

# Marketing Excellence



# Contents

1	Introduction .....	2
2	Developing The Product.....	2
3	Positioning The Product .....	3
4	Market Planning .....	4
5	Pricing .....	4
6	Discounting .....	5
7	Value vs Price .....	6
8	Media Relations .....	6
9	Social Media.....	7
10	Planning You Marketing .....	8
11	Put Yourself In Their Shoes .....	10

# 1 Introduction

Effective marketing is at the heart of every successful business. In a very competitive environment, even well established and respected brands need to keep themselves in front of consumers.

Good marketing is much broader than just advertising and promotion. It should begin with product development and positioning - gaining a crucial point of difference to make you stand out from the crowd.

Fundamental to effective marketing is researching and selecting an appropriate target market/s. There is no longer such a thing as a mass-market, and tourism in particular comprises a number of smaller and even niche markets. Finding that niche, and effectively communicating with it, is one of the keys to your success.

Putting a price on your product that not only reflects market expectations, but also provides you with a return on your investment and day-to-day effort, is the next marketing challenge.

Only once the product and pricing have been determined should you start marketing communication, including brand development, advertising, on-line marketing and promotions.

It's important that your marketing plan reflects and addresses the key objectives of your business plan.

## 2 Developing The Product

Product development is as much part of marketing as it is part of business planning.

Start-up businesses are in the best position to create a product from ground-up, attuned to the needs and aspirations of their target market. The amount of research data available to businesses makes this relatively easy and cheap. "Understanding Visitor Needs" in this series outlines many of the research options available.

The Unique Selling Proposition (USP) of your business is that single aspect that sets it apart from the others.

You probably started out in the business with a fairly loose USP, but over time your knowledge of the industry, product development techniques, and target marketing should enable you to better determine exactly what it is that sets you apart.

It's important to remember that tourism is an experiential activity. Your accommodation house, restaurant or tour bus is not the attraction in itself, but simply the means for guests to gain the experience they seek (eg pampering, freedom, escape, adrenalin rush etc).

Don't fall into the trap of thinking that your USP is your 'bricks and mortar'. It is the experience and benefits that guests receive by using your business. Don't just tell them what your product is, but concentrate on what it will do for them and what benefits it will bring them.

When you have determined this, build the USP into all your marketing material, campaigns and selling procedures. It should be reflected in the text and design of your brochures, advertisements, website, social media activity, the images you use, and even how you answer your phones.

How well your product is perceived by the market may also be influenced by the perception of your town, city, or region. It therefore pays to know and understand how your area is being promoted in the wider marketplace. Not only might there be cost efficiencies available by linking to regional marketing programs, but a single product that does not have a comfortable 'fit' with the regional image may struggle to attract patrons.

### 3 Positioning The Product

'Positioning' means designing your product to suit your target market. Before you do this, you need to understand who your customers are. How you position your product will be determined by the customers you are targeting. An important consideration when positioning your product is how you are going to reach your customers.

If you have planned correctly, you will have done your market research early in the business to determine which market/s respond best to your product offer. As you progress in business life you should become better attuned to the needs of the marketplace.

Your choice of distribution channels is an important element in positioning your product, because it is through these channels that your customers will get their first impression. You need to establish within your target market/s a perception about your product that will differentiate it from that of your competitors. The name, the price of the product, the design of the brochure, website, social media, photography and advertisements need to establish and reinforce a unique position in the minds of your customer.

The use of customer surveys, or simply talking regularly to customers, will help you to become much more focussed on their needs and wants.

Apart from being able to better match your product to your target market, another side benefit is the ability to become more specific and cost-effective about where you place your advertising dollar. Many new tourism operators spend large amounts of money on advertising during the first few years. Few businesses can ever stop advertising, but those who really know their customers are much better able to direct their expenditure to exactly where they know it will work.

#### **What should you aim to know about your customers?**

- Where they live
- Where they gather physically
- Where they gather virtually
- What are they viewing and reading
- Which media are they using

- Their habits (ie leisure/ recreation interests)
- Travel patterns
- Discretionary income
- Spending habits and priorities (their buying behaviour)
- Values

#### **How can you do this?**

- Ask questions
- Pay attention to your customers comments
- Observe other businesses
- Consult tourism industry colleagues
- Consult relevant industry associations
- Attend industry workshops and conferences
- Conduct surveys

Remember, it's important that you continue to monitor the characteristics of your chosen market segment/s. If you are working off survey data that is more than 12-24 months old, you're probably out of touch with what they are thinking and what they require from a tourism product.

## **4 Market Planning**

Business Victoria provides an interactive marketing template to help you prepare a [simple marketing plan](#), specifically aimed at the needs of a small tourism business.

The Small Business Mentoring Service (SBMS) provides a more detailed step-by-step guide to [writing a marketing plan](#) for any type of business.

Business Victoria provides this six-step approach to [D.I.Y. market research](#), which is applicable to all businesses, not just tourism and hospitality operations.

## **5 Pricing**

A product must be priced accurately and competitively. This requires a clear understanding of the individual costs of all product components and their impact on the total price.

The setting of prices for tourism and hospitality products among SMEs is often 'hit or miss'. Many smaller operators continue in business for years not realising that they are slowly going backwards. Important points to consider when setting your prices are:

- Total costs involved in getting the product or service to the market,
- Your required profit margin,
- Price sensitivity of target markets,
- Commission levels and other distribution costs,
- Allowance for any taxes that are applicable,
- Competitor analysis and competitive advantage,
- Market and image perception of the product, the business and the region,
- The perceived value of the product,
- The quality of the product.

Factors influencing pricing are:

- Seasonality: particularly fluctuations between high and low season,
- Operating costs: overheads, promotion and labour costs can vary depending on business peaks and troughs,
- Competition: this influences the maximum price for which a product can be sold
- Demand: generated by existing and potential customers

To determine prices, many operators simply rely on comparisons with competitors, or use a 'cost-plus' pricing system, without ever determining the break-even point. This is a simple calculation to determine how much product they need to sell to stay in business, before even considering making a profit.

## 6 Discounting

Pricing, and especially how to effectively use dynamic, seasonal and value-added pricing, including discounting, can be a valuable part of your marketing strategy.

There are a number of ways to influence customers to buy more, such as:

- Package or bundle your product
- Discount pricing
- Quantity discounts
- Seasonal discounts
- Segmented pricing (ie price reductions to one part of your market, eg. students, seniors etc)

Discounting on price alone can be a short term action to boost sales, and it works best for low value, high turnover products, but it is usually a doomed strategy on a longer term basis. There will always be a competitor who can undercut your price and it's easy to find yourself in a downward spiral of competitive price cutting.

## 7 Value vs Price

There are some market segments that will always be price sensitive. However, in recent times there has been a steadily growing consumer appreciation of 'value' rather than price alone, regardless of whether you are selling a tent site, a backpacker bed or a 14 night Baltic cruise.

The more sustainable approach is to price your offer on the basis of 'value' and to use your marketing communications to clearly communicate that value. Pricing based on value-added and bundling is much harder for competitors to compete on.

## 8 Media Relations

You have just completed your marketing plan and one of your aims is to achieve positive media coverage in the next 12 months. How do you achieve publicity? What do you need to do for media to take note of your business/product/service?

While Visit Victoria's Public Relations team generates significant amounts of free and positive publicity for Victoria's tourism industry, it is impossible for the unit to highlight every operator, event or place. It is important therefore, for individual operators to generate their own media publicity.

### **Key points to remember when dealing with the media:**

- Understand the readership profile of the particular medium, what material they present and how they present it,
- Try to see your story from the audience point of view, not from your marketing perspective,
- Target the story idea to the most appropriate person in the media outlet,
- Present the story idea succinctly and professionally,
- Follow-up the contact, but don't pester them,
- Online sites, newspapers and magazines prefer a media release,
- TV shows generally prefer a brief media kit,
- Don't waffle; get to the point quickly,
- Make it easy for them to deal with you.

A normal media office is bombarded each day with hundreds of media releases via email and social media. Don't be disappointed if you don't get past first base, but some things can help to make your media release stand out:

#### **Do's**

- Keep it short
- Be simple and get to the point quickly
- Make it relevant to their readership
- Create a catchy but relevant heading
- Proof read it for spelling, typos and grammar
- Provide full contact details
- Date it

#### **Don't**

- Waffle
- Keep to the main point
- Overload with too many things
- Go overboard on presentation
- Say things you can't substantiate
- Use clichés or jargon

#### **Helpful contacts:**

- Your regional tourism manager
- Visit Victoria's media and public relations team
- Published media guides, with detailed contact listings
- Public relations and media consultants

## **9 Social Media**

Any marketing strategy these days cannot ignore the potentially enormous power of social media.

Leveraging off social media to market tourism products has proven to be an excellent strategy. Businesses use social media to build their prospects and customer communities, and to network with other businesses. It allows your business to publish online and to create, share, exchange and comment in virtual communities.

The [www.tourismtribe.com/social-media-hub/](http://www.tourismtribe.com/social-media-hub/) provides an excellent introduction to Social Media for tourism. The e-kit also provides good overviews on the most used social media sites in Australia:

- Facebook
- Snapchat

- Instagram
- Twitter
- YouTube

Social media needs to be scheduled as a regular business activity in order to be effective and manageable. The content needs to be relevant, shareable and usable across different social media platforms.

Social media content is also a vital search engine optimisation tool to improve your website rankings. Make sure your comments and posts on various social media platforms link back to relevant areas of your website.

There are social media platforms that can give businesses the tools to make multiple social media posts in one transaction, which can cut down time spent in managing your social media obligations.

### **Responding to online comments**

By its nature, social media is heavily interactive, which means that you need to be prepared to respond to those people wishing to interact with you. Sometimes this means handling negative comments and feedback, which on social media platforms are not just addressed to you, but for the whole world to view.

Responding well to online criticism, rather than ignoring it, or flying off the handle and entering an online battlefield, is the key to managing how your current and potential customers view you online.

If someone comments on what you have posted, 'like' their comment to show that you have read it. If someone posts a criticism or poses a question, it is important that you respond accordingly:

- Acknowledge the reader's question, concern or criticism,
- Add to the dialog – this could be another resource, a question or further thoughts of your own,
- Be professional, friendly and understanding, not patronising or critical – remember, social media acts as the personality behind your business, so it is important not to appear defensive or angry when someone posts a negative comment. The point of social media is to engage and encourage comment, rather than to close people down.

## **10 Planning Your Marketing**

Marketing is usually a major expense of most tourism and hospitality businesses, yet many businesses do not plan their marketing in any systematic way. Only after spending a lot of money, and often achieving questionable results, do they realise that a marketing plan is needed to guide their thinking and to marry it to their business goals.

It doesn't have to be an elaborate document. In fact, the simpler the document the more likely you are to use it. By all means seek professional help, especially to gain a fresh set of eyes and ideas, but try to do as much of it yourself. That way it will truly reflect how you want your business to be promoted to the outside world.

## What should you include in a simple marketing plan?

- **Your business goals and vision**

Be specific about what is it you want your marketing plan to accomplish. Your objectives may be financial, with a goal to increase sales, or marketing focused to build awareness of your product or service. The marketing plan is where you should write down all your goals.

- **Identify your target market**

What kind of customers are you trying to attract to your product or service? What sets you apart from competitors? Identify your target market in your plan; list their characteristics to find the most effective way to market to your target clients.

- **Outline your strategy**

Describe your product or service, outlining all the features and benefits as well as your promotional activity.

- **Your budgets**

How much money do you have to work on your plan's actions and how will you allocate the funds? Ensure you have a budget for each task and deadline.

- **Tips for writing your Marketing Plan**

- set clear targets you can measure e.g increase in sales
- set deadlines for each target
- include a calendar schedule of key tasks
- always link back to your business strategy and goals

Fundamentally, the marketing plan should answer these key questions:

1. Which target market/s will best respond to my product?
2. Is that target market/s large enough and accessible enough to sustain my business?
3. What are the primary motivators that drive my target market to buy a holiday product?
4. What are the major benefits the market seeks from a holiday?
5. How can I incorporate those benefits and fulfil their motivations into my product/marketing offer?
6. What actions do I need to undertake to cost-effectively communicate with the target market, at a time when they are most likely to positively respond?

## 11 Put Yourself In Their Shoes

As far as possible, approach the thinking from a consumer perspective. Always think in terms of the benefits that the customer is consciously - and perhaps subliminally - seeking from the holiday product or experience. This can be as simple as 'excitement', 'escape', 'pampering', 'new discoveries' etc.

It's also important to think in terms of 'experiences' rather than 'bricks and mortar'. In most cases the visitor uses a motel room, a coach, a boat cruise etc only as a means to gain that experience. Yes, your product may offer some special experience in its own right, but you primarily need to communicate the broader experience offered by your town, district or region. Consider bundling your product with other quality local products, and work with your local promotional agency to create that broader experience for your visitor.