4 Contemporary Tourism Marketing

Chapter objectives

After reading this chapter you will:

- Be aware of the scope and definition of contemporary tourism marketing.

- Be familiar with the evolution of marketing focus from goods to services.

- Understand the nature and dimensions of the contemporary tourism marketing environment.

- Appreciate the need for tourism market information and the role of research.

- Recognise the central and changing role of relationship marketing in contemporary tourism marketing.

- Understand that technology is transforming the practice of contemporary tourism marketing.

- Realise the importance of innovation and new product development in tourism.

- Be aware that corporate social responsibility and ethics will play a growing role in contemporary tourism marketing.

Introduction

This chapter introduces the dimensions of contemporary tourism marketing. The chapter outlines current thinking in terms of the scope and definition of marketing and in particular charts the shift in focus from goods to services. Driving this shift has been the recognition that tourism marketing must focus on both the tangible and intangible nature of the service. But, as we have noted in previous chapters, above all it must focus on consumer needs and their involvement in the co-creation of the contemporary tourism experience and its products. In this chapter we outline the

dimensions of the increasingly turbulent and complex marketing environment for tourism, and conclude that particular types of organization will be best suited to success in this environment. This is a globalising environment, increasingly dominated by technology, and with networked and demanding consumers interacting with connected knowledge-driven organizations. Finally, the chapter focuses on the contemporary tourism marketing practices that will be essential for success in this environment. These practices are research-driven market information delivering a deep knowledge of the consumer; relationship marketing focussing on the 'life time value' of a continuous relationship with market actors; the imperative for innovation through new product development; the smart use of technology to build relationships with customers and understand them; and finally, the evolution of tourism towards societal marketing. This involves the contemporary tourism marketer in recognition of the broader needs of society through ethical and socially responsible behaviour in their operations.

Definitions and contemporary tourism marketing approaches

Marketing is a distinctive way of thinking about the world. Marketing as a concept is evolving quickly and, interestingly for tourism, there is a growing trend to conceptualise marketing based upon services rather than physical goods. There are many definitions of marketing and they all focus around the need to identify and supply customer needs. Inevitably, definitions tend to reflect the prevailing thinking of the time, with early definitions, for example, tending to stress the management of the marketing function. More recently, the focus is upon the many actors in the marketplace and their relationships. Kotler et al.'s (2003) definitions are the most commonly used:

> A market is:

> *"A set of actual and potential buyers who might transact with a seller. This market can be a physical or virtual space"* (Kotler et al., 2003: 20).

> Marketing is:

> *"A social and managerial process by which individuals and groups obtain what they need and want through creating and exchanging products and value with others"* (Kotler et al., 2003: 12).

These definitions work well for tourism as they include the non-profit sector, such as destination marketing organizations (DMOs), but do not lose sight of the two central concepts of marketing – the concept of exchange and the imperative to supply consumer needs:

1   The concept of exchange states that exchange takes place when parties agree about a transaction and will be worse off without the exchange – it therefore creates value. Transactions are the way that tourism marketing managers calibrate exchange. Relationships in the tourism marketplace lead to exchanges and naturally have led to the concept of relationship marketing where the nurturing of the relationship is more important than single exchanges. Given the nature of tourism as a high involvement product, relationship marketing plays an important role and is facilitated by technology such as social media.

2   The process of identifying and supplying consumer needs lies at the heart of tourism marketing. The marketing concept is tightly focussed on delivering value to the consumer, where value is viewed as the difference in the benefits that the consumer receives from the product and the costs of obtaining the product. There is an important difference here between tourism marketing and that of physical goods.

For tourism, a marketing orientation implies that an organization displays four characteristics:

1   A dominant marketing philosophy which demonstrates an unwavering focus on the consumer and which is underpinned by research.

2   It encourages exchange and strengthens both its networks and loyalty by recognising the importance of developing long-term relationships with customers.

3   A thought process accepting that strategic and tactical planning goes hand-in-hand and includes a tolerance of innovative thinking.

4   It demonstrates an integrated organizational structure geared to the organization's goals of delivering value to the consumer through business-to-customer, customer-to-business and business-to-business activities.

The road to achieving these characteristics is shown in Table 4.1.

Table 4.1: Translating the marketing orientation into action

Task	Marketing function
Identifying consumer needs	Marketing research
Analyzing marketing opportunities	Market segmentation and understanding relationships
Translating needs into products	Product planning and formulation
Determining product value in different seasons	Pricing policy and creation of value delivery
Making the product available	Distribution policy
Informing and motivating the customer	Promotion strategy and tactics

Source: Cooper et al., 2005: 583.