



Strategic Tourism Marketing and E-Business

Dr Eirini Vlassi
Professor Dr Andreas Papatheodorou

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Introduction

- The Lecturers
 - *main team: Dr Eirini Vlassi and Professor Dr Andreas Papatheodorou*
- The Delegates and their Background
- The Course
 - *aims and objectives*
 - *structure*
- Housekeeping
 - *schedules, interaction, breaks, etc.*

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Overview - A Little Story...

Tourism is an international industry consisting of interrelated businesses operating across the globe and competing against each other despite the geographical distance that separates them.

As the tourism sector is characterized by increased risk due to its intangible characteristics, Strategic Tourism Marketing functions are crucial in:

- differentiating and branding the tourism product;
- building enhanced experiences from tourism services and destinations;
- enabling customer/tourist engagement;
- increasing loyalty to tourism service providers and destinations; and
- optimizing the allocation of tourism marketing resources and budgets.

In the post COVID-19 world, strategic tourism marketing becomes of essence in redefining the business narrative of both tourism service providers and destinations.

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Outline of the Unit (1/4)

1. Tourism Industry at a Glance


- Understand the international-global nature of the tourism business
- Understand the interrelation that exists between the hospitality and travel industries.

2. Principles of Marketing


- Define marketing
- Describe the passing from the marketing to the strategic concept
- Describe marketing's role today
- Analyze marketing's customer orientation
- Outline the marketing process

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Outline of the Unit (2/4)


- 3. Service Characteristics of the Tourism Industry**
 - Define services
 - Discuss the service culture
 - Outline the service characteristics of hospitality and travel industries
 - Introduce the service management concepts
 - Explain the internal marketing process
 - Highlight the importance of service- and experience-driven approaches
- 4. Marketing Environment**
 - Outline elements of a company's micro-environment
 - Highlight the role of macro-environment forces
 - Introduce the role of ICTs in tourism

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Outline of the Unit (3/4)

- 5. Consumer Behavior**
 - Outline and explain the factors influencing consumer's behavior
 - Discuss consumer decision-making process
 - Highlight the role of ICTs in the consumer decision-making process
- 6. Product Design**
 - Define the terms product and product levels
 - Present a branding strategy
 - Outline the steps of product development
 - Introduce product life cycle strategies
- 7. Distribution Channels**
 - Discuss distribution channels in hospitality and travel industry
 - Focus on channel behavior and organization

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Outline of the Unit (4/4)

8. Marketing Communications

- Introduce promotion mix and discuss the factors that influence communication mix decisions.
- Analyze communication process
- Outline and discuss in depth the steps in developing effective communications

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1. Tourism Industry at a Glance

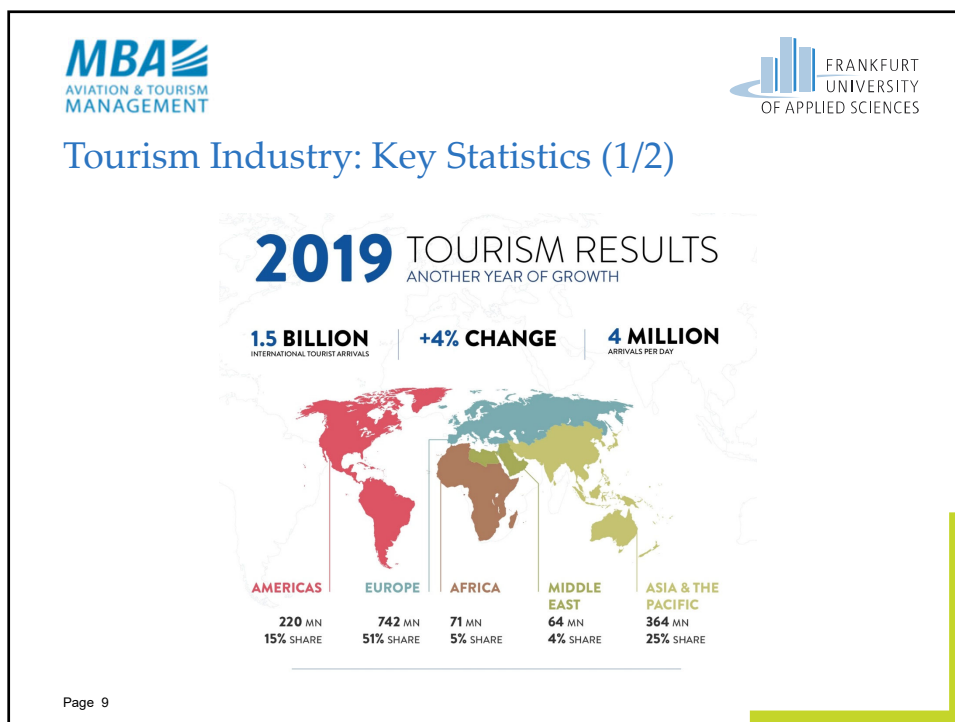
Objectives:

- Understand the international-global nature of the tourism business
- Understand the interrelation that exists between the hospitality and travel industries

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Tourism Industry as an International Business





The World's Best Airport is Doha Hamad Airport
 (Source: SKYTRAX, 2021)



The World's Best Airline is Qatar Airways
 (Source: SKYTRAX, 2020)



The Best Hotel in Europe and UK is Anassa in Cyprus
 (Source: Conde Nast Traveller, 2022)

Top 100 airports:



Top 100 airlines:



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Hospitality and Travel industry



Tourism Industry



Important factors shaping consumer's destination choice set

Is Emirates selling plain seats?



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QUIZ: Where is this Airport located?



Figure out how the global nature of industries involved in tourism affect the island's tourism development?

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Video: Greek tourism industry gears up for tough post-Covid-19 summer



CORONAVIRUS PANDEMIC
GREECE'S ANCIENT SITES REOPEN TO VISITORS

FRANCE 24

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2. Principles of Marketing

Objectives:

- Define marketing
- Describe the passing from the marketing to the strategic concept
- Describe marketing's role today
- Analyze marketing's customer orientation
- Outline the marketing process

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A Customer-Oriented Marketing Approach (1/2)

The **purpose of a business** is to create and **maintain satisfied, profitable customers**.

- customers are **attracted/retained** when their **needs are met**
- customers talk **positively to others** about their satisfaction

Some hospitality managers act as if today's profits are primary and customer satisfaction is secondary.

- this attitude eventually sinks a firm as it finds fewer repeat customers and faces increasingly negative word of mouth

Successful managers understand that profits are best seen as **the result of running a business well** rather than as its sole purpose.

When a business satisfies its customers, they will pay a fair price for the product, which includes a profit for the firm.

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A Customer-Oriented Marketing Approach (2/2)

In today's hospitality/travel industry, **the customer is global and is king or queen.**

Customers can enhance or damage business performance through the purchase choices they make and the **positive or negative comments they make to others.**

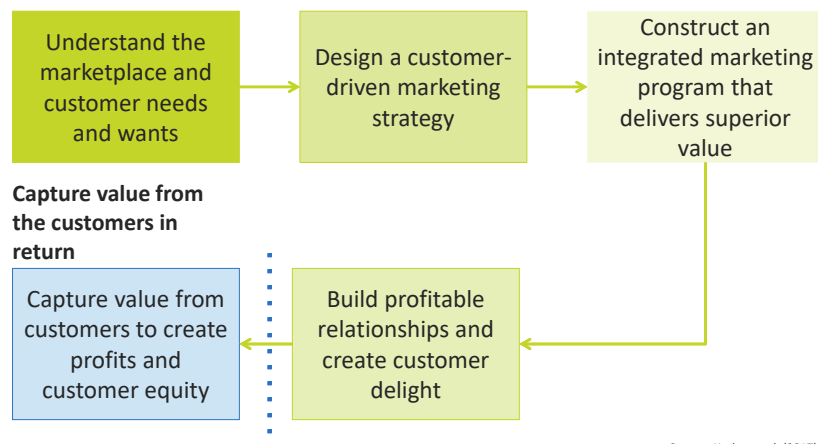
Successful hospitality companies know that if they **take care of their customers, market share & profits will follow.**

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The Marketing Process: Basic Framework

Create value for the customers and build customer relationships



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Source: Kotler et. al. (2017)

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Marketing Concepts: Tangibles, Services, Experiences

Consumer needs and wants are **fulfilled** through a **market offering**.

- a product that is some **combination of tangible, services, information, or experiential product components**

In the hospitality industry, the *intangible products including customer service and experiences* are more **important** than the tangible products.

- a market offering includes much more than physical goods or services



Understand the marketplace and customer needs and wants



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Marketing Concepts: Value and Satisfaction

One of the biggest management challenges is to increase product value for their target market.

Value is the sum of the tangible and intangible benefits and costs (monetary and nonmonetary).

Satisfaction reflects customer's judgment of a products performance in relationship to expectations.

Understand the marketplace and customer needs and wants

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Marketing Concepts: Customer Expectations



Customer expectations are based on past buying experiences, the opinions of friends, and market information. Marketers must set the right level of expectations.

- if they set expectations too low, they may satisfy those who buy but fail to attract new customers
- if they set expectations too high, buyers will be disappointed




Thank you Amazon.




Understand the marketplace and customer needs and wants

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Marketing Concepts: Exchanges and Relationships



Exchange is the act of obtaining a desired object from someone by offering something in return.

Marketing consists of actions taken to build and maintain desirable exchange **relationships** with target markets.

Beyond attracting new customers and creating transactions, the goal is to retain customers and grow their business with the company.

Understand the marketplace and customer needs and wants

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Design a customer-driven marketing strategy

Marketing management can be defined as the **art and science of choosing target markets and building profitable relationships** with them.

➔

Marketing manager's aim is to find, attract, keep and grow target customers by creating, delivering and communicating superior customer value.

➔


To design a winning marketing strategy two important questions require answers:


- What customers will we serve? (what is our target market)?*
- How can we serve these customers best? (what is our value proposition)?*

The company wants to select only customers that it can serve well and profitably

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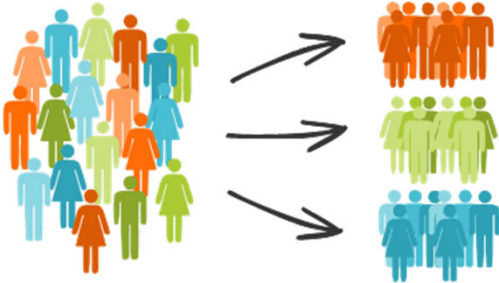
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Design a customer-driven marketing strategy

Deciding who to serve?



Market is divided into segments of customers (market segmentation) and then some of the segments are selected.

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Deciding how to differentiate and position yourself?



A company's **value proposition** is the set of benefits or values it promises to deliver to consumers to satisfy their needs.

Design a customer-driven marketing strategy

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What philosophy should guide a company's marketing efforts/strategies?

Design a customer-driven marketing strategy

Three forces shape the landscape of marketing 3.0

Collaboration

Globalization

Creative Society



Management approaches people as human beings with minds, hearts and spirits.

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Target Customer

Deliver Value

Marketing Mix

Product (need-satisfying offering)
Price (charge for the offer)
Place (make the offer available)
Promotion (communicate with customer about the offering)

Construct an integrated marketing program that delivers superior value

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By adding financial benefits to the customer relationship:

- airlines offer frequent-flyer programs
- hotels give room upgrades to their frequent guests

Build profitable relationships and create customer delight

By adding social as well as financial benefits, turning customers into clients:

- a company's personnel works to learn individual customers' needs and wants
- products and services are individualized & personalized

By adding structural ties to the financial and social benefits:

- airlines developed lounges & limo service for their first-class customers
- hotels provide personalized welcome messages on the guest's television





Turn miles into memories

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Join the AAdvantage program »

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It is important to develop relationships selectively, determining which customers are worth cultivating

Build profitable relationships and create customer delight


	Low Frequency	High Frequency
High Profitability	Try to get this customers to come more often	These are your best customers, reward them
Low Profitability	These customers will follow promotions.	Some of them have the potential to become more profitable.

Source: Kotler et. al. (2017)

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Customer Relationship Management

CRM is an important concept of modern marketing.



It involves **managing detailed information about individual customers**, carefully managing **customer's touchpoints** in order to maximize **loyalty**.



A **customer touchpoint** is any occasion a customer **encounters the brand & product**, in actual experience, personal/mass communication or casual observation.



CRM has taken on a broader meaning as an overall process of building and maintaining profitable customer relationships. By delivering superior customer value & satisfaction, it deals with all aspects of acquiring, keeping, and growing customers.

Build profitable relationships and create customer delight

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Air Travel Touchpoints according to IATA


Get reports, analysis, charts, raw data and ratings covering the multiple air travel touch-points.


Reservation:  5 <small>attributes, e.g. customer wait time before being served</small>	Website:  4 <small>attributes, e.g. ease of booking</small>
Check-in:  7 <small>attributes, e.g. queuing time</small>	Lounge:  4 <small>attributes, e.g. comfort</small>
Boarding:  5 <small>attributes, e.g. helpful and courteous gate staff</small>	Cabin:  8 <small>attributes, e.g. condition of interior</small>
Seat:  5 <small>attributes, e.g. leg room</small>	Cabin Crew:  8 <small>attributes, e.g. responsiveness</small>

In-Fight Entertainment:  11 <small>attributes, e.g. selection of movies</small>	Food & Beverage:  8 <small>attributes, e.g. selection of meals</small>
Arrival:  5 <small>attributes, e.g. speed of luggage delivery</small>	Socio demographics and flying patterns:  8 <small>attributes, e.g. gender, age and reason for travel</small>
FFP:  4 <small>attributes, e.g. overall rating of FFP</small>	Asymmetry Analysis:  <small>the key attributes that most impact passenger satisfaction</small>
Management Summary:  <small>overall indicators (KPIs) covering 5 attributes, e.g. overall passenger satisfaction and repurchase intention</small>	

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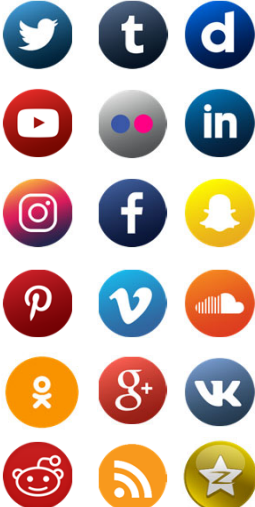


Customer Touchpoints in the Social Media Era

Social Media contribute to the creation of **multiple touchpoints** whereby tourists can interact with the firm, other travelers and communities.

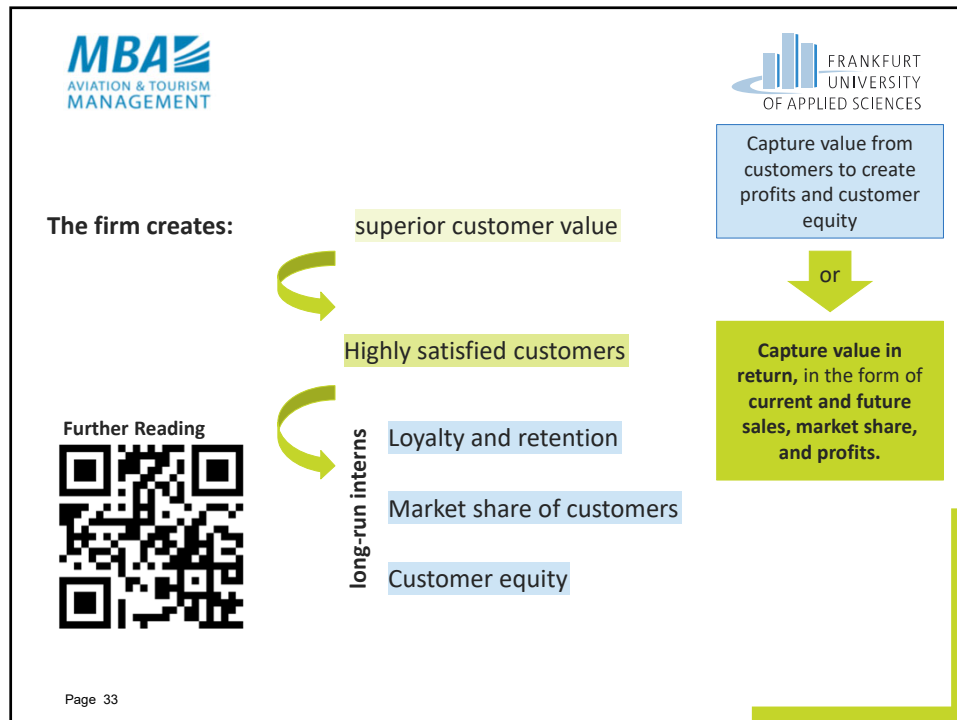
Touchpoint can be categorized into:

- Brand-owned** (e.g. site, social media)
- Partner-owned** (e.g. partners' distribution channels)
- Customer-owned** (e.g. blogs, social profiles)



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Loyalty and Retention

- When **United** filed for bankruptcy in 2002, the only part of its operations that was making money was its FFP.
- **Qantas** reported more than \$1.1 billion in partner payments in the 12 months to 30 June 2011.
- The largest FFPs in the USA (related to **American, Delta and United**) generate more than \$1 billion each annually.

Source: IATA

Further Reading

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3. Service Characteristics of the Tourism Industry

Objectives:

- Define services
- Discuss the service culture
- Outline the service characteristics of hospitality and travel industries
- Introduce the service management concepts
- Explain the internal marketing process
- Highlight the importance of service- and experience-driven approaches

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Defining Services

“Any activity or benefit that one party can offer to another which is essentially intangible and does not result in ownership of anything. Its production may or may not be tied to a physical product.”

Kotler et. al. (1996)

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The Service Culture

- focuses on serving and satisfying the customer.
- should be included in business mission.
- starts from top management and flows down.

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Service Characteristics of the Hospitality and Tourism Marketing

- **Intangibility** (Services cannot be seen, tasted, felt, etc. before purchase)
- **Inseparability** (Services cannot be separated from their providers)
- **Variability** (Quality of services depends on who provides them and when, where, how etc.)
- **Perishability** (Services cannot be stored)

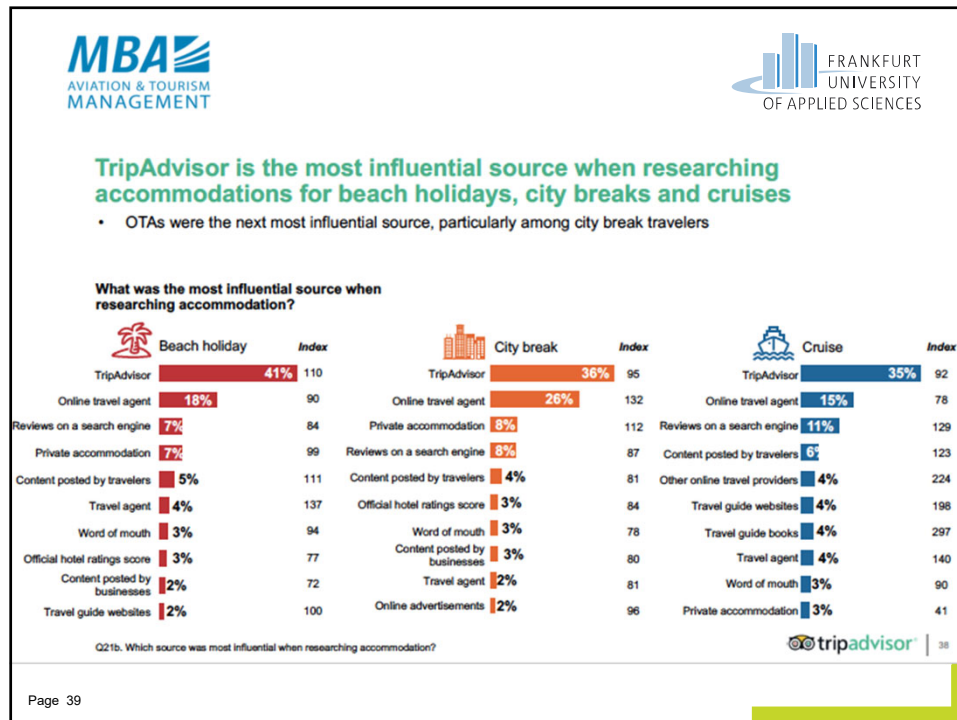
"Globally, travelers want to see pictures, they like to book properties that win awards, and they like to read the most recent reviews to get a fresh perspective." – Barbara Messing, Chief Marketing Officer, TripAdvisor

Further Reading



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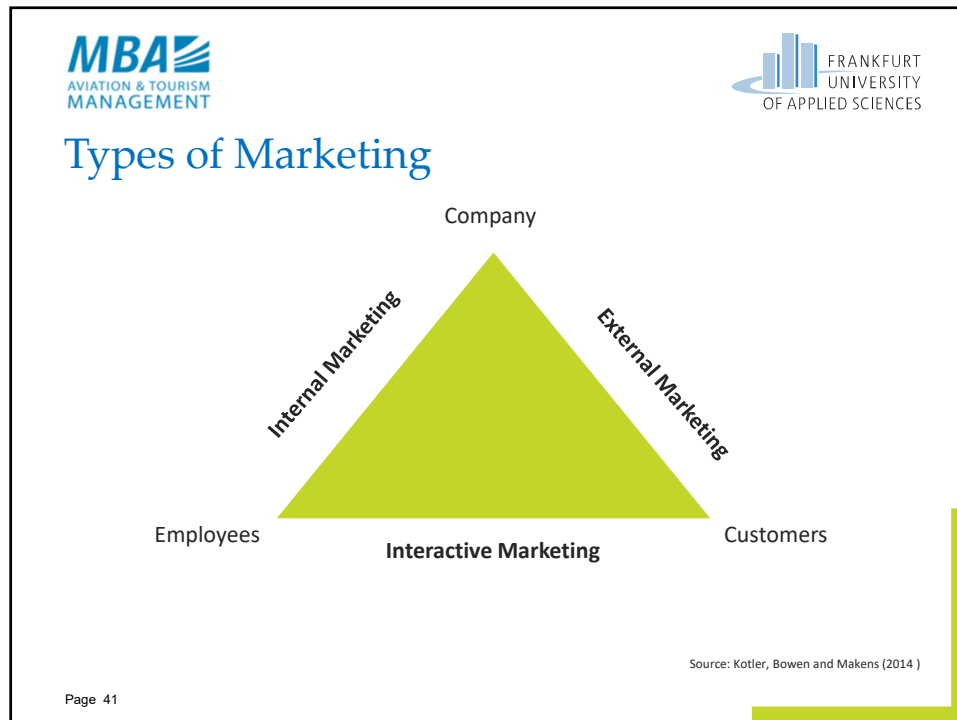
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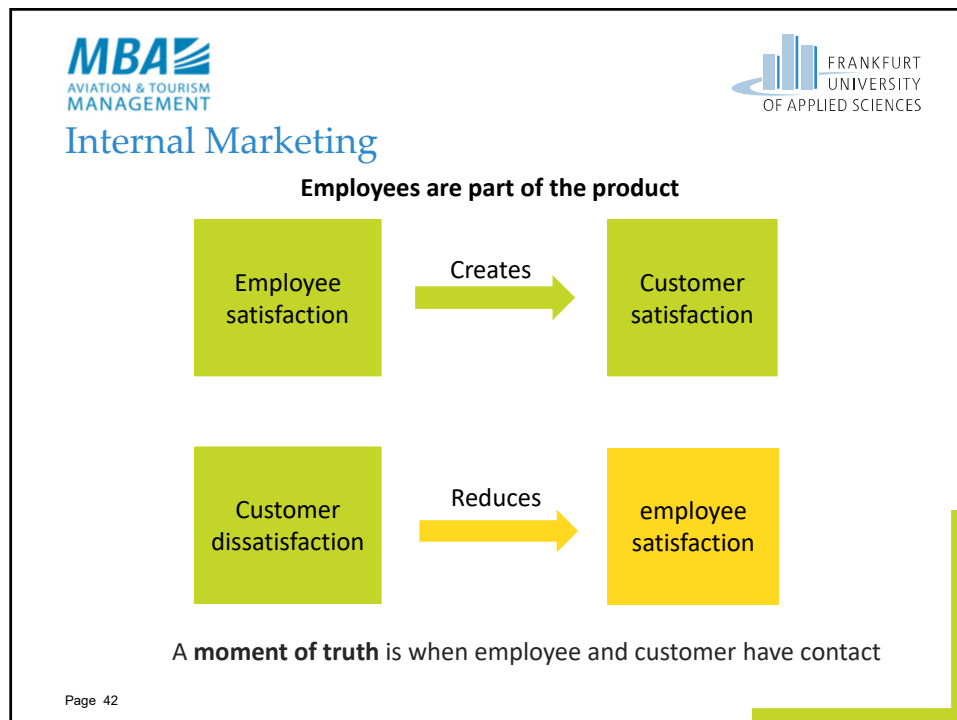
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Internal Marketing Process (1/2)



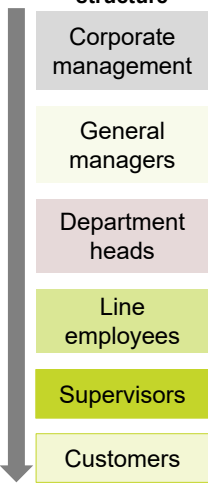
A service culture should be developed:
 is a culture that supports customer service through policies, procedures, reward systems, and actions.

The **organizational chart** should be turned **upside down**. Everyone works to serve **customer needs** and not to please the boss.

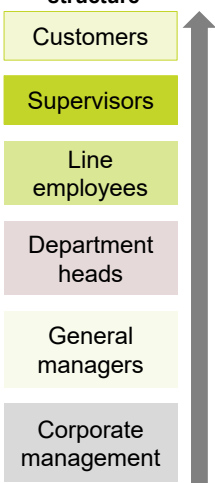
Service culture provides employees with the right attitude, knowledge, and communication skills to deal with **non-routine transactions**.

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Conventional Organizational structure




Service-oriented Organizational structure



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Internal Marketing Process (2/2)




A Marketing Approach to Human Resource Management is important and includes:


- creating jobs that attract good people,
- hiring the right people for the right job,
- stressing teamwork,
- continuous training,
- implementing a reward system.

Dissemination of Marketing Information to Employees: Customer-contact employees need to be aware of about upcoming events, ad campaigns, new promotions, etc.

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Moving from the Product Economy to the Service Economy


	Product Economy	Service Economy	Experience Economy
Driver of Economy	Product	Service	Experience
Economic Function	Make	Deliver	Stage
Role of Company	Manufacturer	Seller	Stager
Role of Consumer	User	Client	Guest
Interaction	B2C	B2C	B2C
Role of Value	Value for money	Value in exchange	Economic Value
	Products are tangible	Services are intangible	Experiences are memorable


1950
1980
1990
ICTs era

Source: Neuhofer and Buhalis (2018)

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The Service Dominant Logic

Consumer has an active role in experience production **by using ICTs**.

Companies facilitate the necessary prerequisites that allow customers to get **involved and co-create** their own value.

Consumer is now an **active co-creator of experience and value**.



Value does not pre-exist in products and services.

Through the use of ICT **collaboration process** occurs between:

- Companies (B2B)
- Companies and Consumers (B2C)
- Consumers (C2C)

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The Co-Creation Journey

Co-creative management
Managers should understand the roles of co-creators in the ecosystem and respond in real time to the changing needs of employees, stakeholders, consumers etc.

Employee Experience
Firm should enhance employee experience within organization through engagement with other employees, consumers and stakeholders.

Customer Experience
Employees and consumers work closely to co-create sophisticated products.

Source: Ramaswamy, 2009

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4. Marketing Environment



Objectives:

- Outline elements of a company's micro-environment
- Highlight the role of macro-environment forces
- Introduce the role of ICTs in tourism

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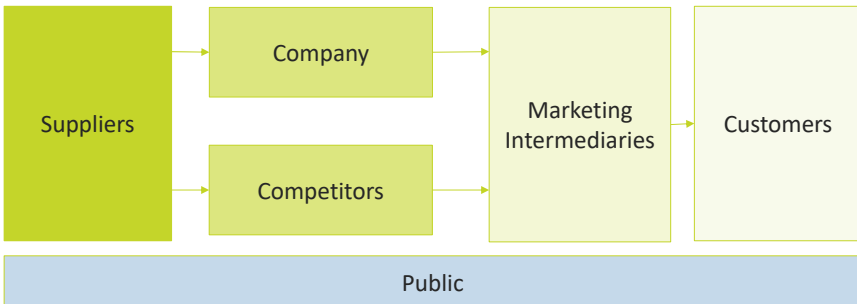
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Microeconomic environment

The microenvironment consists of factors close to the company that affect its ability to serve its customers.

Major Actors



```
graph LR; S[Suppliers] --> Co[Company]; C[Competitors] --> Co; Co --> MI[Marketing Intermediaries]; MI --> Cu[Customers]; P[Public] --- Co; P --- MI; P --- Cu;
```

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Source: Kotler et. al. (2017)

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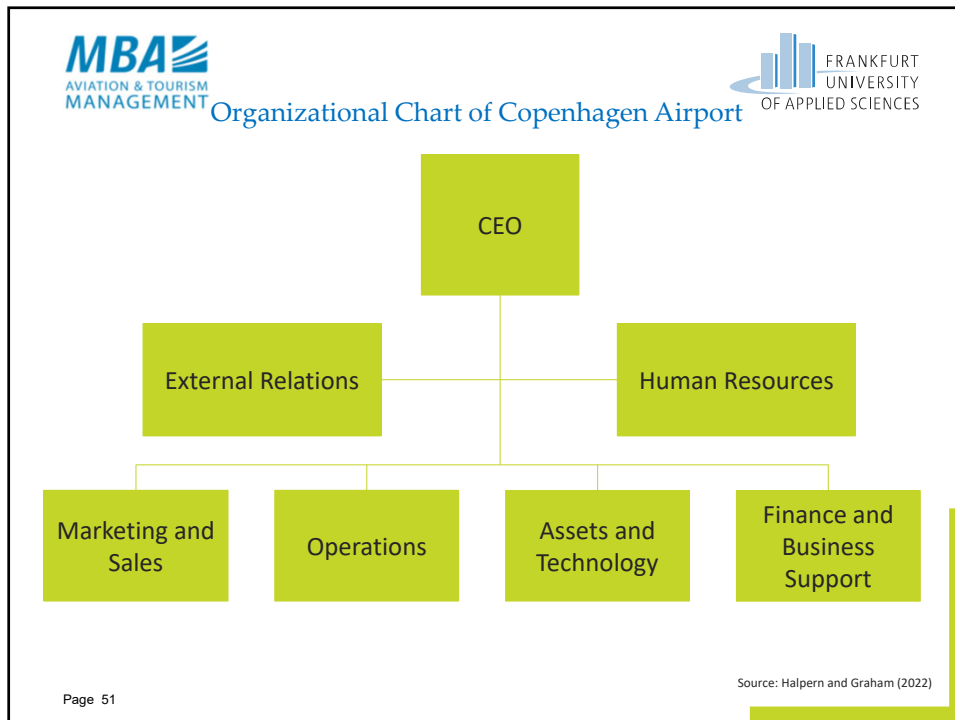


Principles of Hotel Marketing

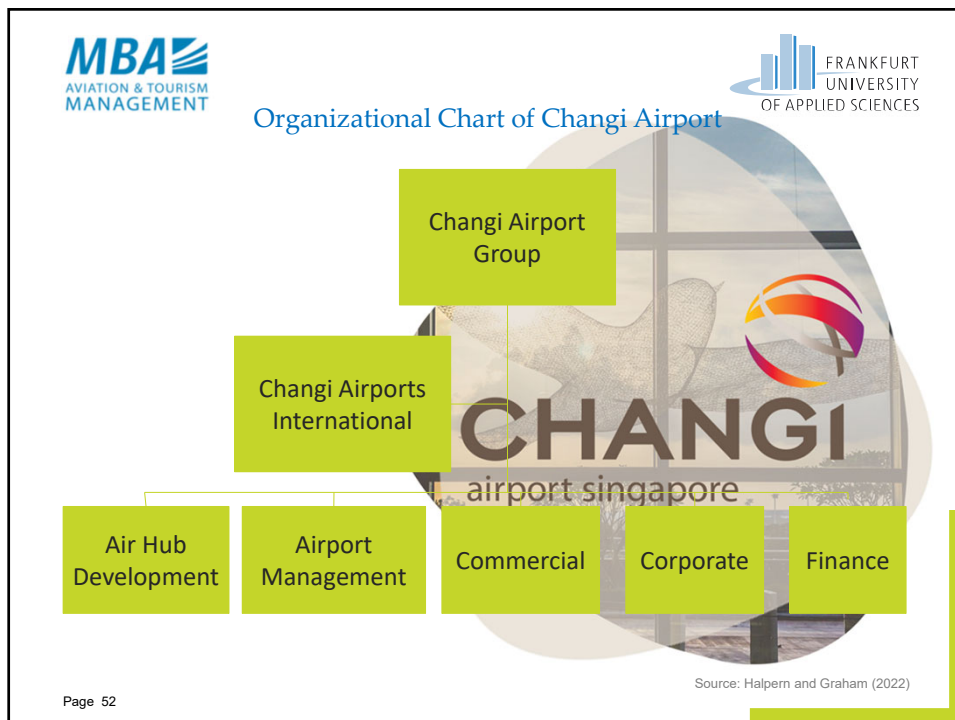
- Marketing managers must work closely with top management and the various company departments.
- Top management sets the company mission, broad strategies, objectives, and policies.
- Marketing decisions must be made within the strategies and plans made by top management.
- The **finance department** is concerned with finding & using funds required to carry out the marketing plan.
- **Accounting** has to measure revenues & costs to help marketing know how well it is achieving objectives.
- **Housekeeping** is responsible for delivering clean rooms sold by the sales department.

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Existing Competitors

The marketing concept that holds a successful company must satisfy the needs and wants of consumers better than its competitors.

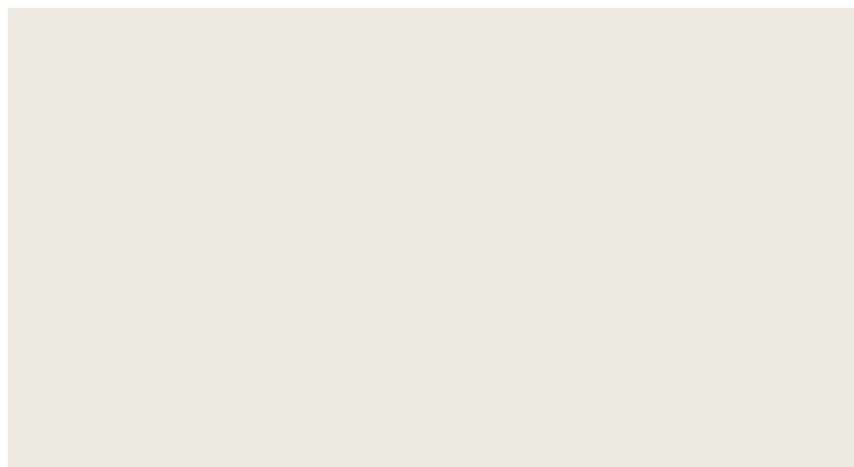
A company should monitor three variables when analyzing each of its competitors:

- **share of market:** The competitors' share of the target market.
- **share of mind:** The percentage of customers who named the competitor in responding to the statement: Name the first company that comes to mind in this industry.
- **share of heart:** The percentage of customers who named the competitor in responding to the statement: Name the company from whom you would prefer to buy the product.

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Video: Tourism in Australia



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Existing Competitors

Every company faces four levels of competitors:

Product form competition: A company can view its competitors as other companies offering similar products & services to the same customers at a similar price.

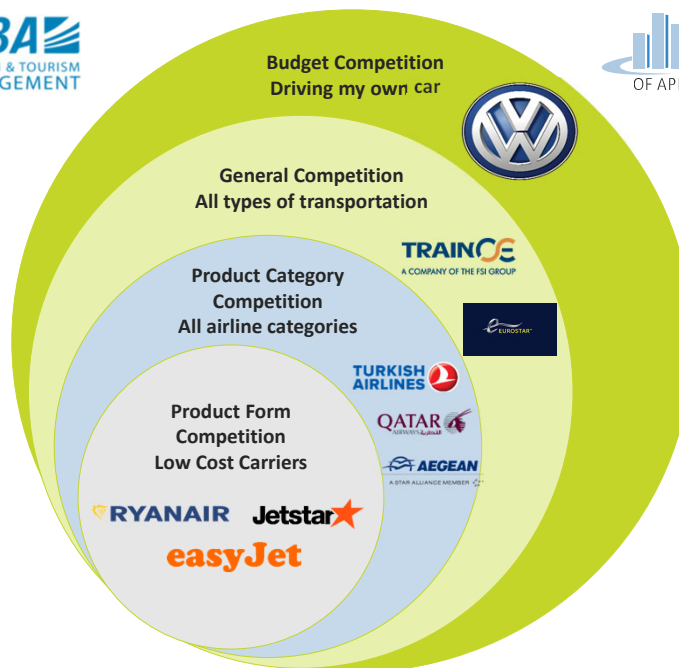
Product category competition: A company can see its competitors as all companies making the same product or class of products.

General competition: A company can see its competitors more broadly as all companies supplying the same service.

Budget competition: A company can see its competition even more broadly as all companies that compete for the same consumer dollars.

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Suppliers

Suppliers are firms & individuals providing resources needed by the company to produce goods & services.

Examples:

Airlines

↔

Airports

Air Traffic Control

Fuel Suppliers


Ground Handlers

Aircraft Manufacturers


Global Distribution Systems

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Airport Services	Humberside Airport	East Midlands Airport
Passenger search	In-house	Outsourced
Hold baggage	In-house	Outsourced
Access control	In-house	Outsourced
Trolley circulation	In-house	In-house
Fire Service	In-house	In-house
Car park operations	In-house	Outsourced
Cleaning	In-house	Outsourced
Passenger Handling	In-house	Outsourced
Baggage Handling	In-house	Outsourced
Freight Handling	In-house	Outsourced
Fuel Supply	In-house	Outsourced
Air traffic Control	In-house	In-house

Page 58 Source: Halpern and Graham (2022)

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Marketing Intermediaries

- **Marketing intermediaries** help the company **promote, sell, and distribute** its goods to the final buyers. Some hotel intermediaries are **travel agents, wholesale tour operators** and **hotel representatives**.
Can indirectly be considered as **airport intermediaries**
- **Marketing services agencies** are suppliers that help **formulate & implement marketing strategy & tactics**. These include **public relations agencies, advertising agencies** and **direct mail houses**.
- **Financial intermediaries** are **banks, insurance and credit companies** and firms that help hospitality companies finance transactions or insure risks.

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Intermediaries Promoting Airports (1/2)


The screenshot displays the homepage of the anna.aero website, which is dedicated to online network news and analysis. The header features the anna.aero logo and navigation links such as ROUTE SHOP, NEWS, and AIRPORTS. Below the header, there are several featured articles and news items. One article highlights 'UK airports and 'hard Brexit' - Stansted and Liverpool most exposed', another mentions 'Frontier Airlines bolsters Austin network with announcement of 14 more domestic routes', and a third discusses 'On-time performance results for airline and airports'. The website also includes a search bar and social media links.

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Intermediaries Promoting Airports (2/2)


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Customers



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Customers are individuals or firms that buy goods and services an organization produces to satisfy their needs and requirements.

Source: Halpern and Graham, 2013


Hospitality Consumer Types:

- Individual travelers** traveling for leisure, medical needs & gatherings like reunions and weddings.
- Business travelers** traveling to represent their company
- Group meetings** the company or organization may conduct or arrange




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Publics or Stakeholders

A public is any group that has an actual or potential interest in or impact on an organization's ability to achieve its objectives.

- **Financial publics:** Banks, investment houses, and stock holders are the major financial publics.
- **Media publics:** Newspapers, magazines, and radio & TV.
- **Government publics:** Government departments, agencies etc.
- **General public:** A company needs to be concerned about the general public's attitude to its products & activities.
- **Citizen-action publics:** consumer organizations, environmental groups, pressure groups etc.
- **Local publics:** neighborhood residents & community organizations.
- **Internal publics:** include workers, managers, volunteers, and the board of directors.

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Stakeholders at Heathrow Airport

Stakeholder Group	Stakeholders
Aviation industry	Include airports, airlines, aircraft and engine manufacturers and air navigation service providers (such as NATS in the UK).
Customers	Include passengers, airlines, retailers and other tenants.
Employees	Include staff that work for the airport, Heathrow Express and other businesses.
Government	The government plays an important role in shaping the business through legislation and policy setting.
Local communities	Include those people affected by airport operations, including those employed at the airport.
NGOs	Include community groups and national organizations often taking a particular interest in environmental issues.
Regulators	Include Civil Aviation Authorities and Competition Authorities
Suppliers	Include companies that supply goods and services needed to operate the airport.

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Macroeconomic Environment

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The company and all of the other actors operate in a larger macro-environment of forces that shape opportunities and pose threats to the company.

The diagram illustrates the Macroeconomic Environment as a semi-circle composed of seven segments, each representing a different force: Competitive forces (teal), Demographic forces (purple), Economic forces (yellow), Natural forces (blue), Technological forces (light blue), Political forces (red), and Cultural forces (grey). In the center of this semi-circle is a yellow semi-circle labeled 'Company'. Double-headed arrows connect the 'Company' to each of the seven macro-environmental forces, indicating a two-way relationship.

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Source: Kotler et. al. (2017)

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Future Competitors as Part of the Macroenvironment


Two forces that affect the competition are the distinct **abilities of companies to enter and exit markets.**


- **entry barriers** prevent firms from **getting into a business.**
Hotels have moderately **high barriers of entry**, due to costs of building a hotel & scarcity of good locations.
- **barriers to exit** prevent them from **leaving.**
Hotels that cannot meet their debt payments, taxes, and other fixed costs, but can produce enough gross profit to partially offset these fixed costs, may operate at a loss rather than close their doors.

The illustration shows several stylized human figures in various colors (grey, orange, black) running on a track. The track is composed of several parallel lines, and the runners are positioned at different points along it, suggesting a race or competition.

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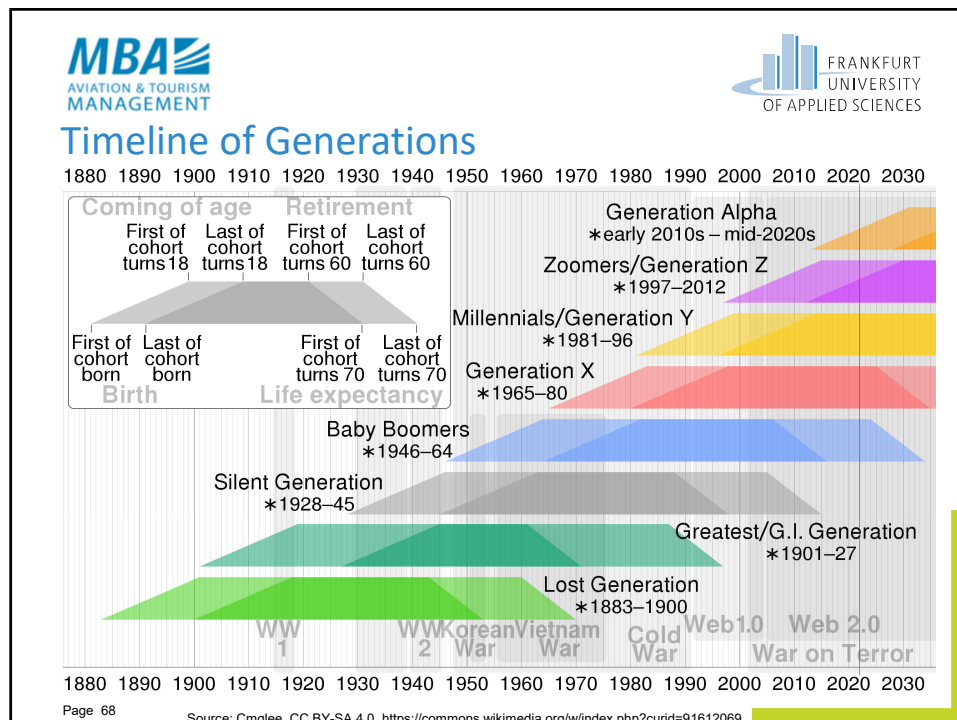


Demographic Environment

- Demography is the study of human populations in terms of size, density, location, age, gender, race, occupation, and other statistics.
- The demographic environment is of major interest to marketers because it **involves people, and people make up markets**
- Marketers keep track of demographic trends and developments in their markets at both home and abroad.**

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Age Structure of the population



Born between 1946-1964

Spend about \$2.3 trillion annually.

Reach **peak earning and spending years**, the boomers are a lucrative market for eating out, travel and entertainment, spas & other leisure activities.

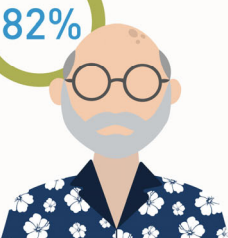
According to the Travel Industry Association of America, half of all U.S. adults took adventure vacations within the past five years.
 –some 56% of these travelers were boomers

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MARKETING

TO BABY BOOMERS




82% of Boomer travel is leisure-focused, compared to other generations that often travel for business¹

- Adults aged 50+ account for 80% of all luxury travel spending²
- 4 out of 5 Baby Boomers belong to at least one social networking site, with Facebook being the most popular choice³
- In the planning phase, 1/3 of Boomers search online, 1/3 rely on DMQ websites, and 1/5 use visitors guides⁴
- 26% of Boomers say they will take domestic multi-generational trips (with three or more generations traveling together) this year⁵
- Online reviews influence 55% of Boomers when choosing travel accommodations⁶
- Only half of Boomers book travel online—41% use laptops and 9% use smart phones⁷




Sources:
¹ Schumann Public, ZAAWP
² PricewaterhouseCoopers, American Life Project
³ DMQ, 5. Statista, 6. TripAdvisor, 7. AdWeek

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Generation X



Born between **1965 -1980**

Age Structure of the population


Having grown up during times of recession and corporate downsizing, **they developed a more cautious economic outlook.**

They care about the environment and respond favorably to socially responsible companies.

They have brought us the **quality movement** and enjoy menus **combining familiar with unique.**

They look for something **different** in vacations, which means they **spend more than boomers.**

They are notoriously uncomfortable with **generic global brands and demand alternative brands** to those patronized by their parents, the baby boomers.



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MARKETING TO GENERATION X

81% of Generation X can be found on Facebook and 5.9 million have Snapchat accounts

Over 1.5 billion video views per day on YouTube come from Gen Xers' **1,500,000,000+**

On average, Generation X spends almost 7 hours per week on social media sites—that's almost an hour more than the Millennials'

Family friendly destinations are the top choice for Gen X'

2 out of 3 Gen Xers consider themselves food and cuisine driven travelers'

82% of Gen Xers book their trips online'


The ease of making changes to travel plans is important to **97%** of Gen Xers—a much higher percentage than other generations'

maddenmedia connecting people to places


Sources: Expedia, Zillow, iStockphoto, Shutterstock, iStockphoto, iStockphoto

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Generation Y - Millennials




Age Structure of the population

Born between **1981 and 1996**

Younger Millennials are just beginning to wield their buying power, while older ones have graduated from college and moving up in their careers.

One thing all of the Millennials have in common is their utter **fluency and comfort with computer, digital, and Internet technology**.

Each Millennial segment constitutes a huge and attractive market.



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MARKETING

TO MILLENNIALS

84% of millennials don't trust traditional advertising—but they are **247%** more likely to be influenced by blogs or social media¹

97% of millennials post on social networks while traveling—**3 in 4** post at least once a day while traveling²

Millennials spend **48%** more time watching videos online compared to the average internet user³



57% of millennials visit sponsored content—but only if it's interesting⁴

Millennials account for more than **7 out of 10** Snapchat users⁵


77% of millennials participate in loyalty reward programs—and they are the most likely to prefer the elite status and benefits of travel rewards programs compared to previous generations⁶

90% of millennials are on Facebook⁷


maddenmedia

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AVIATION & TOURISM
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Marketing to Generation Z (born between 1997 and 2012)


Sell experiences, not products
Video, video, video
Rethink that major influencer campaign
Engage with customers and Highlight your dedication to privacy




GREW UP DURING
AN ECONOMIC BOOM




TEND TO BE IDEALISTIC




FOCUSED ON HAVING
EXPERIENCES



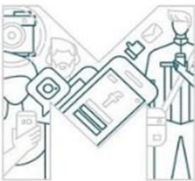
MOBILE PIONEERS



PREFER BRANDS THAT
SHARE THEIR VALUES



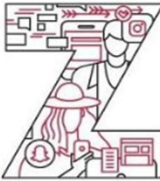
PREFER FACEBOOK
& INSTAGRAM



MILLENNIALS

Born between about
1980 & 1996


B MOST WERE RAISED BY
BABY BOOMERS




GENERATION Z

Born between about
1997 & 2010s


X MOST WERE RAISED BY
GEN XERS




GREW UP DURING
A RECESSION




TEND TO BE PRAGMATIC




FOCUSED ON
SAVING MONEY



MOBILE NATIVES




PREFER BRANDS THAT
FEEL AUTHENTIC




PREFER SNAPCHAT
& INSTAGRAM

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Video: A Kayaker's Solo Adventure In India


With over 8 million subscribers on its YouTube channel, Red Bull has several playlists, including a series called Red Bull Travel Vlogs. Collaborating with vloggers, Red Bull regularly posts active lifestyle videos with everything from skydiving over Lake Tahoe to base jumping the Italian Alps.

Let's watch the video:
https://www.youtube.com/watch?time_continue=30&v=Z_O2_M1E7e4&feature=emb_logo

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Generation Marketing

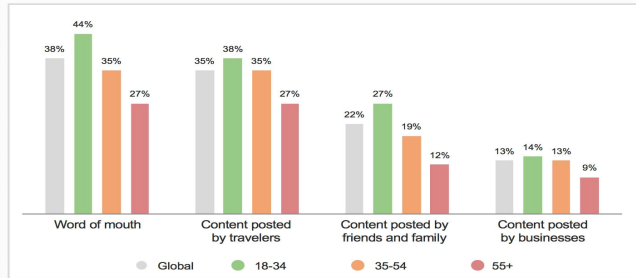


One-way marketers can segment is by forming precise age-specific segments within each group.

Younger generations use more social channels to select their destination

- Both face-to-face and digital word of mouth are particularly influential for younger travelers
- Fewer 18-24s use guide books

What sources of information did you use when deciding on the destination of your trip?





Age Group	Percentage
18-24	28%
25-34	33%
35-49	32%
50-64	34%
65+	36%

Source: Tripadvisor, 2016

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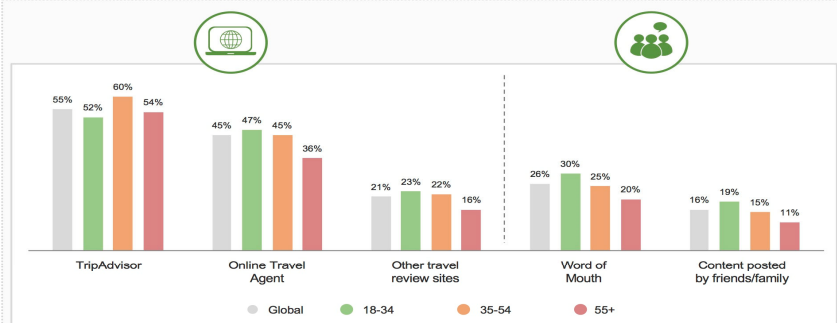
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Online dominates when selecting accommodation

Younger travelers use a wider array of channels when choosing accommodation, whereas older travelers use other travel websites less and have a greater reliance on TripAdvisor




CQ12. Which of the following sources of information, if any, did you use to plan your most recent trip?
Base: All respondents (36,444); Age Groups: 18-34 (7,173), 35-54 (16,540), 55+ (12,731)

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Increasing Diversity



Marketers face increasingly diverse markets as operations become international in scope.

Examples of diversities:

- National and cultural heterogeneity
- Disabled People
- Lesbian, Gay, Bisexual and transgender population.


Further Reading







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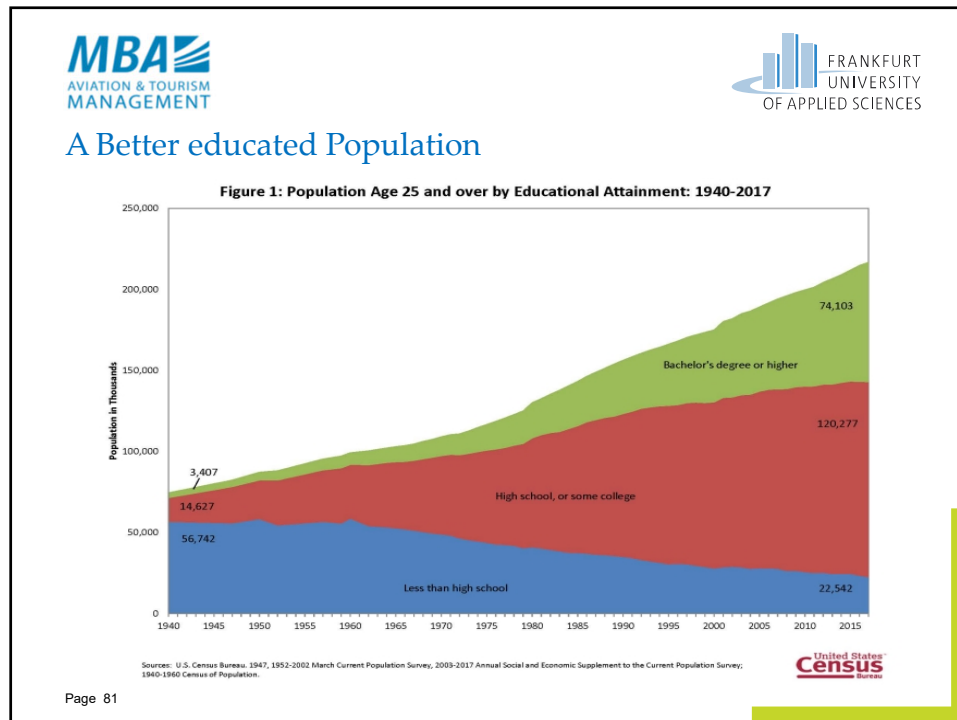


Video: What do you Travel For?



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Economic Environment (2/4)

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OUR TRAVEL TIES: AT A GLANCE

Gross value added (GVA)

- UK trips to the EU generate more than **€115bn** in GVA for EU member state economies, and more than **€37bn** in aggregate or indirect impacts.
- Over half of all GVA from tourism in the EU goes directly to employees through wages.

Spending

- 58% of UK outbound spending goes to EU countries.

Businesses

- UK travellers support over **440,000** businesses across the EU.

Jobs

- Outbound tourism from the UK directly sustains over **300,000** jobs across the EU, supporting a further **486,000** jobs indirectly through supply chains.

For every €1 spent by UK travellers, **€0.58** is added value to the economy of the host country – generating jobs and economic growth.

Source: ABTA

The traffic between the UK and EU is enormous. Our economies benefit significantly from the close links we share, and the direct and indirect spending, job creation and wider-reaching contributions that travel generates.




TOTAL TRIPS

- UK residents made **53m** trips to the EU
- 75%** of UK trips abroad were to EU countries

TOP 10 destinations for UK outbound travellers*

Destination	Number of visits (m)	Nights (m)	Spend (£bn)
1. Spain	14.7	133.6	7.9
2. France	8.5	62.5	3.7
3. Italy	4.1	32.6	2.4
4. Ireland	3.7	17.1	1.2
5. Portugal	2.8	25.1	1.6
6. Netherlands	2.8	11.8	1.0
7. Germany	2.7	15.3	1.0
8. Greece	2.5	26.1	1.6
9. Poland	2.4	25.0	0.8
10. Belgium	1.5	4.9	0.4
EU27 total	53.0	421.8	25.4

*ONS, Travel Trends 2016; International Passenger Survey.



Economic Environment (3/4)

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Foreword


The UK public will soon have an important decision to make: "Should the United Kingdom remain a member of the European Union or leave the European Union?"

As this national discussion unfolds, individuals will approach this question by considering many factors – personal, professional, and economic – before casting their vote.


Harnessing the experience of the ABTA Membership, ABTA and Deloitte have considered what a vote to leave the European Union might mean for UK travel businesses, and the UK travel consumer. No one knows for certain what a post-Brexit UK would look like, as there is much uncertainty as to what settlement might be reached. It is possible, however, to assess how the existing UK relationship with the EU has affected UK travel and the UK travel industry, and what would be the likely impact of a "leave" vote on consumer confidence, expectations, and behaviour, as well as on the industry.

This report's aim is to provide travel businesses and the travel consumer with facts and assessments to help inform the discussion of what a vote to leave the EU might mean for UK travel.

This report also contains an appendix of the most pertinent questions that ABTA and Deloitte believe travel businesses should consider in relation to Brexit.



Mark Tenser
CHIEF EXECUTIVE,
ABTA



Graham Pickett
LEAD PARTNER, TRAVEL,
HOSPITALITY AND LEISURE,
DELOITTE

KEY FINDINGS

- There are strong travel and tourism flows between the UK and EU. The EU is the main destination for UK tourists, and the main source market for overseas tourists coming to the UK. Tourism and travel trade between the UK and EU has been facilitated by the free movement of goods and services, movement and people across the EU. A Brexit could jeopardise this free movement, and affect the flow of trade and travel.
- In the event that the UK votes to leave the EU, there is a high likelihood of a period of uncertainty during the negotiation period immediately following the referendum. This could lead to a replacement set of trading relations and regulations being in place, which could cause severe pain.
- In the event of a Brexit, the ease of doing could be impacted. The extent to which operating from outside the EU would increase costs for the travel industry would depend largely on the agreements the industry would negotiate and the ease at which it could transition to the new arrangements.
- In the event of a Brexit, it is likely that EU-originating regulations that benefit and protect travelling consumers would need to be replaced with parallel UK-originating regulations to ensure that consumer confidence is maintained.
- The travel and tourism sectors employ a significant number of immigrants. Any changes limiting the sector's ability to recruit or employ foreign nationals, including those from the EU, could challenge many travel and hospitality businesses in filling a number of roles, especially given the current levels of UK employment and existing skills shortages.
- The UK travelling consumer could be faced with increased costs. If an exit vote led to a sustained deterioration in the value of sterling, making foreign currency destinations more expensive in sterling. Consumers would also need to cover any additional health insurance costs, should the UK exit the European Health Insurance Card scheme.

Travel between the UK and EU

HOLIDAYS

- 76%** of UK holidays abroad are in EU countries (25.9 million in 2014)
- 63%** of inbound visitors are from EU countries (8.6 million in 2014)

BUSINESS

- 68%** of business visits from the UK are to EU countries (4.6 million in 2014)
- 73%** of business visitors to the UK are from EU countries (6 million in 2014)

Top 5 EU travel destinations and markets

INBOUND VISITS		OUTBOUND VISITS	
from France	3.1 million	to Spain	10.8 million
from Germany	1.4 million	to France	6 million
from Italy	855,000	to Italy	2.1 million
from Spain	680,000	to Portugal	2 million
from the Netherlands	465,000	to Greece	1.7 million


Source: ONS, Travel Trends 2014

Source: ABTA


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Dr Eirini Vlassi and Prof Dr Andreas Papatheodorou
 Email: a.papatheodorou@aegean.gr, Internet: http://www.andreaspapatheodorou.info
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Economic Environment (4/4)



Brexit: Impacts for travel employment

BREXIT IMPACT ON TRAVEL AND TOURISM EMPLOYMENT

The UK economy benefits notably from the employment opportunities the travel and tourism sector offers. In 2016, the sector contributed 8.2 million jobs in total, with 1.8 million people being directly employed in the industry. The contribution is expected to continue to grow.



REGIONAL DEPENDENCY ON MIGRATION WITHIN TRAVEL AND TOURISM

The travel and tourism sector attracts a transient workforce due to the flexible peak in offers. The sector increasingly employs immigrants from the EU Member States given the strong supply of staff with the right skills at competitive prices. The free movement of people facilitates easy and cost-effective hiring processes and helps the sector increase capacity quickly as demand at peak times has ramps up. Some regions have a particularly high dependency on immigrant labour in the sector.

Restrictions on employing EU nationals might thus hinder the sector's ability to serve customers at the standard they expect.

KEY FINDING

The travel and tourism sectors employ a number of immigrants. Any change in the sector's ability to recruit or employ including those from the EU, could have a significant impact on the sector's ability to serve customers at the standard they expect.

Brexit: Impacts on investment and currency

BREXIT IMPACT ON TRAVEL INDUSTRY INVESTMENT

While the correlation between FDI and the EU is difficult to determine, as investment decisions are dependent on various factors including business and regulatory environments, if FDI volumes were to reduce following a Brexit the UK travel sector would not be protected from the impact of the reduction. Decision making by any country investing in the UK could also be delayed as a result of the uncertainties arising from a Brexit, especially in the short to medium term.

CASE STUDY: INWARD INVESTMENT IN THE TRAVEL SECTOR

It is difficult to estimate the total inflow of EU FDI to the UK travel and tourism sector as such statistics are often not available. However, examples of key mergers and acquisitions in the industry provide a flavour of the importance of such investment.

In 2010 an acquisition was made of Airline, a UK based operator of bus, coach, ferry, train and holiday services by Deutsche Bahn, the German transport and logistics company. The deal was worth £1.5 billion and aimed at strengthening Deutsche Bahn's position in Europe by targeting the continent's fast growing and increasingly liberalised transport markets in which Airline already had a foothold.

In 2014, TUI AG, the German travel company, and TUI Travel Plc merged to create the world's largest travel and leisure company, TUI Group. In a recent interview the former CEO of TUI AG, Peter Brugg, stated they would not have 'created a new European company, but we had been in Europe. The complexities of two cross-border mergers [mean it would not have happened]'.

While Brexit could directly impact EU to UK FDI, it could also have an indirect effect on FDI from outside Europe. Given increased uncertainty over regulations and future trade relationships, the risk of business disruption could also impact investment by other key FDI source markets. These include the US, China and the Middle East, that have recently funnelled significant investments in the UK travel sector.

THE CURRENCY EFFECT

Some institutional analysis have recently re-evaluated their prior forecasts for sterling, given the intensifying debate around Brexit. In January 2016, JP Morgan cut its sterling to dollar exchange rate forecast to 1.32 from 1.45 and the euro to sterling rate has been revised to 0.78 from 0.71. In a similar move, Credit Suisse has also revised its three and twelve month forecasts for sterling to -5.8% and -8.2% against the dollar, and -10.0% and -8.7% respectively against the euro, stating the fear of Brexit as one of the three major reasons for the devaluation.

While a weaker sterling might be beneficial for the UK in terms of its overall export attractiveness, as a net importer from the EU it would impact the price of imported goods in the UK. If the weakening is notable and prolonged, it could have an inflationary impact on the UK economy.

Source: ABTA





Natural Environment (1/2)

The natural environment involves **natural resources needed as inputs by marketers** or that are **affected by marketing activities**.

Marketers should be aware of several trends in the natural environment like:


- growing **shortages of raw materials**
- increased **pollution**, as industry almost always damages the natural environment
- increased **government intervention in natural resource management**.

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Natural Environment (2/2)



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"The main impacts of climate change on the Greek islands include decreased water availability with lower precipitation levels, higher land and sea temperatures, sea level rise, reduced crop yields, increased risks of drought, biodiversity loss, higher incidence of forest fires, and increased frequency and intensity of heat waves. The expected additional stress on water resources in the face of climate change coupled with rising demand for water from multiple users (agriculture, tourism, households) is a critical challenge facing the Greek islands..... the cumulative cost of climate change for drinking water supply has been estimated for Greece as between 0.9 % of GDP to 1.3% of GDP for the period 2041-2050."

Source: Institute for European Environmental Policy, 2013



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Technological Environment

The most dramatic force shaping our destiny is technology.
 Products taken for **granted today** were **uncommon or simply did not exist thirty years ago** (cell phones, copiers, fast-food chains, personal computers, jet airplanes, all-suite hotels, and DVD players)



Category	Value	vs. Population
TOTAL POPULATION	7.91 BILLION	57.0%
UNIQUE MOBILE PHONE USERS	5.31 BILLION	67.1%
INTERNET USERS	4.95 BILLION	62.5%
ACTIVE SOCIAL MEDIA USERS	4.62 BILLION	58.4%

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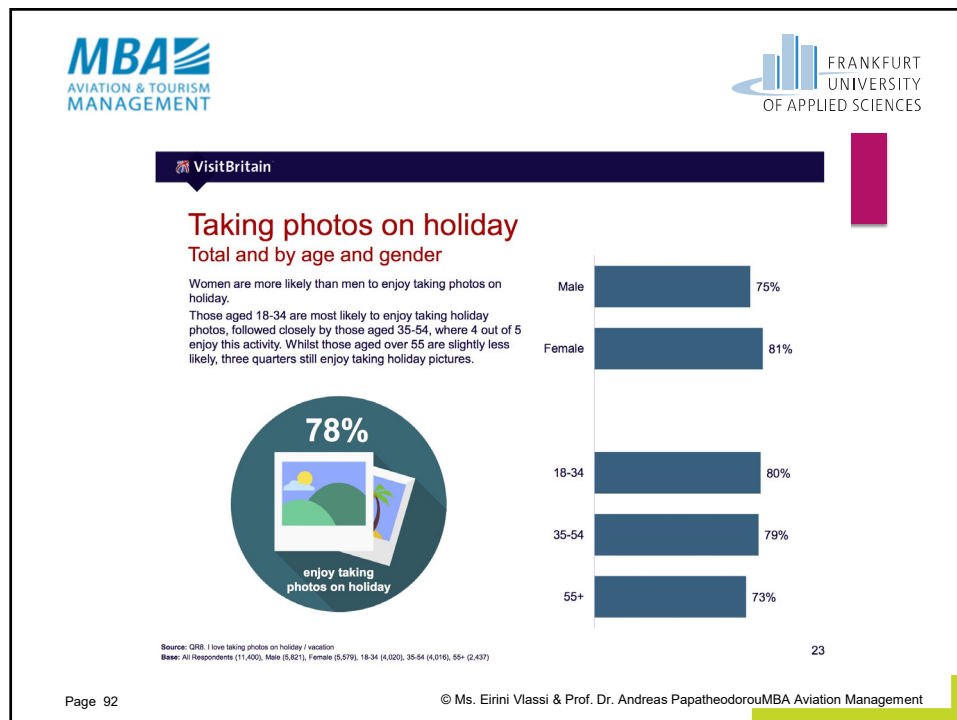
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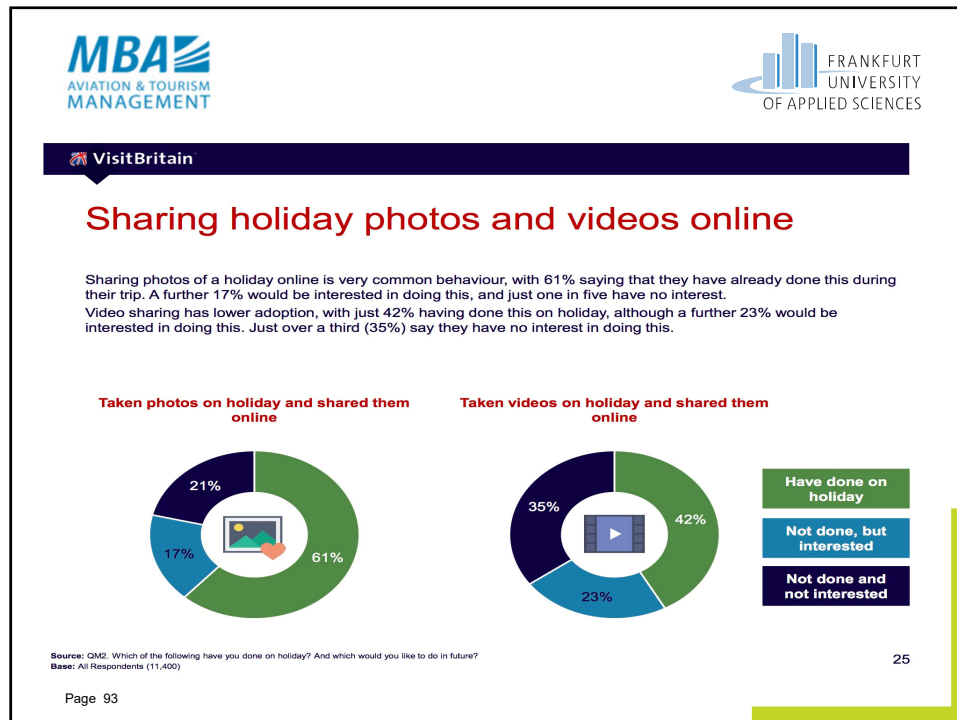
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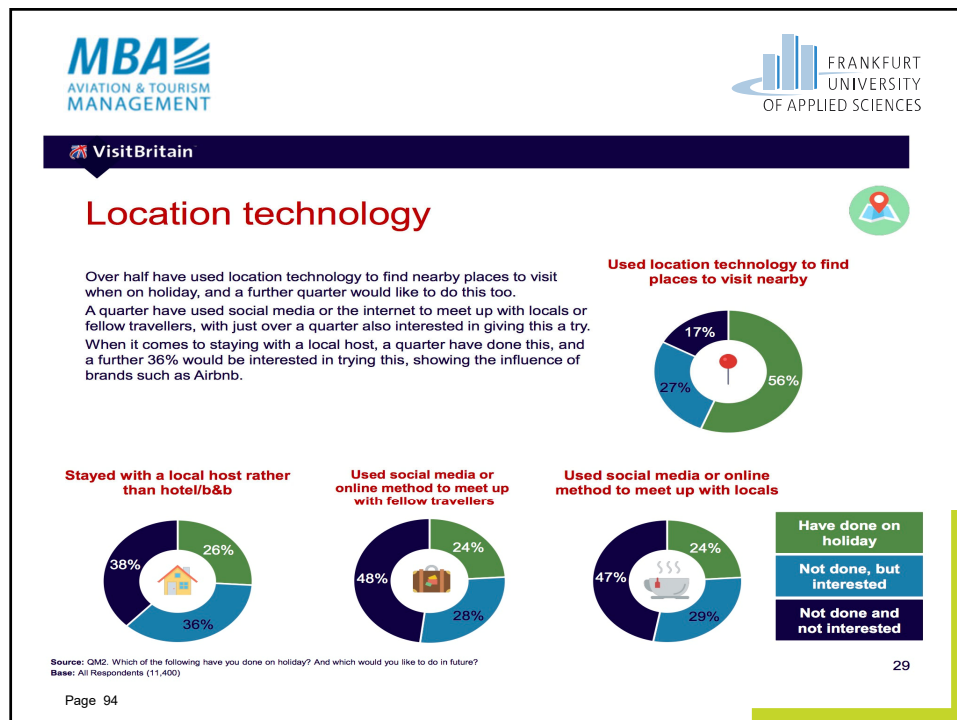
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Information and Communication Technologies



Pillar 5: ICT Readiness

- 5.01 ICT use for business-to-business transactions²
- 5.02 Internet use for business-to-consumer transactions²
- 5.03 Individuals using the internet*
- 5.04 Broadband internet subscribers*
- 5.05 Mobile telephone subscriptions*
- 5.06 Mobile broadband subscriptions*
- 5.07 Mobile network coverage*
- 5.08 Quality of electricity supply

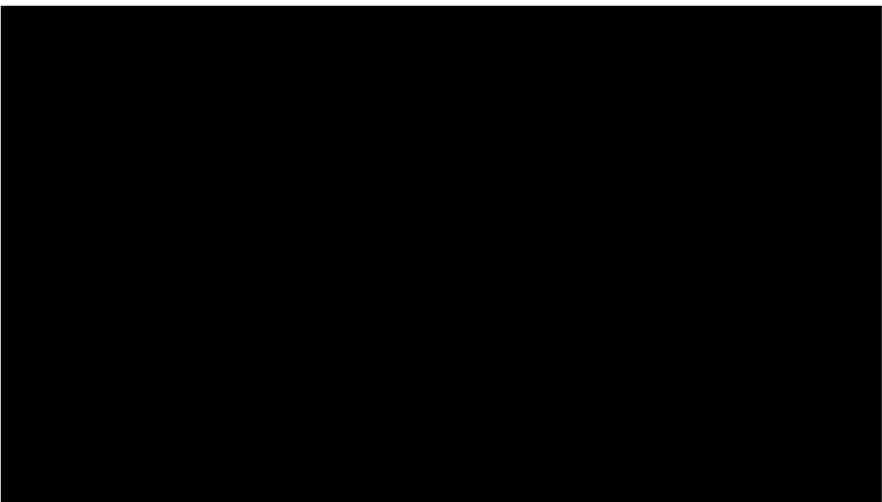
← **WEF Travel and Tourism Competitiveness Index**

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Video: Tourism Australia



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Political and Legal Environment

Marketing decisions are strongly affected by **developments in the political environment**.



Greece Overnight Stay
Tax:

The institutional framework (legislation and regulation) affecting business has been enacted for three reasons:

- First, it **protects companies** from each other.
- Second, it aims **to protect consumers** from unfair business practices.
- Third, regulation also aims **to protect society's** interests against unrestrained business behavior.

UNESCO Decision concerning Venice:



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Beyond written Laws and Regulations there are Social Codes and Rules of Professional Ethics

“Waste management and recycling

We aim to reduce the amount of waste that has to go to landfill and we have a goal to recycle 50% of waste by 2020 at our main bases in Heathrow and Gatwick.

Non-recyclable waste from Heathrow and Gatwick is processed through a waste-to-energy plant. We also reuse as many materials as we possibly can including office furniture, computer and communications equipment.

We recycle as much on board waste as is allowed within the constraints of environmental and legislative rules. Working with our catering partners we are constantly attempting to reduce the amount of catering waste produced from flights.”

British Airways, 2018

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Cultural Environment

The cultural environment includes **institutions and other forces** that affect a **society's basic values, perceptions, preferences, and behaviors**.

Core beliefs and values are passed on from parents to children and are reinforced by schools, churches, business, and government.

Secondary beliefs and values, however, are more open to change.

Marketers have some chance of changing secondary values but little chance of changing core values.

Each society contains **subcultures, groups of people with shared value systems based on common life experiences or situations** (teenagers and working women are all separate subcultures who share common beliefs, preferences & behaviors)

To the extent that subcultural groups have specific wants and buying behavior, marketers can choose subcultures as their target markets.

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Environmental Scanning

Use of an environmental scanning plan has proven beneficial to many hospitality companies. The steps are:

- determine **the environmental areas to be monitored**
- determine **how the information will be collected**, including information sources, frequency & who will be responsible
- **implement the data collection plan**
- **analyze the data & use them** in the market planning process

Part of the analysis is weighing importance of trends to keep them in proper perspective.

Information must be reliable, timely & used in decision making

Researchers must put less emphasis on data & more on the interpretation of those data.

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5. Consumer Behavior


Objectives:

- Outline and explain the factors influencing consumer's behavior
- Discuss consumer decision-making process
- Highlight the role of ICTs in the consumer decision-making process

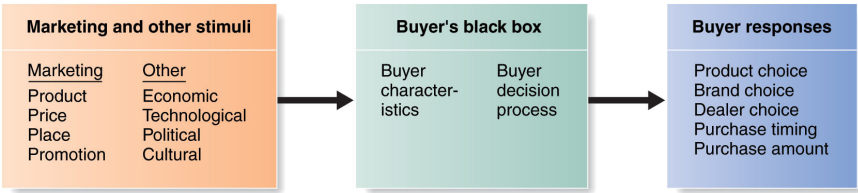
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Consumer Behavior Model




```

graph LR
    A["Marketing and other stimuli  
Marketing: Product, Price, Place, Promotion  
Other: Economic, Technological, Political, Cultural"] --> B["Buyer's black box  
Buyer characteristics, Buyer decision process"]
    B --> C["Buyer responses  
Product choice, Brand choice, Dealer choice, Purchase timing, Purchase amount"]
        
```


It is important for marketers to understand how stimuli change into responses

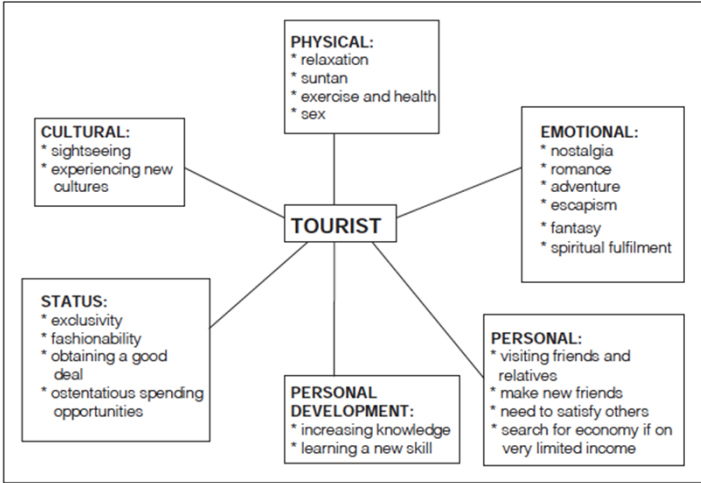
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Source: Kotler, Bowen and Makens (2014)

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A typology of motivators in tourism






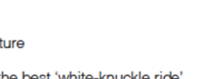
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Swarbrooke and Horner 2021

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Motivators and different types of visitor attractions



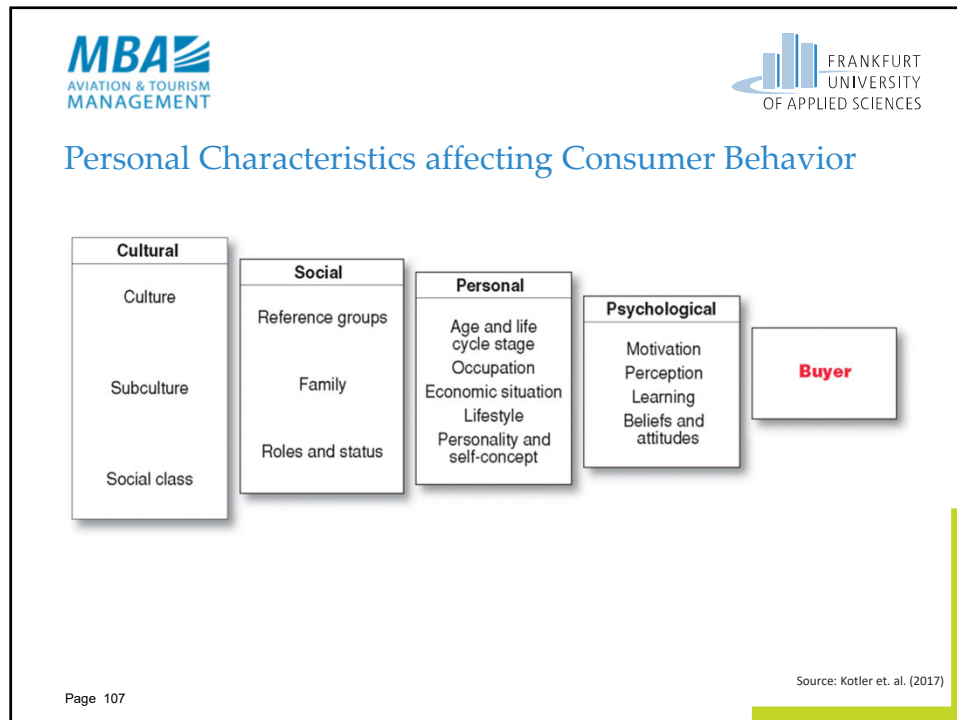


Theme park	<ul style="list-style-type: none"> - excitement - risk and adventure - escapism - status if it has the best 'white-knuckle ride'
Museum	<ul style="list-style-type: none"> - learn something new - nostalgia - status if internationally famous
Art gallery	<ul style="list-style-type: none"> - aesthetic pleasure - relaxation - pursue special interest in art - status, if seeing world famous paintings
Leisure shopping complex	<ul style="list-style-type: none"> - escapism - search for a bargain - status, if buying designer label product
Golf course	<ul style="list-style-type: none"> - exercise - make new friends - status, if it is a prestigious course

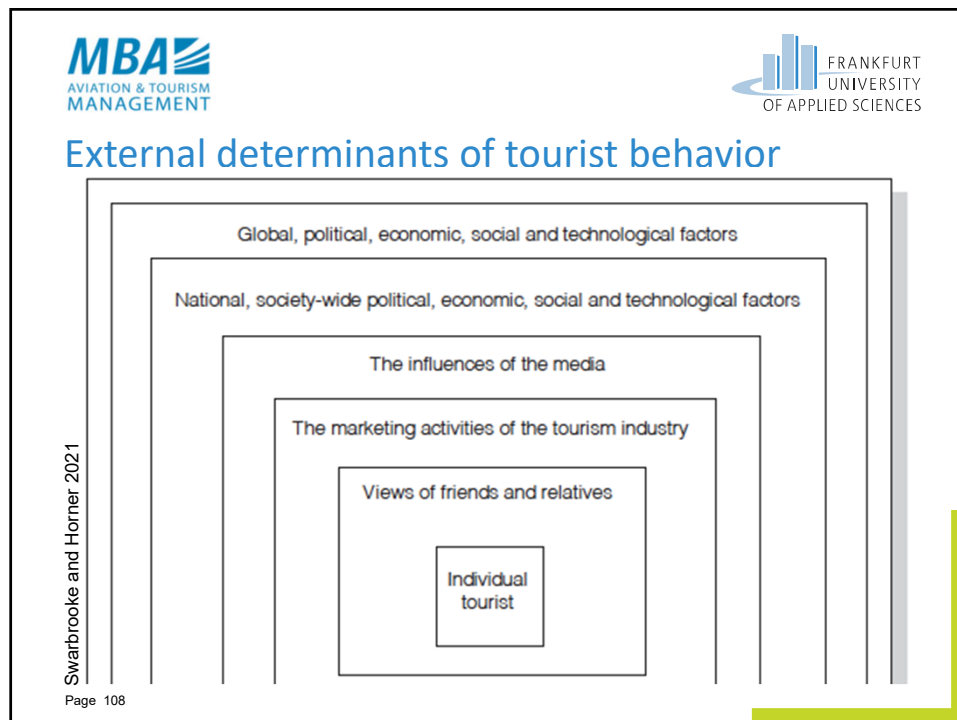
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Swarbrooke and Horner 2021

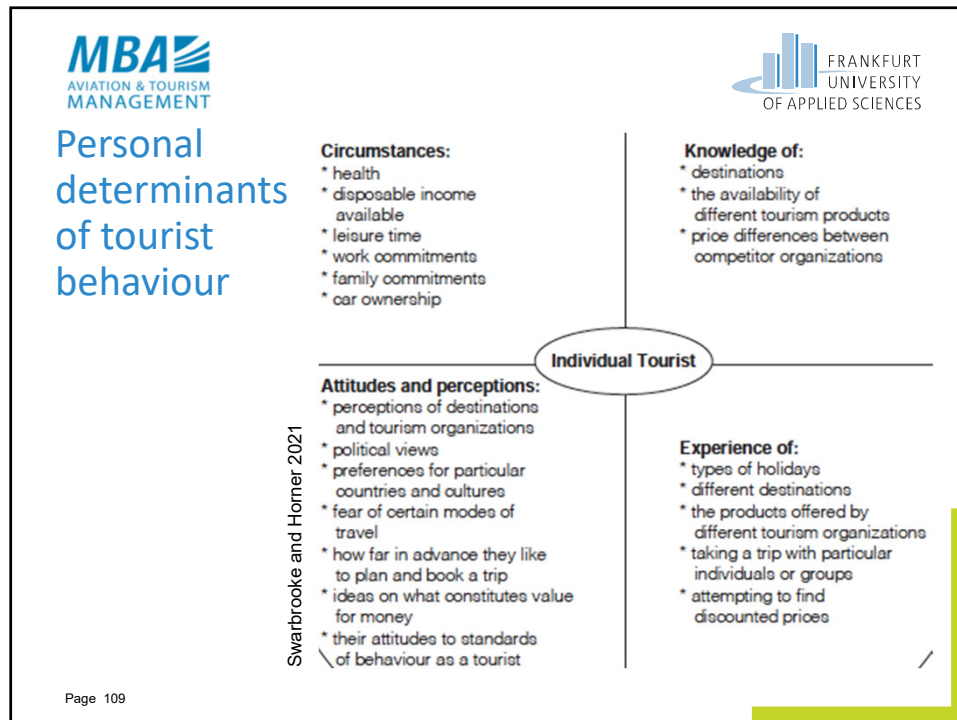
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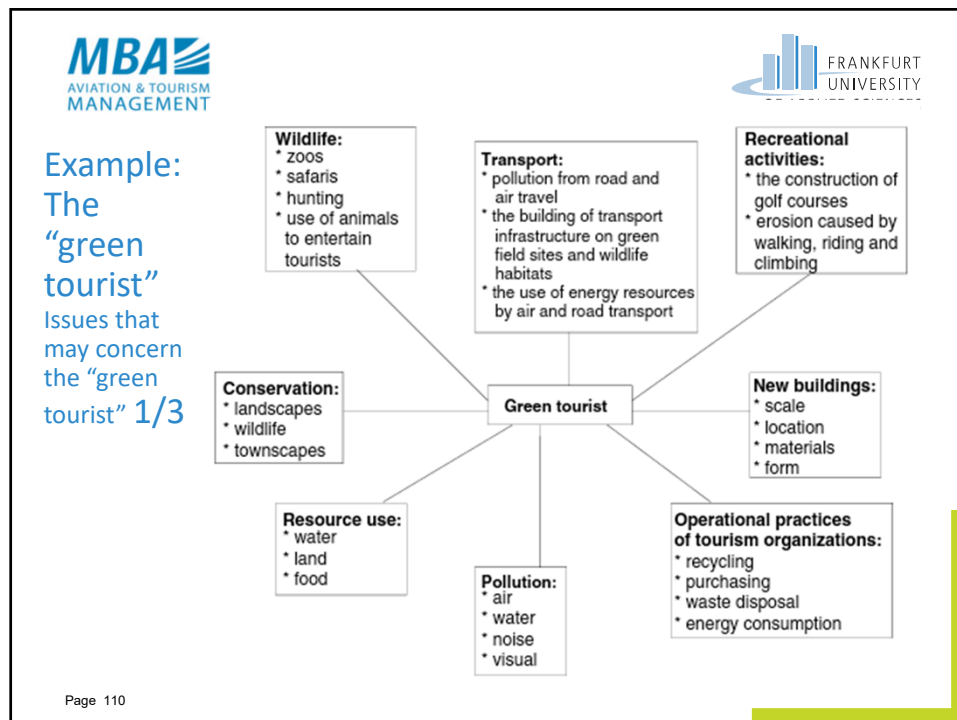
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The motivation of the “Green Tourist” 2/3

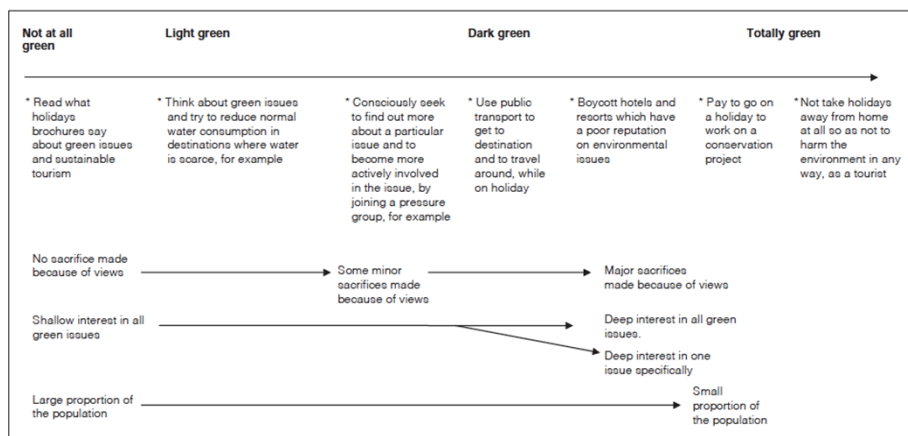
- The need to protect the environment
- A desire to feel good about his/her behaviour as a tourist
- A wish to improve his/her image among his/her friends



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Consumer Behaviour and the “shades of green” 3/3



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National & Cultural Characteristics



Culture: is the most basic determinant of a person's wants and behavior. It comprises the **basic values, perceptions, wants and behavior that a person learns in a society.**

 *(The greater concern about health and fitness resulted in menu changes in restaurants)* 



Read about social classes of Britain.



Social Class: are relatively permanent and ordered divisions in a society whose members share similar values, interests, and behaviors. **In some nations indicators of social class can be income, education, wealth etc. In other nations social class is something into which one is born.**



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Social Factors



Consumers' Groups

- Membership groups: groups with direct influence on a person's behavior.
 - primary groups like family and friends and secondary groups (more formal) like professional groups, trade unions)
- Reference groups: direct or indirect points of comparison or reference
 - Aspirational groups (groups to which they do not belong but they want to)
 - Opinion leaders (people within a reference group who due to their skills, knowledge, personality etc. have social influence on others)
- Online Social Networks


Family


Social Roles and Status

- **Role** consists of activities that a person is expected to perform (daughter, wife etc.)
- **Status** is the general esteem given to a role by society. People choose products to show their status.

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Personal Factors



Age and Life-Cycle Stage

Occupation

Economic Situation


Lifestyle is a person's pattern of living as expressed in his or her activities, interests, and opinions


Personality is a person's distinguishing psychological characteristics that lead to relatively consistent and enduring responses to his or her environment

Self-Concept is the complex mental pictures people have of themselves, also known as self-image.

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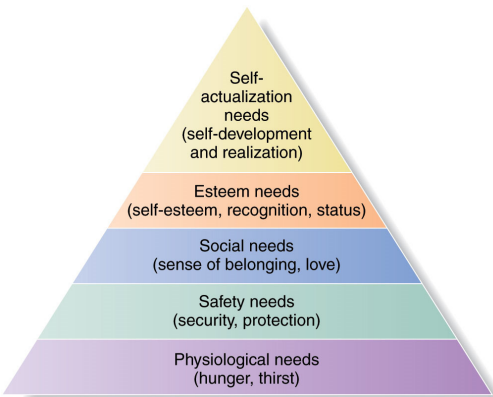

Psychological Factors (1/3)



Motivation
Needs become motives when they arise to a certain level of intention.
Psychological theories of human motivation:



Maslow's Theory of Motivation:
Sought to explain why people are driven by particular needs at particular times

Herzberg's Theory: A two-factor theory that distinguishes dissatisfiers (factors that cause dissatisfaction) and satisfiers (factors that cause satisfaction)



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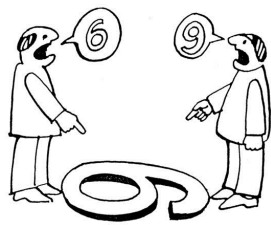
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Psychological Factors (2/3)

Perception

A motivated person is ready to act but his/her actions will be influenced by his/her perceptions of the situation. In the same situation two people with the same motivation can act differently.





People can emerge with different perceptions of the same object because of the three perceptual processes:

- Selective Attention:** Consumers are constantly bombarded with information and will screen out stimuli
- Selective Distortion:** Messages do not always come across in the same way the sender intended. There is a tendency to twist information into personal meanings and interpret information in a way that fit our preconception.
- Selective Retention:** People will forget much of what they have learnt but they will end to retain information that supports their attitudes and beliefs

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Psychological Factors (3/3)

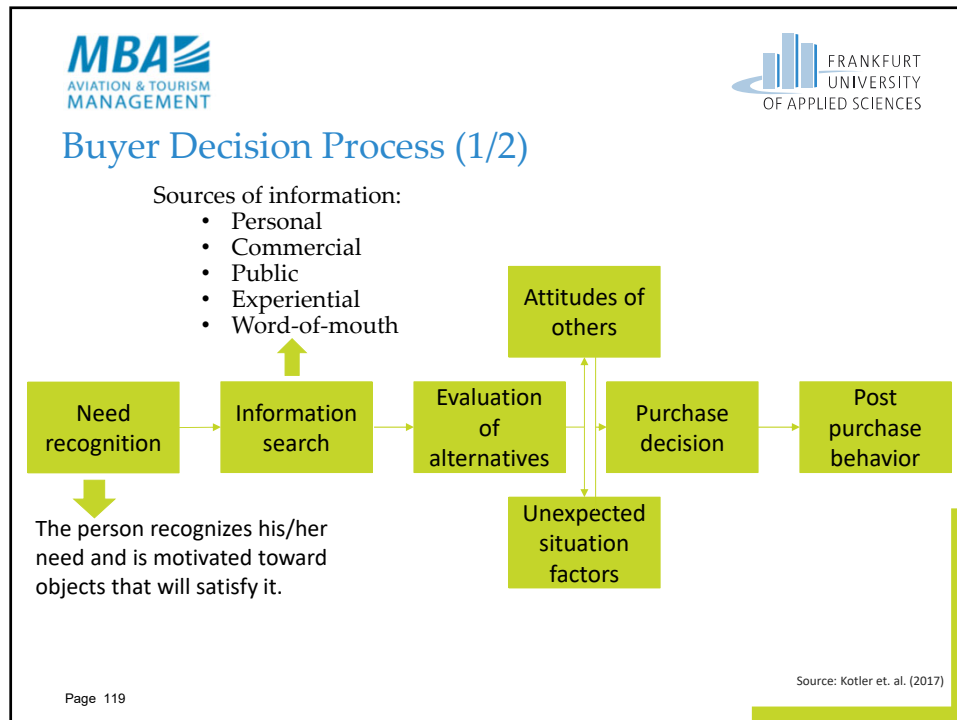
Learning describes changes in an individual's behavior arising from experience a person holds about something. (When consumers experience a product they learn about it)

A **belief** is a descriptive thought that a person holds about something.

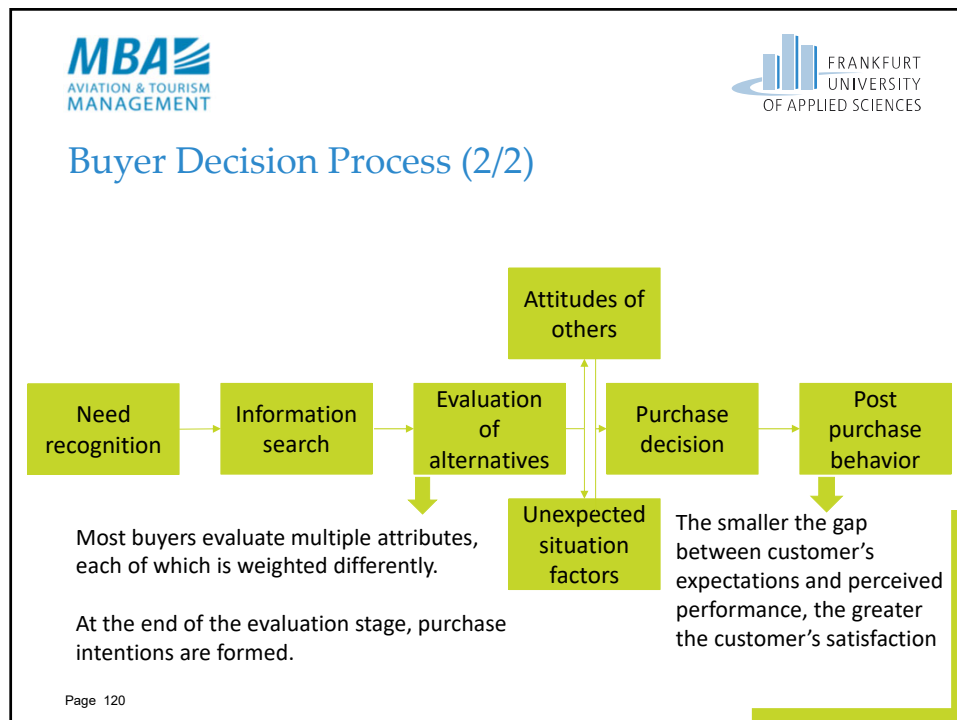
Attitude is a consistent evaluation, feeling, and tendency towards an object or an idea

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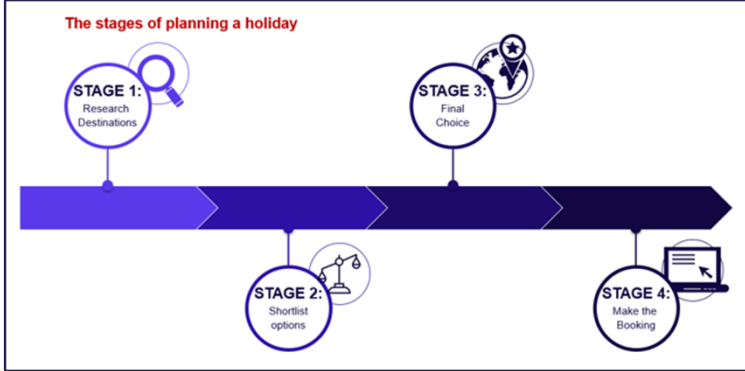


Planning, decision-making and booking cycle of international leisure visitors to Britain

In spring 2016, VisitBritain commissioned new research in 20 markets to understand the holiday decision-making process.





The stages of planning a holiday



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Social Networks' Use in Travel Decision-Making Process

Pre-Travel	During-Travel	Post-Travel
<ul style="list-style-type: none"> Explore destination Share information Comment and discuss 	<ul style="list-style-type: none"> Seek information Share their real time experiences Communicate and engage 	<ul style="list-style-type: none"> Share stories, photos Write recommendation and reviews Communicate with other visitors

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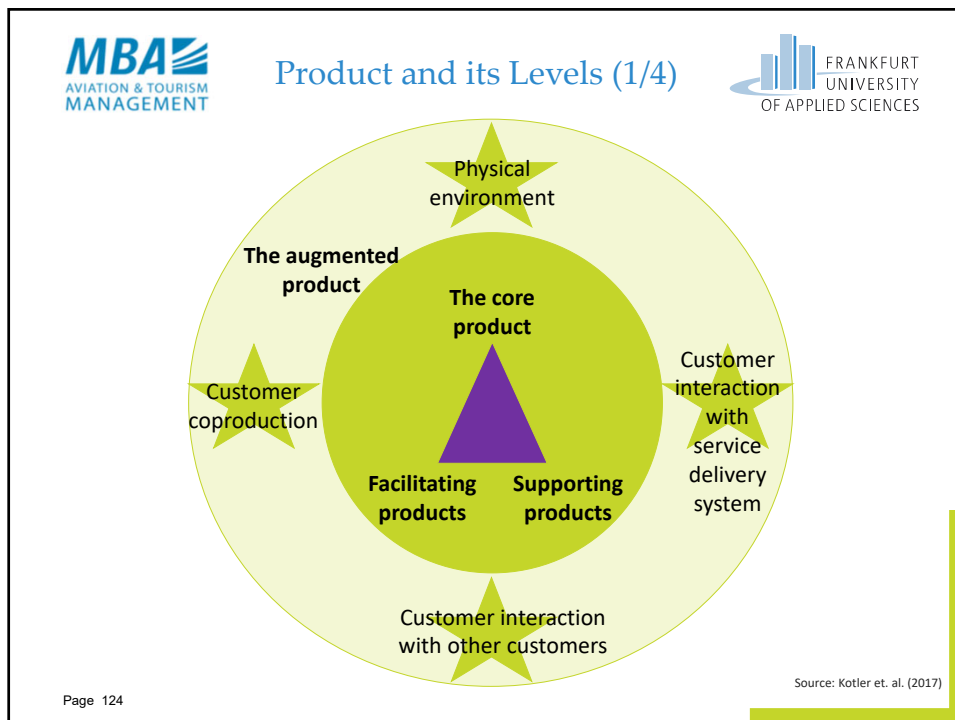
6. Product Design

Objectives:


- Define the terms product and product levels
- Present a branding strategy
- Outline the steps of product development
- Introduce product life cycle strategies

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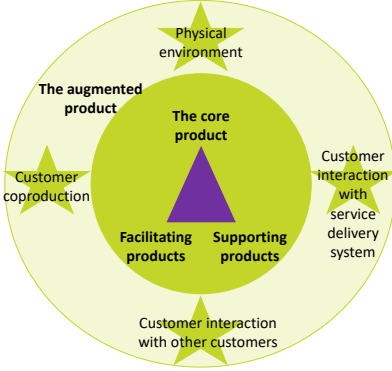


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Product and its Levels (2/4)





The Core Product is what the buyer really buys and is a **package of problem-solving services**.


Facilitating Products are goods or services that must be present for the guest to use the core product.

Supporting Products are **extra** products offered to **add value to the core product** and help to **differentiate it from the competition**. They must **meet or exceed customer expectations** to have a positive effect.


The **Augmented Product** includes accessibility, atmosphere, customer interaction with the service organization, customer participation, and customers' interaction with each other.

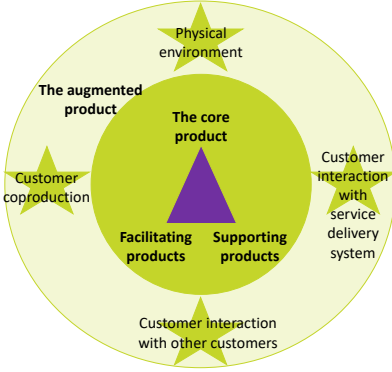
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Product and its Levels (3/4)





Physical environment can be the customer's reason for choosing, or not choosing, to do business with an establishment.

Can serve as:


- attention creating medium
- a message-creating medium
- an effect-creating medium
- a mood-creating medium

Customer Interaction with the Service Delivery System in three stages:


- Joining stage** is when the customer makes the initial inquiry contact
- Consumption phase** takes place when the service is consumed
- Detachment phase** is when the customer is through using a product and departs

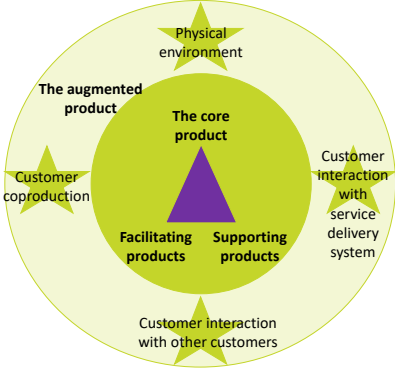
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Product and Its Levels (4/4)






Customer Interaction with Other Customers
 Hospitality organizations must manage the interaction of customers to ensure that some do not negatively affect the experience of others


Customer Coproduction

- Increase capacity
- Improve customer satisfaction
- Reduce costs

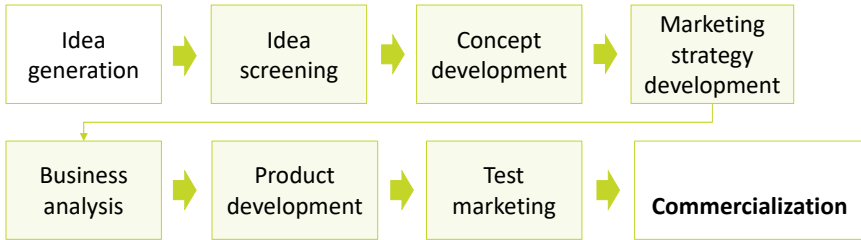
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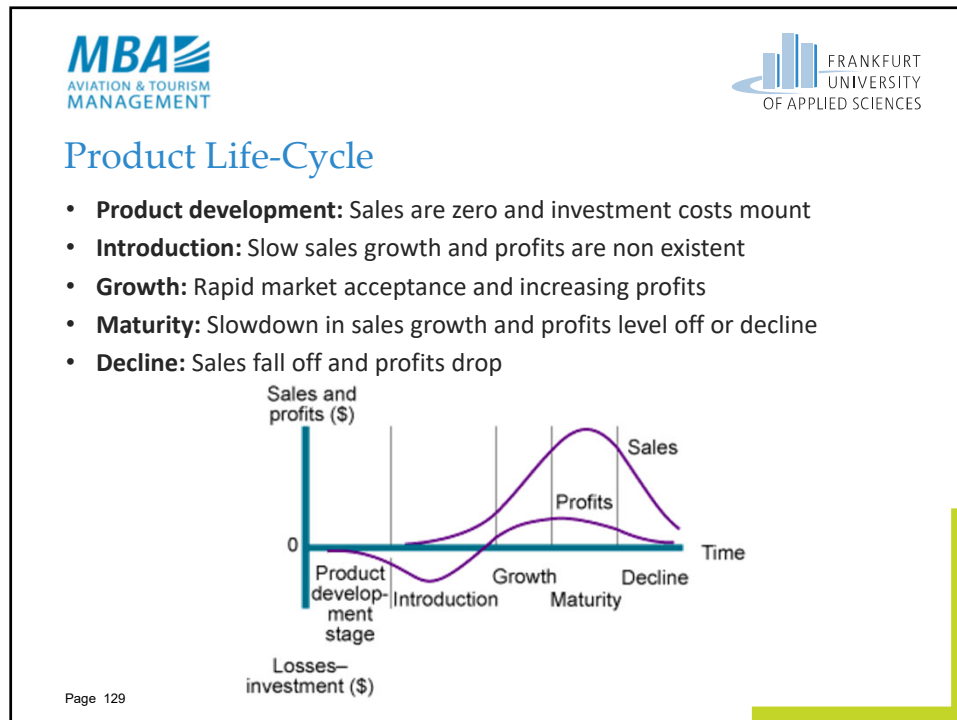


Product Development Stages





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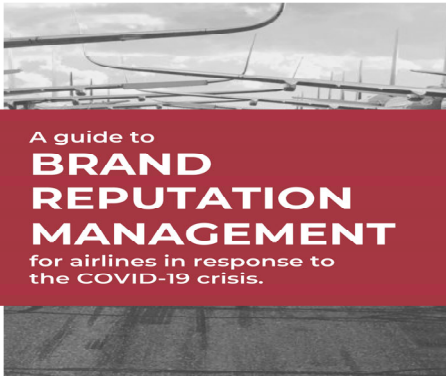
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Case Study: Airline Branding during COVID-19

SIMPLIFYING | APRIL 2020





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7. Marketing Communications

Objectives:

- Introduce promotion mix and discuss the factors that influence communication mix decisions.
- Analyze communication process
- Outline and discuss in depth the steps in developing effective communications

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Promotion/Marketing Communications

Marketing communications are the means by which firms attempt to inform, persuade, and remind consumers, directly or indirectly, about the products and brands they sell.

A **promotion mix** consists of different modes of communication:

- **Advertising** (printed ads, brochures, posters, leaflets, TV ads etc.)
- **Sales promotion** (coupons, samples, premiums etc.)
- **Events and Experiences** (festivals, factory tours, company museums, street activities etc.)
- **Public relations** (Press kits, speeches, seminars, company magazine etc.)
- **Direct Marketing** (telemarketing, E-mail, mail etc.)
- **Interactive Marketing** (social networks, blogs, web sites etc.)
- **World-of-Mouth and e-WOM** (social networks, blogs etc.)
- **Personal Selling** (sales presentations, samples, trade shows etc.)

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Integrated Marketing Communication

"Integrated Marketing Communication is the coordination and integration of all DMO's external communications and promotions to increase their effectiveness and consistency. This is much superior than using each IMC's component separately and independently" Morrison, 2013



The goal of IMC is:

- to deliver a consistent and positive message to everyone
- to build strong customer relationships



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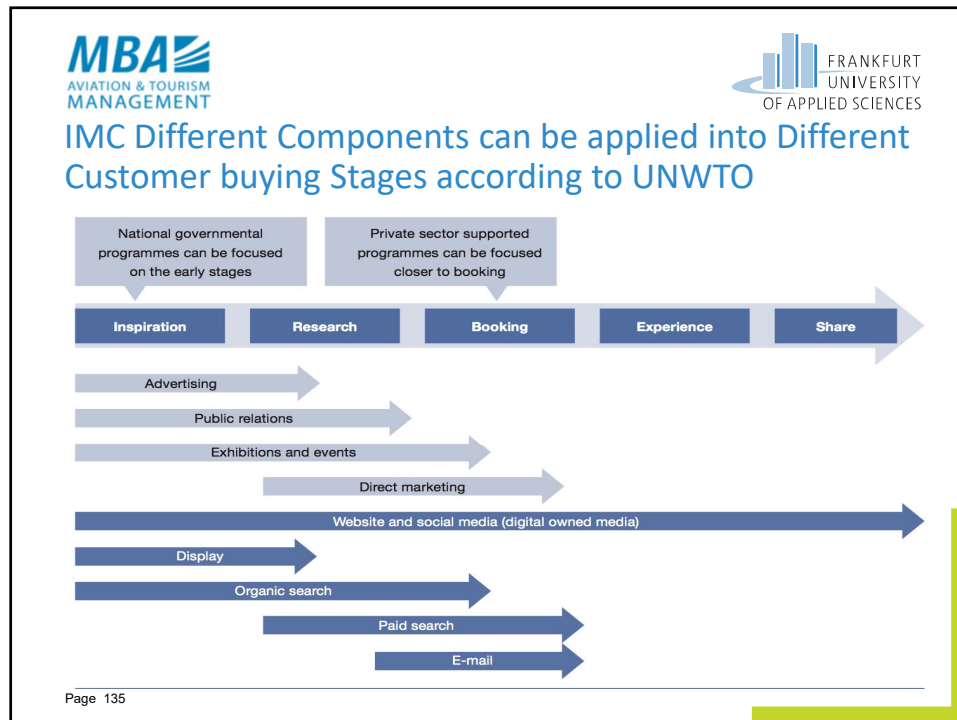


Benefits of IMC

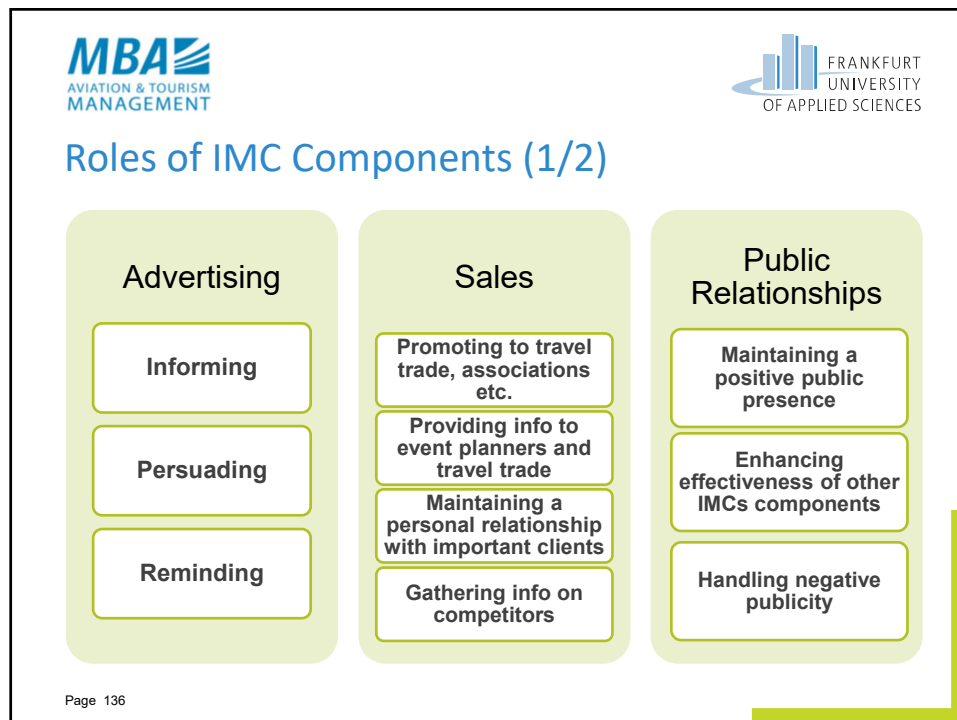
- IMC offer greater consistency in communication messages
- IMC enhance impact as messages are repeated
- IMC's different components can supplement each other
- IMC's different components can be applied and serve different customer buying stages

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Roles of IMC Components (2/2)

Merchandising

- Sampling (FAM trips, site investigation teams etc.)
- Travel Shows and Exhibitions (ITB, WTM etc.)
- Merchandising material for display (printed guides, maps etc.)
- Educational seminars
- Audio Visual Material (for travel shows, media)

Sales Promotion

- Coupons
- Price off
- Recognition programs etc.

+

- Convincing people to visit destination for the first time
- Increasing off-peak demand
- Increasing people in periods that events take place
- Encouraging travel trade to sell destination
- Facilitating travel trade intermediary marketing

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Digital Marketing Venues

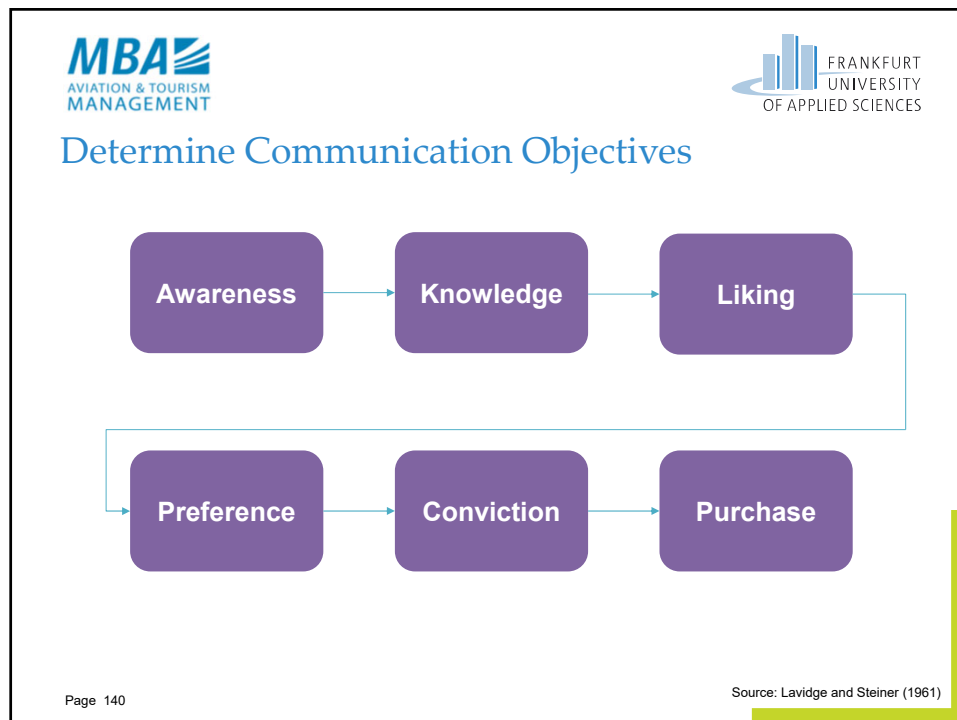
- Websites
- E-mails
- Social Network Sites
- Traveler review sites
- Blogs
- Online Advertising
- Mobile Phones

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Factors influencing Promotion Mix (1/3)

Type of Product and Market (consumer vs business market)
 Hospitality firms use advertising and sales promotions when market to final consumers while they spend more on personal sales when targeting other companies

Push VS Pull Strategy




Push Strategy: Producer → (Producer marketing activities: personal selling, trade etc.) → Retailers and wholesalers → (Reseller marketing activities: advertising, sales promotion, etc.) → Consumers


Pull Strategy: Consumers → Demand → Retailers and wholesalers → Demand → Producer → (Producer marketing activities: advertising, sales promotions etc.)

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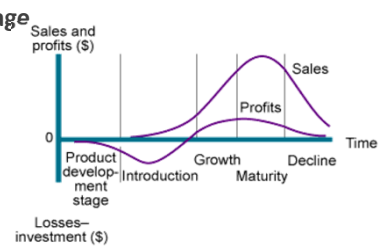
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Factors influencing Promotion Mix (2/3)

Buyer Readiness State
 Promotional tools have different effect at different buyer readiness stages.

- Advertising is important in the Awareness and Knowledge stage
- In Liking, Preference and Conviction stages personal selling is more important
- In the Purchase stage sales calls and sales promotion are more important

Product Life Cycle Stage










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		Product Life Cycle Stage			
		Introduction	Growth	Maturity	Decline
	Advertising	1		1	
	Events and Experiences	1		1	
	Personal Selling	2 (to gain distribution coverage)		1	
	Sales Promotion	3 (to induce trial)			1
	Word of Mouth		1		
	Public Relation				
	Interactive Marketing	3 (to induce trial)	1		

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		Product Life Cycle Stage			
		Introduction	Growth	Maturity	Decline
	Advertising	1		1	
	Events and Experiences	1		1	
	Personal Selling	2 (to gain distribution coverage)		1	
	Sales Promotion	3 (to induce trial)			1
	Word of Mouth		1		
	Public Relation				
	Interactive Marketing	3 (to induce trial)	1		

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Defining e-WOM



e-WOM is defined as:

“all informal communication directed at customers through Internet-based technology related to the usage or characteristics of particular goods, services and their sellers.” Litvin et al., 2008

“Information about goods, services, brands, or companies to other consumers communicated through the Internet (through e.g., reviews, tweets, blog posts, “likes,” “pins,” images, video testimonials).” American Association of Marketing

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E-WOM in Tourism

E-WOM takes the form of consumer generated reviews concerning:

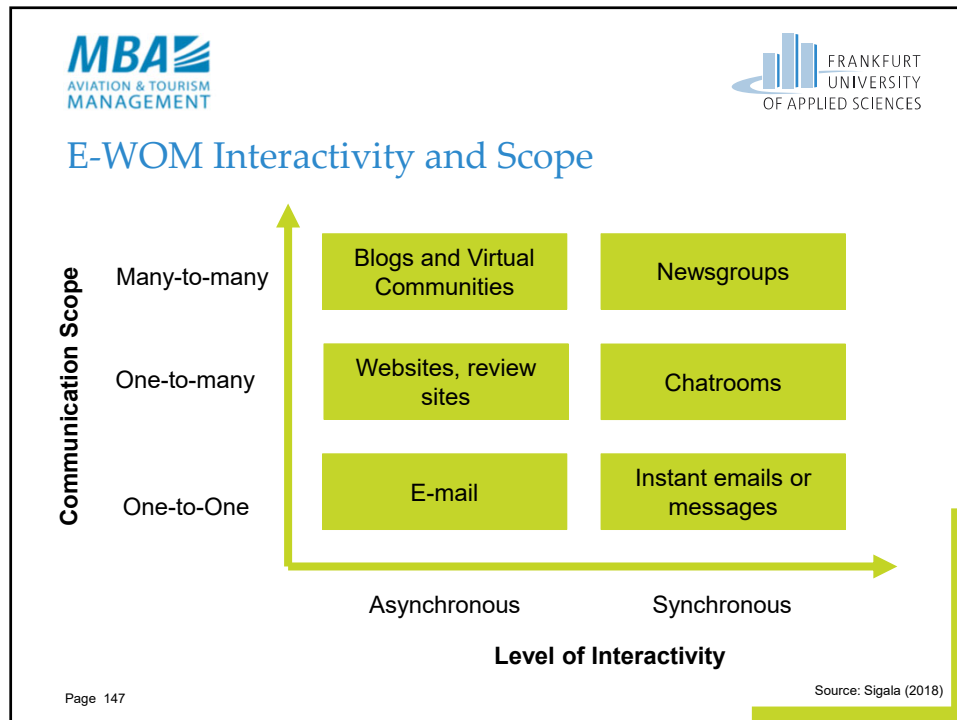
- Destinations
- Hotels
- Restaurants
- Airlines etc.

Reviews may be posted on:

- Supplier website
- Review sites
- Online travel agents
- Travel blogs
- Social Networks

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Social Networks' Use in Travel Decision-Making Process

Pre-Travel	During-Travel	Post-Travel
<ul style="list-style-type: none"> • Explore destination • Share information, etc. • Comment and discuss 	<ul style="list-style-type: none"> • Seek information • Share their real time experiences • Communicate and engage 	<ul style="list-style-type: none"> • Share stories, photos • Recommend and review • Communicate with other visitors


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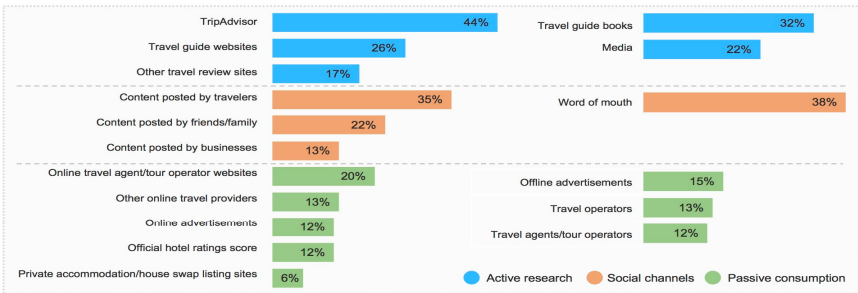
A mix of online and offline channels are used when travelers select their destination



73% of travelers use online sources when deciding on their destination




62% of travelers look offline when deciding on their destination



Source	Percentage	Category
TripAdvisor	44%	Active research
Travel guide websites	26%	Active research
Other travel review sites	17%	Active research
Travel guide books	32%	Offline
Media	22%	Offline
Content posted by travelers	35%	Social channels
Content posted by friends/family	22%	Social channels
Content posted by businesses	13%	Social channels
Word of mouth	38%	Social channels
Online travel agent/tour operator websites	20%	Passive consumption
Other online travel providers	13%	Passive consumption
Online advertisements	12%	Passive consumption
Official hotel ratings score	12%	Passive consumption
Private accommodation/house swap listing sites	6%	Passive consumption
Offline advertisements	15%	Offline
Travel operators	13%	Offline
Travel agents/tour operators	12%	Offline



CQ12. Which of the following sources of information, if any, did you use to plan your most recent trip? Base: All respondents (36,444)

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E-WOM as a Goal-Oriented Behavior

Information sharing
Sender



Information searching
Receiver

The motives that drive senders to share content online can be:

- Helping service provider
- Helping other consumers
- Need for enjoyment
- Social benefits
- Empowerment

**The goal is:
Influencing others**

Manchester restaurant Rudy's hits back at scathing TripAdvisor review complaining it was 'too busy'



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Outcomes Resulting from Communication

- **Reach** – The percentage of the target market exposed in the communication
- **Frequency** – Number of exposures
- **Recall** – Asking the target audience whether they remember the message and what points they recall
- **Recognition** – Asking the target audience to recognize the message among others
- **Behavior Change** – How many people bought the product or visited the store because of the communication
- **Cost** – Return on Investment

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National Tourism Organizations and Marketing Communications in the COVID-19 Era (1/3)

- In the short term, NTOs will have a vital role to play in being a provider of clear, practical and trustworthy information on ‘how to plan your visit and travel safely.’ At a time when travelers are wary and local people are concerned about the spread of COVID-19, NTOs must also help to encourage responsible behavior among travelers, and respect for the public health measures in place.
- In the longer term, branding, marketing and promotion will be an important part of NTOs’ toolkits in executing the new vision and strategy described above. In line with the long-term trend away from ‘destination marketing’ towards ‘place marketing’, national tourism branding and promotion is likely to become part of a broader country brand narrative and should be informed by a much broader range of stakeholders from beyond the tourism sector.

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Source: European Travel Commission (2020)

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National Tourism Organizations and Marketing Communications in the COVID-19 Era (2/3)

The current situation also presents a major opportunity to:

- Reassess all existing online and offline marketing activities, to ensure that they are consistent with the national strategy on sustainable tourism.
- Emphasize those aspects of the country’s tourism offering and identity that are related to nature, health and wellbeing, and in doing so, respond to consumers’ desire for healthy, outdoor activities. This aligns strongly with one of the three pillars of the Experience Europe Brand Strategy.
- Engage with the domestic market by working with major travel and tour operators to stimulate domestic demand and build loyalty for the longer term. It will also be essential to attract travelers who take sustainability seriously, while encouraging sustainable practices to existing visitors.
- Nurture a long-term relationship with young, climate-conscious Generation Z travelers from domestic and neighboring markets, which could pay dividends in transitioning to a sustainable tourism ecosystem.

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Source: European Travel Commission (2020)

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National Tourism Organizations and Marketing Communications in the COVID-19 Era (3/3)

CASE STUDY


'Green&Safe' Toolkit - Part of Slovenia's commitment to responsible, green and safe tourism

The Slovenian Tourism Board has produced a Manual on Responsible Travel Standards in Slovenian Tourism, as part of its Green&Safe label scheme, which is designed to designate and highlight superior hygiene standards and protocols, and sustainable recommendations for tourist service providers and destinations in the country. Released in July 2020, the Manual provides information on:


- Hygiene standards, measures and recommendations of the National Institute of Public Health that are applicable to the tourism industry in Slovenia;
- Opportunities, capitalising on the fact that Slovenia, is already well-established as a green, active destination that promotes tourism for health and wellbeing. It can provide this, at a time when tourists around the world are paying special attention to the choice of safer, customised and boutique tourist accommodations, programmes and experiences;
- Communication tools based on the Green&Safe scheme, with 10 key areas of content that can be used by Slovenian tourism businesses in their communications

155Source: European Travel Commission (2020)

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Questions/Comments?

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Wir danken Ihnen für Ihre Aufmerksamkeit!

Dr Eirini Vlassi
Prof Dr Andreas Papatheodorou

E-mail: ivlassi@aegean.gr & a.papatheodorou@aegean.gr
Personal Web Site: www.andreaspapatheodorou.info

Profiles also available on Facebook, LinkedIn, Twitter, ResearchGate,
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