

Marketing of Ecotourism products

Eco-lodges, hotels, resorts, tourism facilities, hospitality industry, inbound tour operators...

Written by Alexandre Noël, responsible tourism & green marketing consultant as well as president of the NGO Fair Wings, <http://www.fairwings.org> , for Prithvi Global Eco Meet seminar, <http://www.prithvionline.org>

Introduction

Being in the field of sustainable development, it is sometimes difficult to discuss marketing since it is very often seen by the development world as a very “dirty” word evoking capitalism and market forces. However and very unfortunately, many ecotourism projects have failed due to a lack of understanding of the market and business principles, and, it does look very necessary to overcome this view.

As it is said, tourism is not tourism until it is sold!

Marketing is also very often perceived as just selling & advertising, and it is therefore important to remind what is marketing. Its role is much broader as it is about matching the right product or service with the right market or audience. Marketing is indeed the management process that identifies, anticipates and satisfies customer requirements profitably. Marketing is the right product, in the right place, at the right time, at the right price.

One has therefore to first understand the market and its consumers.

The Market

***✍* Global Tourism Patterns**

Tourism remains the largest industry in the world. However, global patterns of tourism have recently been greatly disrupted by the impact of shocks of September 11, the SARS outbreak in Asia, the war in Iraq, and now the recent Tsunami in the Indian ocean. Overall, the World Tourism Organization (WTO) reports that 2003 was the worst year on record for global tourism as measured in terms of the decline in the number of people arriving as holiday-makers at international destinations. World international arrivals dropped 1.2 percent to 694 million, in absolute terms nine million less foreign visitors than in 2002. The disruptions have led to a new kind of traveller, averse to long flights and to journeys planned in advance, favouring instead cheaper vacations arranged at the last minute (often over the Internet) and not too far from home.

Source: TRC – SASEC Asian Development Bank (1)

***✍* Independent Travellers**

Free and independent (not organized or pre-booked) travellers (FITs) are maturing away from the younger budget visitors. FITs prefer a more flexible style of travel and demand an authentic experience. They get information from and make bookings on the Internet. The WTO reported in late 2003: *“Do-it-yourself trips are becoming more common, particularly for mature and experienced travellers, vigorously stimulated by the possibilities offered by low-cost airlines and the Internet.”* Although some may not wish to spend substantial funds on accommodation, research shows that FITs pay well for unique ecotourism experience or adventure activities. Long stays often compensate for low daily budgets. There are opportunities to attract more independent travellers to South Asia if perceptions of the difficulties of travel can be corrected. This includes providing better information, expanding the current product range, highlighting security initiatives and facilitating internal travel. The wide use of English in the sub-region is a strong competitive advantage.

Source: TRC – SASEC Asian Development Bank (1)

✍ Industry structure

The tour operating sector is characterised by a very small number of large tour operators (in terms of volume carried) and a large number of very small and specialised niche operators. For instance, this means for the UK that in 2000 four tour operators (Thomson Holidays, Airtours, Thomas Cook and First Choice) controlled over 75% of all outbound package tours. In fact, the 12 companies that are members of the FTO (Federation of Tour Operators) controlled over 90% of the market, while the remaining 10% was controlled by over 1,500 niche operators (Middleton 1998). This is a common situation in the main European generating countries. In Germany, for example, three large operators (TUI, Thomas Cook and Rewe) controlled 83.5% of the market in 2001 (Fremdenverkehrswirtschaft 2002).

✍ Shifts in Demand

According to several studies from Coopers & Lybrand, D.K. Shifflet, Redekop and Travis (2), trends in the US, Canadian and European markets are very similar. Growing demand for ecotourism includes:

- **Demand for quality natural-heritage, resource-based experiences** (travellers began to quest for purity and quality, leading to the Greening Tourism Movement and the Blue, or Nautical, Tourism Movement),
- **Demand for cultural and heritage, resource-based tourism** – (increased demand emerged for interpretive cultural experiences that respect the values, lifestyle, cuisine and dress of the host people),
- **Demand for rural tourism and agro-tourism** (increased demand also for rural holidays, including working farms, self-catering cottages, and bed and breakfast accommodation in villages and towns),
- **Demand for better health, identity, spiritual and mental renewal** which is fuelling the demand for health -tourism.

According to WTO's study *Tourism: 2020 Vision* (3), Adventure travel, Cruises, Ecotourism, Cultural Tourism and Thematic tourism will emerge as the hottest trends over the next two decades.

✍ Europe's 10 Travel Mega-trends identified by The European Travel Commission – ETC (4)

* **Demography:** The number of persons in older age categories will rapidly increase. Seniors will be healthier and will have higher disposable incomes than in the past. In addition, the average number of persons per household will decrease still further, which will result in higher disposable incomes and spending power. The growth of the 55+ age group market will continue to impact on long-haul sales. Similarly, the growth of the high spending cash-rich/ time-poor market segment means that long-haul destinations will increasingly be visited on short-breaks.

* **Health:** Health-consciousness will increase still further, creating a higher demand for 'wellness' products, including spas, ayurveda and fitness centres.

* **Awareness and Education:** The average level of education is increasing, resulting in increased demand for holidays offering arts, culture, history, education and spirituality.

* **Leisure Time:** Modern society exerts increasing pressure on peoples' daily lives, stimulating the wish for more leisure time and relaxation. However, the number of days of paid leave has stopped increasing, and this lead to an increasing need to supply additional low-cost products, making the long main holiday less attractive compare to shorter holidays.

- * **Travel Experience:** Sophisticated consumers and experienced travellers are more self-assured regarding their needs and rights and more critical of the price-quality ratio. They will increasingly demand authenticity, especially pertaining to emotional satisfaction.
- * **Lifestyles:** Lifestyles in Western society are gradually changing. This influences the tourist's perception of his/her personal needs and behaviour, and result in a decline in the demand for fully escorted tours, and a higher demand for completely new products, concepts and services that distinguish themselves by their added value.
- * **Information Technology:** Internet usage for information and transactions will continue to increase and will prove to be of utmost importance in the future.
- * **Transportation:** The increasing availability of high-speed trains and low-cost carriers will influence classical travel flows. Destinations that cannot meet the growing wish for easy accessibility will decrease in importance.
- * **Sustainability:** Environmental consciousness will continue to increase. Regions that have suffered from overbuilding will increasingly be rejected.
- * **Safety and Security:** Acts of terrorism, regional wars, pollution and other crises have unfortunately become facts of daily life, and influence the need to feel safe and secure. The quality of water will increase in importance and demands better protection.

✍ **The Ecotourism Market**

Until recently, ecotourism has been a niche market, but one that is among of the fastest growing segments of the tourism industry for certain destinations (WTO 1997; WTO, Sep/Oct 1998b). In 1997, the World Tourism Organization estimated that ecotourism and all nature-related forms of tourism now account for 20% of all international travel and that ecotourism is now worth some \$20 billion a year (WTO, Jan/Feb 1998). Although the global market is hard to quantify accurately, trends confirm strong consumer enthusiasm and awareness for sustainable styles of tourism, even though we'll see later that forecasts have been revised down.

✍ **Green consumer behaviour:** Stanley Plog finds that the target market for ecotourism is defined as *"intellectually curious" individuals who seek to be "immersed in destination experiences"* (2004:63). They respond to market messages for destinations that are both "unique and involving." Harvey Hartman (2003) suggests that buyers concerned about sustainability make judgments through *"subjective-experience orientations" rather than "objective-truth" thinking."*

✍ **Ecotourist market profile,** survey from HLA and ARA, compiled by TIES (5)

Sociodemographics:

- * **Age:** 35 - 54 years old, although age varied with activity and other factors such as cost.
- Gender:** 50% female and 50% male, although clear differences by activity were found.
- * **Education:** 82% were college graduates, a shift in interest in ecotourism from those who have high levels of education to those with less education was also found, indicating an expansion into mainstream markets.
- * **Household composition:** no major differences were found between general tourists and experienced ecotourists.** **Publications:** Ecotourists tend to be consumers of outdoor and/or nature-oriented publications.

Trip Characteristics:

- * *Trip duration:* the largest group of experienced ecotourists (50%) preferred trips lasting 8-14 days.
- * *Expenditure:* experienced ecotourists were willing to spend more than general tourists, the largest group (26%) stating they were prepared to spend \$1,001-\$1,500 per trip.
- * *Trip Booking:* Ecotourists show a high reliance on the recommendations of others (word of mouth or friends/family), and various forms of printed material are also an important source of information for ecotourists. There are also indications that personal experience from past trips plays an important role in the travel decision. In addition, the Internet is becoming increasingly important in planning ecotourism trips, and ecotourists are confident enough about travelling to make their own trip arrangements.

Motivations & Preferences:

- * *Travel Motivations:* Experienced ecotourists top three responses were: wilderness setting, wildlife viewing, hiking/trekking.
- * *Motivations for taking next trip:* Experienced ecotourists top two responses were enjoy scenery/nature, new experiences/places. **
- * *Accommodation Preferences:* Ecotourists prefer intimate, adventure type accommodations, such as cabins, lodges/inns and bed and breakfasts. In terms of luxury standards, they like mid-range, followed by basic/budget level accommodations.
- * *Party composition:* a majority (60%) of experienced ecotourism respondents stated they prefer to travel as a couple, with only 15% stating they preferred to travel with their families, and 13% preferring to travel alone.

** Experienced ecotourists = Tourists that had been on at least one "ecotourism" oriented trip. Ecotourism was defined in this study as nature/adventure/culture oriented travel.

☞ Consumers of ethical travel products: PPT No.17, D.Meyer, ODI - 2003 (6)

Research in the UK indicates an increasing demand from consumers for more corporate responsibility and ethical standards in business in general. In a recent survey, 73% of all shoppers expressed concern over issues of conscience when buying products (Cleverdon and Kalish 2000). A Mintel study in 1999 indicated that consumers increasingly seek products that they feel have an ethical value. Over 25% of all consumers declared that they were 'strongly ethical'.

More relevant to tourism are two other studies. The first one undertaken by Tearfund found that 27% of respondents thought that a tourism company's ethical standing was of high importance when choosing a holiday, and that they were willing to pay on average 5% more for a holiday that fulfils ethical criteria (Tearfund 2000). Recent Mintel research on ethical consumers among tourists strongly confirms an increase in demand for ethical tourism products but highlights that, while growing, it remains a minority concern among tourists. The majority of respondents were concerned with standards of accommodation and the weather while on holiday.

Only 7% had ever sought a holiday with an ethical code of practice, and 4% had changed their plans due to responsible tourism issues (Mintel 2001b – see Box 2 for details). Thus, although many still regard holidays as an opportunity to totally escape from the worries and issues of everyday life, there is a growing interest in ethical holiday products.

Ethical consumers of tourism products

* For holiday-makers, the main priorities were fairly **self-indulgent factors**: i.e. high standard of accommodation (64%), nice weather (60%), convenient transport (35%), un-crowded beaches (34%), reasonable priced drinks (30%), good representatives (29%). 40% of holidaymakers stated that when on holiday they just wanted to relax and not be bothered with ethical issues.

* 28% of holidaymakers had an understanding that **tourism can have negative impacts on local cultures**. 37% of holidaymakers tried to learn about the local culture before they travelled. 11% of consumers were concerned that the economic impacts of tourism for the destination's economy were not as great as expected; while half believed that the money they spent in their home country on tourism products would benefit the destination economy in any way.

* 27% of holidaymakers cited that **"not being part of a crowd and 'getting off the beaten track"** was an important factor for enjoying a holiday. Just under 40% of holidaymakers in the survey cited that experiencing 'local cultures' is an important enjoyment factor for their holiday.

Those that are concerned with ethical issues tend to be more affluent and educated. According to Mintel's clustering:

* **The 'apathetic'** (48% of the sample) were generally not bothered with environmental or ethical issues in relation to holidays, and they did not want to be bothered with them. They were either very young (15-20 years of age), or old (over 65), and less affluent (socio-economic groups C2, D, E).

* **The 'unconcerned'** (22%), similar to the apathetic, felt that tourism already helps the local economy and they saw no need for concern. This group was predominantly male, aged 25-44, and in socio-economic group C1.

* **The 'researchers'** (20%) were likely to try to learn about local culture and they were concerned about environmental impacts; they also may have sought a holiday with an ethical code. They tended to be from a wide variety of age groups (20-64), but predominantly from pre-family and empty-nester life-stages; more affluent from socio-economic groups A, B, and C1.

* **The 'ethically aware'** (11%) were mainly concerned with environmental impacts of tourism, but also aware of socio-cultural issues and the risk of negative impacts. They were predominantly young (25-44 y.o.a.), affluent, and from socio-economic groups A, B, C1.

Source: Mintel 2001b

The survey shows sharp distinctions between social classes. As with environmental issues, ethical considerations are a domain of the middle classes. This suggests that ethical concerns may become increasingly important to some segments of the market. For specialist operators not wanting to compete on price but on quality, an ethical dimension might be seen as an added value to customers.

☞ The Green market gap: EplerWood international report (7)

However, according to Megan Epler Wood, founder & former executive director of TIES, based on several research works, there is an increasing amount of hard evidence that demonstrates **consumers who have strong opinions and attitudes about the importance of conserving the environment are not acting upon these values when purchasing products**. EplerWood called this the "Green Market Gap".

For example in 1997, The World Tourism Organization presented information to indicate that ecotourism accounts for 20% of the world tourism market. Since that time, a 2002 WTO report estimates a U.S. market closer to 5% of the total outbound market according to in-flight survey data of U.S. travellers overseas.

Results taken out of context, sampling errors, loaded questions, and poor understanding of consumer decision-making processes can all account for part of the results. Furthermore, there were many surveys that looked at consumers' intentions, but very few that tested consumers' purchasing habits.

Another recent World Tourism Organization report on the U.S. market for ecotourism says that ecotourism represents about 4.5% of the total American air outbound travel market (not including individuals travelling who may choose to take a short ecotourism excursion while travelling). According to a survey of 25 reputable U.S.-based ecotour operators operating on both the mainland of Ecuador and in the Galapagos Islands, 42% of tour operators' clients are very eco-socially concerned and 50% exhibit a low concern for environmental and social impacts. The numbers decrease further, regarding the influence these concerns have on client product selection. Nearly 70% of tour operator clients express *no* concern or interest in eco-social issues when selecting their products, and only 8% expressed a specific interest when selecting their tour (Epler Wood, 2003).

These results confirm studies in the broader marketplace that while there is a genuine concern for environmental and social values in the ecotourism marketplace, ***less than 10% of the market booking ecotours with highly reputable ecotourism operators is requesting information from their operators on eco-social standards*** (Epler Wood, 2003).

While the Natural Marketing Institute study indicates that 40% of Americans say they have purchased organic food and beverages, yet only 2 percent of the \$600 billion food and beverage market comes from organic products (Cortese 2003). Similar figures are found in European markets.

Similarly, the LOHAS market or the "lifestyles of health and sustainability" market (it includes organic foods, energy-efficient appliances, solar panels, alternative medicine, yoga tapes and ecotourism) emerged in the 1990s as a more comprehensive term that seeks to embrace the environmentally concerned together with those seeking out healthy foods, alternative energy and alternative wellness products. According to the New York Times, LOHAS was estimated to be a \$230 billion market in 2000 by Natural Business Communications. The Natural Marketing Institute estimates that 68 million Americans, or 1/3 of the American adult population, qualify as LOHAS consumers. However, there is a yawning gap between what consumers say they will buy in surveys, and the actual sales data.

One can also assume that the difference between a hotel that consumes little water and energy, and produces little waste (amongst other criteria) is not obvious to the client. For most clients it is not as meaningful as other product attributes such as location, overall quality, facilities, and so on. For instance, TUI Netherlands had a separate section of their main summer sun brochure highlighting all the holidays with proven sustainability credentials,

but the bookings were so disastrously low they changed their brochures after one season.

However, Weeden (2002) has argued responsible and ethical tourism "can allow companies to compete on more than just price". Research conducted by Francis (2002) and reported in Goodwin & Francis – 2003 (8) , confirmed that destination, price, services and departure dates remain in the view of tour operators the tourist's key decision making criteria. Those operators practicing responsible tourism stated that given broad parity on these criteria, ***their responsible tourism practices make the difference 'nearly every time*** (Goodwin & Francis 2003:262).

For the sustainable development of ecotourism to grow and offer real economic benefits to local people, it will have to ***market the essence of what it delivers – nature, interactivity, experiential style, healthfulness, connections with community traditions, and life-enhancing educational value of products*** that appeal to an audience that wants to do a good thing for themselves and the planet. For example only 7 of the 200 nature tourism brochures analysed from the British ecotourism market used the term ecotourism in their brochures (WTO, 2001). More emphasis was placed on those parts of the concept of ecotourism which directly improve the experience for the holidaymaker. In 30% of the brochures reference was made to limiting group size and in 48% of the brochures the educational and interpretation aspects of the trips was highlighted.

Therefore, the ecotourism market needs to help travellers feel they can belong to a world where they can have experiences that transcend material values. Market information suggests that the large majority of eco-travellers want to re-connect with nature and cultural traditions that have been eclipsed in the rush for material benefits. ***Travel is therefore increasingly ‘about experiences, fulfilment and rejuvenation’, rather than about ‘places and things’.*** The purchase of environmentally friendly and authentic products is in many cases a hygiene factor (meaning that it is taken for granted that products are not un-green, but if proven otherwise it may deter them from purchasing), and a hedonistic factor (meaning that tourists will do it to the extent that it helps them feel better about themselves).

As we saw earlier on the ecotourists profile section, buyers concerned about sustainability make judgments through “subjective–experience orientations” rather than “objective-truth” thinking, which suggest that the more green marketers seek to prove the “greenness” of the product, the less they may be able to reach a broader market (Epler Wood, 2003).

The logic of this is that tourism marketing, for the appropriate market segments, will need to adopt ***lifestyle marketing approaches***. All the literature indicates that Cultural Creatives (50 million Americans seeking connections to traditional values that have been lost due to modern progress according to a 10 years of survey research from Paul Ray and Sherry Ruth Anderson) go away on holiday to renew themselves. King makes the point that “life style marketing tends to focus on and confirm more of what the customer would like to see in and of themselves rather than on any physical properties of the product or service being promoted” (2002:106). He concludes that this requires that destination marketing organizations reinvent themselves, shifting the emphasis towards “creating holiday experiences and connecting them with the customer” (King, 2002).

Visitors want to feel they have had a real “experience” that extends their bodies, minds, and souls.

It is therefore important that operators seek to provide experiences which will give market advantage first in securing the initial booking and then in creating client loyalty and repeat bookings as well as word of mouth recommendations.

The Marketing strategy

✎ ***General:*** In the case of marketing of responsible tourism, it is important to remind that the level of promotion of any one location should be determined by its carrying capacity and take account of the views of the local community. Similarly, in the case of sustainable development products, we very often use the term of ***Ethical marketing***. According to Epler Wood report (9), Ethical marketing is an honest and factual representation of the product, delivered in the framework of cultural and social values of the consumer.

As we saw, ***Lifestyle marketing*** shows more efficiency than traditional marketing because it is shaped around the interests, attitudes, opinions, and way of life of consumers, and therefore enable companies to connect with how their potential customers live. Lifestyle marketing concepts are developed to support the beliefs and core values of consumers. Consumers are however consistently changing their perceptions, attitudes, and consumption patterns, which results in considerable effort and research to keep track of these changes. Once again, in the case of responsible tourism, lifestyle marketing must for instance deliver the feeling of belonging through the delivery of experiences that are interactive, life-enriching, healthy and provide connections to a less material way of living, rather than just stating the benefits of responsible tourism for the environment and the local people.

In the case of emerging products like ecotourism, ***niche marketing*** will be the appropriate approach since the target groups will be niche markets.

✍ **Positioning** is a key to any effective marketing strategy as mass marketing is no longer effective. The basic idea of positioning is that your product occupies a place in the mind of the people in your target market. Marketing and positioning is therefore strongly based on market segmentation and target marketing. Market segmentation is the process that identifies which segments of the market to target...

Very often market sales depend upon a unique selling proposition (USP), where responsible tourism's commitment can be 'added value' enabling to differentiate an operator and to secure additional bookings.

Market segments usually are **demographic** (age, family status...fifty-plus, baby boomers), **Socioeconomic status** (occupation, income levels, education), **purpose of visits** (holidays, adventure, medical, VFR, pilgrimage...), **geographical** (countries of residence) and **life style** (activities, interests, opinions...escapers, renewal seekers). Most targeting will combine several segments.

However, tourism businesses and communities often make the mistake of attempting to be all things to all people. It is difficult, and risky, to develop marketing strategies for the mass market. Strategies designed for the "average" customer often results in unappealing products, prices, and promotional messages. It is therefore often wiser to target smaller segments that are presently not being served or served inadequately, than to go after larger segments for which there is a great deal of competition. As we saw in the case of responsible tourism, there are strong indications that

sustainable development products must not only deliver price and convenience, but a sense of belonging through the delivery of experiences that are interactive and provide connections to a less material way of living.

✍ **Branding:** A brand creates in the mind of customers and prospects the perception that there is no product or service on the market that is quite like yours. As says Howard Kosgrove (vice principal of marketing at Lindsay, Stone and Briggs Advertising in Madison, Wis), "A brand is the one thing that you can own that nobody can take away from you. Everything else, they can steal". Indeed, a brand is not just a name, term, symbol, design or combinations of these, but also a personality. Most of the time, in the case of tourism, branding is used by destinations (Kerala for instance), in order to create a brand image and compete with the others destinations (brands). In tourism, while factors such as cost of travel, convenience, and quality of facilities are important, a strong motivator is "image". However, branding is also important to private operators, especially outbound ones. Nevertheless, a branding strategy is a very delicate undertaking which must be undertaken by branding experts.

✍ **The marketing mix** could be viewed as a package of offerings designed to attract and serve the customer or visitor, and has to design the right combination between product, place, promotion and price, in order to satisfy the special needs, desires and behaviour of the target markets.

Note: This document focuses on giving marketing overview, and does not cover the elaboration of a marketing plan whereby operators would have to realize an **environmental analysis** (external environment: PEST Analysis - Political, Economic, Socio-cultural and Technological forces and internal environment), undertake a **SWOT Analysis** (Strengths, Weaknesses, Opportunities and Threats) based on a competitor and market analysis as well as **fixing marketing objectives** (profitability, market share, growth, branding objectives...accordingly to carrying capacity) and **measuring their performance**.

✍ Product

✍ Definition

The International Ecotourism Society defined **Ecotourism** as "responsible travel to natural areas that conserves the environment and sustains the well-being of local people. **Sustainable tourism** includes optimum use of resources, including biological diversity; minimization of ecological, cultural and social impacts; and maximization of benefits to conservation and local communities, according to UNEP. **Community based tourism** is designed & developed to be sensitive to the needs of the community & enhance living standards, particularly amongst the poorest & most marginal groups.

Ethical tourism, Development tourism, Fair tourism, or again **pro-poor tourism**, the terminology is extremely wide, and we tend to more and more use the term **responsible tourism** as a form of tourism referring to one, several or all other terms. It is also important that responsible tourism is not restricted to the visit of natural places but can also concern for instance a cultural centre, a star hotel in the middle of a megalopolis or any establishment that adopt **a policy of progress towards the achievement of a more responsible tourism**. Nonetheless, in the case of tourism providers in destinations, it is essential to take into account the social aspects as many operators tend to focus only on the environmental ones.

According to the research presented above, we can figure out that tourists do not yet really give much importance to the terms used, as Ecotourism, the most common and recognized of them, is not even really perceived as a strong brand which can drive consumer decisions. Ecotourism could thus be considered as added value to the product promoted under **quality tourism**.

According to the WTO Quality Support Committee (10) , quality determinants are safety and security, hygiene, accessibility, transparency, authenticity and harmony of the tourism activity concerned with its human and natural environment".

✍ **Product attributes** such as **destination, price, services and departure dates** remain in the view of tour operators the tourist's key decision making criteria, but the **quality of local social, economic & political information, opportunities to interact with local people** (and not just hotel or restaurant staff) and environmental impact were also judged important. Of course, **friendliness of the staff, quality of the food, location of the hotel, general cleanliness and other "common sense criteria"** all influence the perception the customers have of the product. Tourists is looking for good-value-for money products offering quality and life-enriching experiences, where responsible tourism, among the other criteria, can be perceived as one the product attribute that can influence quality, and customers decision making. It is also important to realise that recreational/tourism experience includes several elements such as **trip planning & anticipation, travel to the site/area, the experience at the site; travel back home, and recollection**. Businesses should look for ways to enhance the quality of the overall experience during all phases of the trip.

✍ **Code of conducts** (certification schemes and standards...) are important when marketing responsible tourism in order to give a kind of guarantee to the clients that the operators is really following a set of responsible tourism's criteria and **not just using green washing**. Usually code of conducts are whether for **general behaviour, for specific tourist activities such as whale watching, and/or for specific destinations such as islands or mountains**. It is also useful to create checklists for your clients with things needed for the journey, such as biodegradable shampoo & soap, a refillable bottle, rechargeable batteries...and explain why.

✍ **Price** is one of the most important and visible elements of the marketing mix. When establishing prices, tourism businesses should give attention to pricing strategies which may encourage off season and non-peak period sales, longer stays, group business, professional prices for the trade, and the sale of package plans (combination of room, meals, and recreational facilities).

According to the final report TRC – SASEC Asian Development Bank (1), recent downturns in tourism have put pressure on prices and consumers increasingly demand value-for-money when making holiday choices. Commentators feel that ***the age of conspicuous consumption has passed and travellers are now more sensitised to the gaps between rich and poor.*** While a demand for ultra-deluxe products for special occasions will always exist, value-for-money has become critical in today's travel decisions (WTO). Competitiveness between destinations is such that tourists will choose destinations where they get the best quality experience for the best price.

✍ **Place** is known as channel or intermediary and basically represents the distribution strategy. Once again, channel prospecting must be done accordingly to the positioning and target market segments.

✍ **Business to business** from the perspective of an inbound tourism business

* ***Tour operators from international source markets.*** Responsible tourism operators are more and more numerous, and often create trade association that can be contacted. Non responsible tourism operators should also be targeted as the mass tourism operators very often seek to show they also promote responsible tourism. Fam trips can be a good way to how your product if you can manage to organize such tours at the destination level, with the relevant support.

* ***Domestic tour operators*** should also be prospected, especially for the ecolodges, houseboats operators, ayurveda beach centres...and other hospitality properties.

As shown in the Final Report of Asian Development Bank (1), fostering domestic tourism is widely recognized as a means of ***keeping tourism revenue at home, upgrading living standards, and achieving national social objectives.*** Tourism can contribute recreational, sport, leisure and educational facilities to host communities, although often a perception that tourism is for foreigners has to be overcome. With the recent decline in long haul travel, many destinations have come to rely on domestic segments, especially for niche products such as ecotourism and soft adventure. A recent study conducted on the economic multipliers of tourism in India (JPS India 2004) found that ***the multiplier and poverty alleviation effects of domestic tourists are more significant than of foreign tourists,*** despite the higher spending of the latter. This was due to the sheer volume of domestic tourists and their length of stay, which more than made up for their much lower daily spending.

* ***Tourism Board / National Tourism Associations, Tourism chamber, Hotel chamber or association*** must also be approached.

* ***Travel agents*** are increasingly working directly with inbound operators even though it is not a generality.

* ***Independent & individual tour organisers*** are also growing very quickly, but can not really be targeted as they very often are in the informal sector. If the tourism venture is however rightly positioned and good value for money, they might locate you.

* **Selective networks** can be clubs, federations, companies' trade unions, special interests groups such as ayurveda institutes, bird watching societies...

* **GDS (Global Distribution system)** and Computerised Reservation Systems (CRS) allows customers and travel agents to make on-line hotels bookings. Even though these systems belongs to mass tourism, they represent a great distribution network for responsible tourism hotels. Global internet travel sales increased from \$US 26 billion in 2000 to \$US 80 billion in 2003. Some of the major GDS players include Expedia.com, Hotels.com and Lexington.

Hotels.com is the largest hotel only specialist worldwide and Expedia is the largest online travel retailer in the World. Jointly they attract 37 Million visitors (unique users) to their websites each month and every day sell over US\$25 Million in travel, over 100,000 hotel room nights and 5,500 packages. Expedia also sell over 55,000 airline tickets each day. Expedia and Hotels.com have a combined market share in the US of 78%. Lexington services gives hotels exposure to over 400,000 travel agents worldwide through a network of agencies and corporations which operate on Global Distribution Systems (GDS's) such as Amadeus, Galileo, Sabre, and Worldspan.

✍ **Business to consumer** marketing targets directly the end-consumers and the FIT market (Free and independent travellers). As we saw earlier, this market is increasing and is due to increase even more. The ways to reach this market are covered in the following section about promotion.

✍ **Promotion:** Promotion provides target audiences with accurate and timely information to help them decide whether to visit your community or business

* **On-line direct marketing:** Online buying is already a major trend in the sector: as UNCTAD reported, in 1999 over 38% of ecommerce purchases (consumer) were related to travel. Similarly, the World Tourism Organization predicts that within 4 to 5 years Internet sales will represent a quarter of sales in the tourism sector. *Source:* IADB, Information Technology for Development (11).

The main components of an internet strategy are **strategic linking** with responsible tourism or specialised organisations such as TIES, responsibletravel.com, realadventures.com... **search engine's registration, optimisation & advertising, and direct e-marketing with e-newsletters** thanks to database building and emails capturing.

The UK stands out from the rest of Europe in terms of online bookings. The UK held 30% of the European online market for travel products in 2000. The value of online travel bookings in the UK was approximately £455m in 2000. While online travel sales are still a very small share of the total travel market (market-share in 2000 was 1.2%) it is expected to increase rapidly year by year in the near future (annual increases in the next few years of around 80% (Marcussen 2001). Of these sales, 60% were for air travel, 18% for package tours, 17% for hotels and 5% for other services. Two ABTA surveys conducted by MORI in 1998 and 2000 showed that the percentage of package holidays booked over the Internet had increased from 1% to 3%. 55% of those surveyed had access to the internet at home or work. 17% of the adult population had booked some travel arrangement (e.g. flight, car hire or ferry crossings) over the Internet at some time. Where the internet, however, plays an important role is the dissemination of information. 39% of the adults surveyed by ABTA used the internet as a source of travel information. While travel is globally one of the main items purchased via the internet, the sales of holiday packages and accommodation have not taken off to the same extent as flight sales.

Source: PPT No. 17, Dorothea Meyer, ODI - Sept 2003 (6)

It is also important to handle enquiries in a proper way. Responsibletravel.com provides their tourism members with tips to convert enquiries into bookings. It includes displaying correct and up to date information, trying to send an automatic acknowledgement of the enquiry, replying on the same day as you receive the enquiry, remembering you are not handling a reservation but have an opportunity to sell, instilling confidence in the traveller by knowing the information displayed on your site, personalise the e-mail by using the traveller's name, answering any specific questions that were asked, sending additional information on the trip, suggesting alternatives if the trip is not available around the dates requested, letting the customers know they can call you for more information and maybe giving them a reference number so they know when they call up they won't have to start the conversation from scratch, sending a follow up e-mail within a week, using the contact details to keep in touch with potential travellers via your normal mail and email shots.

Obviously, the site in itself must be fast and offer relevant information about the company and the trip in itself.

* **Off-line direct marketing** can also be done if the operators have built or have access to customers database in order to mail its brochures and other communication supports. However, direct mail response depends upon the quality of the mailing list and the quality of the direct mail piece. It is obviously more probable to get very high responses from direct mail offers to previous guests, whereas a 2 to 5% response rate for direct mail is considered good if it is a cold prospect list.

* **Public relation** is very important especially in the world of tourism where word of mouth is crucial. Marketing to the media is rural tourism's secret weapon. A community or ecotourism venture can benefit from media coverage because it's free and almost always positive. This is very effective because it reaches people who may not normally see ads in tourism publications. They deliver believable, helpful information in a useful format. However, it is important to have a "good story" in order for the media to pay attention to your organisation.

Press releases and media familiarization tours can be organised in order to obtain press coverage in **specialised magazines and newspapers**. Similarly, as the FIT market is growing, guide books are more and more used by visitors, and it is very often a necessity for most operators to seek **guidebooks referencing**. In the case of responsible tourism, **green awards** are a very efficient tool to build credibility and obtain better attention.

* **Fairs and exhibitions** are held in most source markets, but choosing which one to attend is not a predefined procedure. It appears that it is more effective to go on trade fairs than consumer's fairs for inbound operators. The selection of fairs to attend should be done accordingly to the importance of the source market represents for the destination. Cost factors, visitor's attendance, prestige...and positioning of both the products and the fair would also greatly influence. It is to be noted that **fairs dedicated to responsible tourism products** take place in a few countries. Reispavillon in Germany is an example.

* **Advertising:** Even though, this is not really applicable for inbound organizations seeking foreign visitors because of financial reasons, operators can also advertise in the media to promote its business. It then has to identify which methods (television, radio, newspaper, magazine) will most effectively communicate its message to the target audience. Similarly, **sponsorship** can also be very efficient, but would probably not be very relevant either in the case of inbound operators.

* **Walk-in business** can be very efficient for some tourism organisations. It mainly depends of the **place** the business is situated (well located on a highly frequented area or a less frequented area but in a beautiful spot for instance). It can also be influenced by using **billboards** in some targeted areas. Obviously the **external appearance** of the shop (for an inbound operator) or of an ecolodge, hotel, resort...is also of great importance. Another method is to distribute communication supports such as **flyers** to some targeted related businesses. A special offer via coupons on the flyer may also be efficient.

* **Word-of-mouth** promotion (WOM) is thought to be the most important form of promotion for tourism, because it comes directly from the customer, and it is therefore regarded as the most believable of all information sources. WOM is therefore highly efficient. For the cost of ensuring that your visitors have a great time in your place (be it a resort, a hotel or even a town), you can set the stage for positive WOM promotions to occur.

It's been said that a dissatisfied customer will, on average, tell 13 other people about a negative experience, but only 1 in 25 dissatisfied persons will tell the provider. By encouraging feedback and responding to visitors' concerns while they are still in your establishments, you will reduce negative WOM after they leave, and understand them better.

Several tips on how to make WOM promotion an integral part of promotional efforts and give visitors a quality experience include **understanding visitors' needs and wants, procuring incentives for referral** (coupons, special packages & creative recognitions) and **encouraging current visitors to recommend** your establishments / community to family and friends. Two strategies for achieving a high quality tourism experience are interactive and internal marketing. High quality tourism experiences are a result of the visitor's interaction with employees, other tourists, the setting or environment, and the host community. As a result, the tourism manager must continue marketing once the tourist has arrived at the destination. **Interactive marketing** is the process of recognizing, identifying, and managing these crucial interactions in a manner that maximize the tourist's level of satisfaction.

Tourism professionals must also recognize that high quality service, and the resulting positive word-of-mouth promotion is dependent on the tourism industry's employees. The success of **internal marketing** is therefore dependent on creating an atmosphere in which employees desire to give good service and sell the business/community to visitors. To create such an atmosphere the organization requires to emphasis on **hospitality & guest relations, training in personal selling, clear organizational communication, recruitment & retention of skilled employees, and quality control passing via incentives** in order to maintain employee morale.

* **Institutional Networking** is not really regarded as promotion, but can also be efficient to build credibility and access high profile networks. Working or cooperating with UNEP Tour Operator Initiative, national governments and NTOs, UN programs, CBI in Netherlands... are all possibilities for genuine responsible tourism operators. Similarly, international responsible tourism lobbying NGOs can also be contacted in order to build networks. Like in any industry, but particularly in the tourism industry, the power of networks (not only institutional) and personal relations are very important.

* **Cooperative marketing**

By joining together with like-minded operators, communities and operators are often able to establish regional themes and a critical mass of attractions and services that exceeds what any one community could alone provide. Additional benefits include the consolidation of promotion efforts to avoid duplication, and the opportunity to develop a collective, regional leadership. For these and other reasons, many ecotourism stakeholders form societies, networks, consortium, platforms...to increase their market access, and it is strongly advised to engage in such initiatives.

There is also a trend Towards Regionalization at the country level: Triggered by reduced marketing budgets and tourism downturns, recent trends have shown neighbouring countries pooling their financial and human resources, and establishing cost-effective regional joint marketing and promotion programs. Successful examples include the Agency for Coordinating Mekong Tourism Activities (AMTA), Regional Tourism Organization for Southern Africa (RETOSA), the Caribbean Tourism Organization (CTO), and the South Pacific Tourism Organization (SPTO). To combat the effects of SARS, the NTOs of Hong Kong, Singapore and Thailand exhibited under one "Together in Asia" stand at the World Travel Market in London. Advantages include the stretching of budgets, sharing market research, faster growth in destination awareness, greater media exposure, earlier product positioning, and more rapid penetration into target markets. Joint management of resources, cooperative security, and initiatives such as cross-border protected areas, are all sub-regional tourism initiatives that present good opportunities for growth. **Source:** TRC – SASEC Asian Development Bank (1)

Conclusion

Marketing, and especially marketing of emerging products such as ecotourism, are not easy task, and requires once again a good understanding of the market demand in order to adopt the right product positioning and marketing strategy. Marketing of ecotourism products is also greatly facilitated when the destination in itself has adopted a sustainable tourism strategy and is promoting it with a strong branding strategy. It is in indeed hard to sustain an ecotourism business and get repeated bookings when the product is operating in a highly polluted destination, where mass tourism is destroying the ecosystem and abusing the local human resources. Ecotourism operators have also to remember that, generally speaking, tourists do not go on holidays to save the planet and alleviate poverty but to experience something they might not be able to experience back in their country. However, this document is targeted to the mainstream responsible tourism operators, in particular in destinations, and is written to help them achieve better market access and increase their overall market share. Micro markets do exist for fully responsible tourism operators positioning themselves as such. Those ones will however have to be able to afford much smaller visitors numbers, prove their "greenness" in a different way, and develop strong differentiated products.

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