

# A CASE STUDY ON MARKETING STRATEGIES OF TOUR OPERATORS IN THE PROMOTION OF TOURISM

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## INTRODUCTION

Familiarized with the marketing concepts and how the principal suppliers of tourism products apply these concepts for marketing their products and services. A tour operator assembles the products and service of principal suppliers into an inclusive tour package. This starts with a brief recap of the tour operators' job and the type of tour operators about which you have already in details. It takes into an account the various aspects of market analysis done by tour operation need for designing their products along with issues in decision making, role of brochures, promotional and distribution strategies, etc. This section on brochures has been reproduced from the South Asia Tourism Secretariat's booklet on tour operations.

## OBJECTIVES

- Know about the nature of market analysis needed to be done in tour operations business,
- Understand the process of designing tour packages,
- Appreciate the importance of brochures in tour operator's marketing, and
- Know about the promotional and sales methods adopted by the tour operators.

## Tour Operation :

We list the different types of tour operators based on the functions performed by them :

- 1) An In-bound tour operator handles tours coming into the country from overseas.
- 2) An Out-bound tour operator is one who operates tours to other countries
- 3) A domestic tour operator is one who handles the tours of people of a country who travel within the country.

## Tourist Profile and Segmentation

As a tour operator you have to apply market segmentation in relation to your own business as they are crucial to the type of package you would be packaging and offering for sales people of all types indulge in tourism activities but at the same time their needs, wants, tastes etc. vary from person to person. Hence, in order to provide better service to the customers, it is essential that a tour operator should have a complete profile of the concept of the tourists he intends to or is supposed to cater to.

## Target Markets

A variety of factors have to be taken into account for selecting the target markets a tour operator would like to cater to. For example, market segmentation by tourist 'income groups helps the tour operator to narrow down on the income group he would like to cater .some tour operators target the up-budget higher income group whereas some go for middle income group and some for lower income group. This again is closely linked with market segmentation by tourists' motives i.e. adventure, cultural, wildlife and so on.

## Decision Making

“Two key strategic decisions have to be made from the assessment of external factors; what prices are likely to be, based on cost calculations of estimated contract prices; and what volume of products should be offered in twelve to eighteen months time. The two considerations are obviously inter-related with other estimate of what prices the market will bear. Both prices and volume decisions have to be bases on judgment rather than statistical projections, and successful mangers need strong entrepreneurial flair to get the answer about right. They also need a very strong nerve to hold onto their judgments or change them as unpredictable events emerge.”

## Forecasting and Seasonality

Since the lead time in tour operators business is 12-18 months, forecasting for tourist arrivals becomes crucial. The word tourism organisation regularly publishes tourism forecasts in relation to international travel trends. However, in relation to domestic travel, little or no exercise has been done in India in this regard.

## Infrastructure

Decision making in tour packaging is also linked to the availability of infrastructural facilities for packaging the tours. Basic infrastructural facilities like transportation and accommodation are required for any type of tour packages. However, when one goes by target marketing approach, one has to ace into account that the destinations that are being packaged have the requisite accommodation and transportation needed by the customers along with the quality of service required to cater to that target category. You may have creative ideas for packaging tours but in the absence of necessary infrastructure the ideas will never be converted into reality.

## Product Design

It must be remembered here that a tour operator's package is not just a product item but a product line which consists a group of product items within it. The various product items include **travel, accommodation, sightseeing, entertainment, shopping**, etc. and by packaging all these product items together the tour operator is able to develop the product mix of the tour.

Initially, most of the tour operators went by the product orientation approach laying stress on the products and services of tourism supply rather than talking into account the tourist' requirements. Gradually, the approach shifted towards market orientation by packaging tours as per the requirements of the target market segments. However, recently, the societal orientation approach has been added for developing tour

packages in order to check the negative impacts of tourism and developing responsible tourism which also takes care of the interests of the population and is eco-friendly.

The tour operator should also keep a close watch on the product life cycle of the packages that are offered and the movement it is felt that a saturation point has been reached, immediate efforts should be taken to rejuvenate the package, make alterations or drop the package. Many a times such decisions may have to be taken even without reaching the saturation point because of the prevailing competition and business environment. In tourism, attitudes and fashions change faster and one may have to diversify the products accordingly.

### **Distribution and Promotion**

Generally, the methods adopted by tour operators for selling their tour packages include both direct sell and indirect sell through intermediaries like the travel agents.

A tour operator has to very carefully plan his or her distribution channels and nothing can be left to chance. This is because sales to the target market depend on the channel selected on the performance of that agency which has been selected as the channel. Mostly, tour operators distribute their product through travel agents who dominate the distribution system. It is they who decide what to display and sell to the customers. The relationship between the tour operator and travel agent depends on pure business dealings in relation to commissions, payment terms and credit. This relationship has to be very carefully handled and the terms offered to the distributor's have to be competitive and attractive. Both sides enter into mutual agreement where the travel agents to promote and sell the tour operator's packages whereas the tour operator offer commissions, provide brochures and at times even assist in advertising or promotional activities.

Participate in travel marts, travel fairs, travel exhibitions is an important form of establishing business relationships and promoting the product. Generally, most of the large tour operators participate in such activities at the international level. Recently, in India, tourism fairs are begin organized at the national and regional levels which provide opportunities to the local tour operators in promotion of their products.

### **CONCLUSION**

In this unit were familiarized with certain issues related with tour operator's marketing .Tour operations is a challenging business with ample scope for innovation and creativity. Selling dreams, attempting to convert these dreams into reality and sending back satisfied tourists is what a tour operator has to work for. Selecting your target groups, packaging the right kind of services and products, having the right distribution channels, competitive prices, target oriented promotion mix and finally adequate customer care and smooth operation of the tour are the essential requirement for success in this business. You must remember that though every step requires careful planning and handling, the responsibility of the tour operator is greater once the tour actually starts. Hence, the persons employed by you as escorts or guides should be well versed in the skills essential for handling these jobs. An escort is the friend, philosopher and guide for the group of tourists.

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