcasting and Ministry of Tourism signed MOU on 16

Role and Functions of Government of India in Tourism

- Ministry of Tourism of the Government of India as the nodal agency formulates national policies and programmes for the development and promotion of tourism sector in the country.
- In performing this role the ministry coordinates the activities of various other central government ministries, state government, union territories and the private sector representatives, the union minister for tourism and culture, Government of India heads the ministry.
- The Secretary of tourism is also the ex- officio; Director General of Tourism provides the executive direction to the ministry.
- The Directorate General of Tourism is an attached office of the ministry, has 20 field offices within the country, 14 overseas offices.
- The overseas offices promote the market for Indian Tourism abroad.
- The domestic field offices are sources of tourist information.

- They are also responsible for monitoring the progress of implementation of field projects in their respective jurisdictions.

Recent Tourism Initiatives in India

- Being the largest Indian democracy in the world has its own benefits. To make the most of the coming Lok Sabha elections, city-based Akshar Travels has come up with special packages for foreign tourists to help them experience the poll fever.
- Akshar Travels and chairman of the Gujarat Tourism Development Society, has signed an agreement with about 60 tour operators across the country, as well as some in Paris, Amsterdam, Dubai, Abu Dhabi, London, Beijing, Tokyo, etc... to promote the cause of what he calls "poll tourism".

REFERENCE

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