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## Strategic Marketing Planning for the Tourism Industry

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**ABSTRACT.** This article presents a new approach to strategic marketing planning for the tourism industry. It emphasizes quality, efficiency, and effectiveness in the marketing process. The framework presented shows tourism marketers how to analyze their marketplace and to develop a strategic marketing plan to increase sales in their target customer segments. The authors recommend a six-step approach to strategic marketing planning for the tourism industry. These steps include needs analysis, research and analysis, creative infusion, strategic positioning, marketing plan development and training, implementation, evaluation, and adjustment. The framework is designed to provide a road map for almost any tourism organization or destination and to help enhance and improve their marketing efforts. It is a strategic marketing system that aims to stretch marketing dollars through planning, monitoring, and evaluation, but it is also action-oriented to benchmark and counter competitors' strategies with built-in performance measures and evaluations. *[Article copies available for a fee from The Haworth Document Delivery Service: 1-800-342-9678. Email address: [getinfo@haworthpressinc.com](mailto:getinfo@haworthpressinc.com) <website: <http://www.haworthpressinc.com>>]*

**KEYWORDS.** Strategic marketing planning, marketing plan development, tourism marketing, tourism planning, tourism marketing plan development, tourism marketing framework, tourism marketing model, marketing mix, target customer segments, positioning

### OVERVIEW

We live in a world of constant change; a world that continually moves and progresses to higher levels of comfort and well-being. The latest scientific technology has led to the development of a new airplane engine that will enable us to travel in a commercial airplane at 25,000 miles per hour. Within the next ten years, it will be possible to travel anywhere in the world in less than an hour. Other technological breakthroughs in communication technology and new directions in better facilitating travel are already changing today's world of travel, and these changes will challenge the way we market tourism in the next millennium.

Another important trend to watch is the size and scope of the tourism market. Global research by the World Travel and Tourism Council (WTTC) indicates that tourism

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in 1998 generated direct and indirect employment for approximately 231 million people worldwide, or about one in every nine workers. According to the report, global tourism is a \$3.6 trillion industry that will be an \$8.0 trillion industry by 2010, providing about 328 million jobs. Global strategic marketing and strategic marketing alliances will shape the approach to conducting tourism business in the international marketplace of the future.

Furthermore, looking at international tourism only (i.e., excluding the larger component, domestic tourism), according to the World Tourism Organization (WTO), there were over 600 million international travelers in 1998. Estimated international tourism receipts for this same period were over \$450 billion (excluding expenditures of more than \$65 billion for international transport). Just as important is that international tourism receipts have had a healthy growth rate of 12.5 percent over the past ten years. New marketing tools will become imperative if this growth is to continue.

## **TOURISM MARKETING**

James Makens et al., of *Marketing for Hospitality and Tourism*, define marketing as "...to design a product/service combination that provides a real value to targeted customers, motivates purchase, and fulfills genuine customer needs." Tourism marketing is research-based, analytic, goal-oriented, strategic, and directed. In brief, marketing is all those activities in getting goods and services from the producer or supplier to the user. The key is to have a well-thought-out marketing plan.

Robert W. McIntosh et al., of *Tourism Principles, Practices, Philosophies*, stresses the need for a strong orientation toward the consumer as the heart of successful tourism marketing management. In addition, it's important that management thinking be directed toward understanding the tourism product. The emphasis is on destination marketing as the basis for strategic marketing plans in the tourism market.

This article presents a new approach to strategic marketing planning for the tourism industry. It emphasizes quality, efficiency, and effectiveness in the marketing process, the U.S. Virgin Islands Department of Tourism is used as an example.

The framework presented in Figure 1 and as explained below shows tourism marketers how to analyze their marketplace and develop a strategic marketing plan to increase sales in their target customer segments.

## **STRATEGIC MARKETING PLANNING FOR THE TOURISM INDUSTRY – A FRAMEWORK**

### *Needs Analysis*

The first step in any planning effort is to articulate the general objectives of the organization. For example, the U.S. Virgin Islands Department of Tourism may list the following broad objectives for their strategic marketing planning effort:

1. Increase the number of tourists vacationing in the U.S. Virgin Islands.
2. Increase the satisfaction ratings of tourists vacationing in the U.S. Virgin Islands with respect to sightseeing opportunities.

The Marriott Frenchmen's Reef Hotel in the U.S. Virgin Islands may begin their strategic marketing planning effort with the following general or broad objectives:

1. Increase the number of guests at the resort hotel.

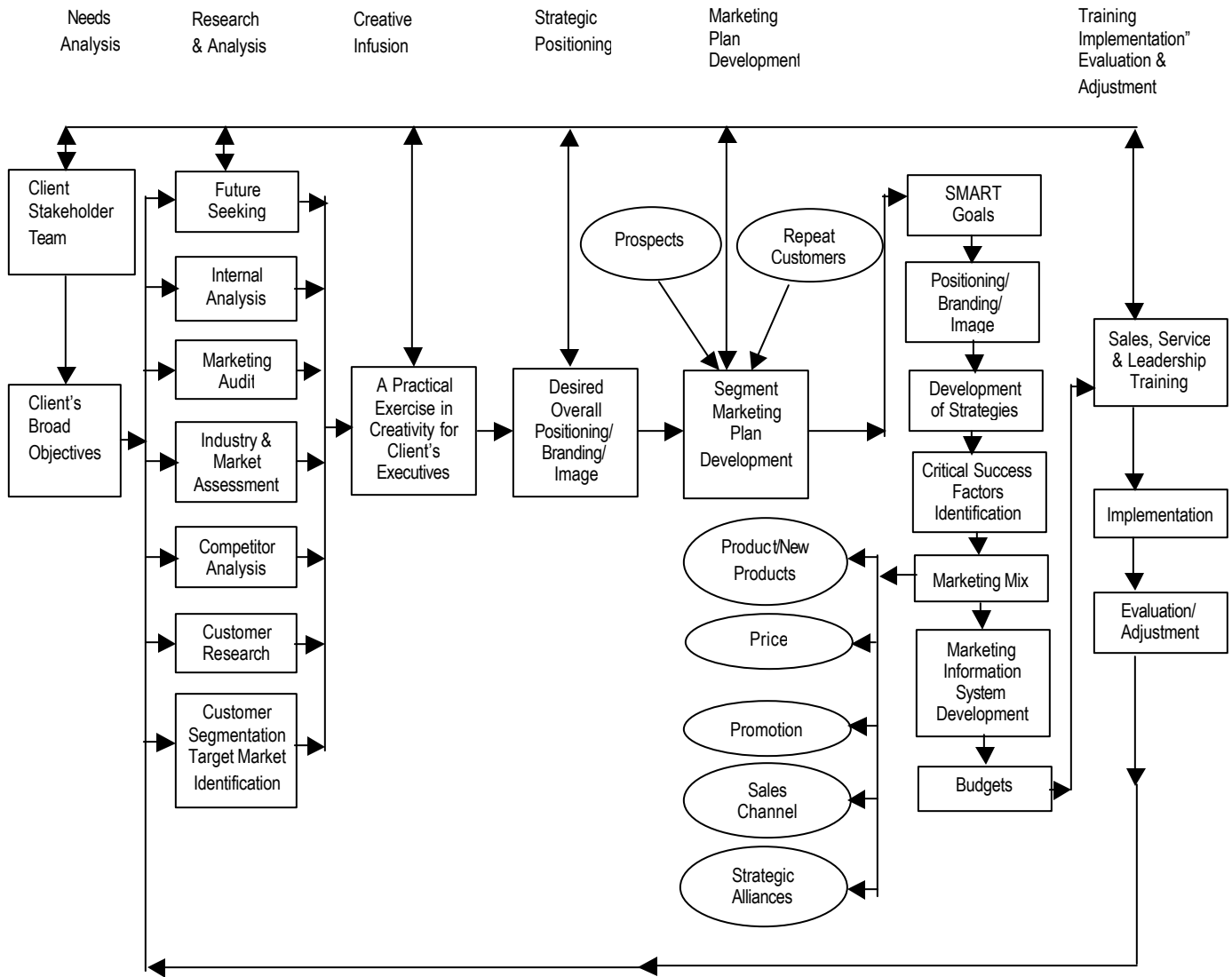
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2. Increase the number of hotel services purchased by guests at the resort hotel.
3. Increase the number of repeat customers for the resort hotel.

At this point it is important not to list the organization's goals specifically. The idea is to think about the big picture, the overall objectives, and to keep our minds fresh and free to be able to think creatively.

This is also the time to form a team of stakeholders from the various departments within an organization that have a stake in the outcome. For example, the U.S. Virgin Islands Department of Tourism may include associates from its planning and research

FIGURE 1. Strategic Marketing Planning for the Tourism Industry



department, marketing and sales departments, managers of hotels and resorts, associates from the airlines and the public transportation department, duty-free shops, managers of local tourist attractions, managers of restaurants and stores that are

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frequented by tourists, packaged tour companies, and travel agents. In addition to tourism industry professionals, community leaders must also be involved. It is very important to be generous in involving all the key organizations that have the ability to affect your organization's success at accomplishing its tourism objectives. A tourist's experience in the U.S. Virgin Islands is not only affected by the quality of the hotel he or she lives in, but also by the local taxi service, local nightclubs and restaurants and tourist attractions. Further, getting all the stakeholders to buy in will help develop a comprehensive and cohesive effort. Each of the stakeholder organizations can help reinforce the U.S. Virgin Island's basic positioning and appeal as a destination and work towards the same big purpose.

### ***Research and Analysis***

This is a critical step in the development of your marketing plan as the quality of your analyses will directly affect the quality of your strategy and its outcome. Further, it is important to make an honest assessment of your strengths and weaknesses as well as your competitor's strengths and weaknesses.

FutureSeeking is a fun and creative tool. It involves an analysis of what the future looks like for your industry and for your organization or destination. Will the number of tourists coming to the U.S. Virgin Islands decrease if and when virtual reality vacations become common? How are your customers' values and lifestyles changing and how will those affect the attractions they look for in a destination? What are your competitor's future plans? How are world politics and global legislation changing? What is the global economic situation projected to be? These are not easy questions to answer. However, it is critical to keep a finger on the pulse of the future for your industry and organization.

Internal analysis involves an analysis of your organization's strengths, weaknesses, opportunities and threats (SWOT). The analysis focuses on your internal organization. It involves an analysis of past sales, customers, and profitability per customer or per product/service or attraction and so on. It involves slicing and dicing the numbers in a million ways to find relationships and trends. For example, the U.S. Virgin Islands may find a growth in the number of tourists from Africa, and upon further analysis they may find that even though the total number of tourists is smaller than those from North America or Europe, these tourists spend considerably more money in the U.S. Virgin Islands. This may provide an opportunity to develop a marketing plan targeted to the particular customer segment.

Internal analysis also involves analyzing the product life cycle and using various perceptual maps like the Product/Market Opportunity matrix, Boston Consulting Group's Growth Share matrix and General Electric's Strategic Planning Grid. An organization must analyze their core competencies and competitive advantages and develop a list of their attractions and customers' satisfactions with them.

A marketing audit is the examination of the marketing function as it currently exists within an organization. It includes a study of the marketing objectives, current marketing plans, activities, positioning, target markets, sales channels, media utilized, customer data being collected, and a comparison of the results of the marketing efforts with the budget and marketing goals. A marketing audit should be conducted periodically within every organization.

The industry and market assessment is an external analysis that examines the situation in the industry and its trends. It includes sociological, technological, economic, environmental, and political factors (STEEP). Porter's Model of Industry Competitiveness is an excellent tool to utilize.

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Competitor analysis is an analysis of an organization or destination's competitors. It is critical to be honest about admitting the strengths and weaknesses of your competitors. The analysis should chart the strengths and weaknesses of competitors, the attractions they offer, and the features and benefits of their services in comparison to each other and your organization or destination. In the case of U.S. Virgin Islands, the Department of Tourism would develop a matrix listing the benefits tourists look for from a vacation and list all the organizations and destinations that could provide them. Further, using the theory developed by several marketing thinkers with respect to the Levels of Competition, the U.S. Virgin Islands would compete not only against other Caribbean islands like the Bahamas or Aruba, but also against Disneyworld and the purchase of a boat or furniture by prospects who decide to postpone a vacation in favor of making big dollar purchases. The matrix must include competitor positioning and the identification of competitive advantages for each competitor. Perceptual maps can also be used to chart competitors versus your organization on different variables like positioning, price perceptions, and so on.

Customer research is a critical piece of the analysis and involves learning the needs, likes and dislikes, perceptions, and satisfaction levels of tourist through qualitative and quantitative research methods. This step involves both primary and secondary research as well as data mining, customer segmentation, and target market(s) identification.

### ***Creative Infusion***

We suggest that after reviewing the results of the research and analysis, the stakeholder team get together and go through exercises that will bring out their creativity and make them think outside the box. This step is meant to complement the factual research that has so far been conducted with creative, out-of-box, innovative, and visionary ideas that will separate your organization or destination's marketing plan from those of your competitors. A number of resources are available on the subject of creativity from books to workshops.

### ***Strategic Positioning***

The research and analysis and Creative Infusion steps set the stage to develop your organization's positioning, branding, and image in the marketplace. All the elements of the research and analysis like the identification of current and future customer needs, list of the destination's attractions, competitive advantages, competitor's positioning, competitor charting, perceptual maps, and the creative component will help you develop a positioning for your organization or destination. Positioning refers to the perceptions of your target customer segments of your destination or organization versus their perceptions of your competitors.

### ***Marketing Plan Development***

Each one of your target customer segments should have a separate marketing plan customized to its unique needs. Do not forget to include tactics to target both prospects and repeat customers.

The marketing plan begins with the articulation of SMART goals, SMART goals are specific, measurable, achievable, relevant, and time bound. In the case of the U.S. Virgin Islands, a SMART goal may be to increase the number of tourists from the particular target customer segment by 10% in one year. The target customer segment

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may be single German men between the ages of 25 and 35 years who are looking for a cost-effective vacation to the Caribbean.

A positioning statement must be developed for the particular target customer segment that agrees with the overall positioning statement of your organization or destination but that may emphasize a certain quality more than another because it meets the needs of the target customer segment better. The image of your organization or destination must also be wrapped around the positioning statement.

The next step involves the development of unique strategies to accomplish your goals followed by the identification of critical success factors. Every plan has tasks that are imperative for the plan to result in success. The tasks, actions, tactics, and strategies may be simple or complicated. For example, a critical success factor may be as basic as keeping the crime rate low and as involved as coordinating the activities of all the nightclubs, restaurants, and attractions in a destination to make sure that each reinforces the positioning and image of the destination. For example, if a holiday in the U.S. Virgin Islands is supposed to mean friendly, chic, relaxed, the beach, sun and sand, blue skies, puffy white clouds, daiquiris, and family, then the associates working the nightclubs, restaurants, and attractions must all reinforce that image through their behavior. Just as the associates of Disneyworld are supposed to be actors, so are the stakeholder organization associates in the U.S. Virgin Islands. Their aim should be to reinforce the U.S. Virgin Island experience as outline in the positions statement and image.

The next step is to define the elements of the marketing mix: product or service variables, including the development of new attractions and services, overall pricing, promotions, sales channels, and strategic alliances.

It is very important to develop a structure and blueprint for a marketing information system that would include a data warehouse. A marketing information system continuously gathers and analyzes data on customers, prospects, competitors, and industry trends and provides marketers with reports that help them make decisions based on what is happening in the marketplace. This is a critical step, as it is an investment in an organization's future ability to conduct research and analysis and modify it plans as it moves forward.

The final step involves the development of budgets based on projected sales and costs.

### ***Training, Implementation, Evaluation and Adjustment***

Sales, service, and leadership training are critical to implement your marketing plan, and the training should include the various stakeholder organizations that want to reinforce the organization or destination's positioning and image. Such reinforcement helps the tourist experience a complete picture of the organization or destination in line with the expectations that were defined by the positioning, collateral, advertising, word-of-mouth advertising, and publicity.

The next step involves the implementation of the plan that may begin by concept testing in the target market and followed by an evaluation and adjustment of the plan based on the success.

## CONCLUSION

Godfrey Harris and Kenneth M. Katz in their book *Promoting International Tourism* state that, "Marketing travel to foreign tourists makes statistical sense; but it is not an easy task and it is more than just advertising; it requires a coordinated, phased plan involving dozens of specialized tasks." The above book reference indicates a need for the steps of a "phased plan" as available through this article's *Strategic Marketing Planning for the Tourism Industry* model. In addition, the approach taken in this article includes not just marketing to "foreign tourist" or "international visitors" but also marketing at any level and to any market.

The model is designed to provide a road map for almost any tourism organization or destination and to help enhance and improve their marketing efforts. In some cases, it will not be necessary to utilize every step as presented in this model. In other cases, there may be a need to modify the model to fit a special situation. This article means to stimulate new thinking in the marketing of tourism. Because tourism is so dynamic, it is important to be flexible and open-minded in applying marketing tools, including this model.

*Strategic Marketing Planning for the Tourism Industry* is in summary a practical, intensive, idea-packed approach to marketing tourism destinations. It is a strategic marketing system that aims to stretch marketing dollars through planning, monitoring, and evaluation. Still, it also is an action-oriented marketing plan to benchmark and counter competitors' strategies with built-in performance measures and evaluations.

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SUBMITTED: 12/15/98  
REVISION SUBMITTED: 02/16/99  
ACCEPTED: 03/12/99  
REFEREED ANONYMOUSLY