


## Section 3:


# An Overview of Marketing Tools

### 3.1 Tactical Tools in the Marketing Process


**Selecting the most effective tactical tools** to use in your marketing activities is one of the **most critical** and **most challenging** parts of the marketing process. **Not every tool will suit all businesses**, but the following aspects will help establish some basic guidelines as to which are the most suitable tools for your business.



It is necessary to ensure that the tool you use is reaching your required target segment or market.



The nature of your tourism business will also dictate which tools are better suited to your circumstances. For example, if you sell tourism products to other businesses then the attendance of particular trade shows will be beneficial as opposed to buying ad time on television.




The type of product that you are offering will also tend to influence the type of tools that you use. For example, if you are offering an accommodation product then a brochure would definitely be necessary as it would inform the potential tourist in a visual format.

### 3.2 Networking and Building Relationships


**Networking and building relationships** with people in the industry **takes more time and creativity than money**, but still **takes much commitment and planning**. Physical promotional material, such as brochures and direct mail, have limitless options for complexity and size of investment. **Wide audience media** can be **more expensive** forms of marketing, but returns can be large if developed shrewdly and effectively. And of course, on-line promotion; perhaps not yet demonstrating its full potential, but begging for marketers to take advantage of its flexibility and ability to reach a wide audience which is able to be segmented.

Marketers sometimes use the terms **“above the line”** and **“below the line”** to distinguish between formal and more informal marketing activities.




**“Above the line”** marketing efforts have been traditionally defined as any form of advertising or promotion that is of a formal and structured nature. These are characterised by television, print and other mainstream media types, which are relatively expensive marketing tools.

They are called “above the line” because generally a specific budget is allocated for the production and placement of these mediums and results can, to a degree, be related directly back to the **“bottom line”**, or profit margin of the business.



**“Below the line”** marketing efforts are less formal and more creative. These include give-aways, flyers and special event promotions. In most cases the cost “of below the line” efforts are much lower than in the case of “above the line”, but it is very difficult to gauge the impact which these mediums have on the “bottom line”.



Traditionally marketers viewed the selection of marketing tools as a choice between above and below the line tools. With markets today becoming much more fragmented, new media such as the internet, and consumers having a much wider choice of products and services, the challenge is now getting the right mix of these mediums working *together*... this is what is now called working **“through the line”!**



### 3.3 Industry Partnerships

Industry partnerships are an **extremely valuable resource** to tourism businesses in terms of **gaining exposure** to markets, **being a part of broad destination** marketing and **supplementing your marketing budgets** by combining funds with industry partners.

ELEMENTS TO CONSIDER:

<b>Time:</b>	<ul style="list-style-type: none"> <li>• Researching initiatives/ways of being involved</li> <li>• Meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Project involvement</li> <li>• Provision of information</li> </ul>
<b>Cost:</b>	<ul style="list-style-type: none"> <li>• Staff time</li> <li>• Co-operative funding contribution</li> </ul>	<ul style="list-style-type: none"> <li>• Provision of material such as photos</li> </ul>
<b>Skills Required:</b>	<ul style="list-style-type: none"> <li>• Negotiation skills</li> </ul>	<ul style="list-style-type: none"> <li>• Self-promotion skills</li> </ul>
<b>Benefits:</b>	<ul style="list-style-type: none"> <li>• Larger amount of marketing support from larger industry organisation or industry partners</li> <li>• Depth and breadth of distribution</li> </ul>	<ul style="list-style-type: none"> <li>• Being part of marketing of a broader area, regional or national</li> </ul>

A number of different ways of working with industry partners are outlined in the following points and should be evaluated on the above criteria.

#### 3.3.1 Local Tourism Organisations

It is **important** for small tourism companies to **form strong relationships** with local tourism organisations. **More benefits** can be **achieved through pooled effort** than would otherwise be achieved.

*Local tourism organisations can provide support in the following areas:*



- Distribution;
- Regional brochure production;
- Representation at trade and consumer shows;
- Obtaining editorial on regional experiences which then provide a relevant and attractive environment for advertising; and
- Having an on-line presence within which operators can have a listing or links to their web site.

#### 3.3.2 Industry Associations

**Industry bodies** such as the Guest House Association or the Tour Operators Association for Cape Town **can provide a range of benefits** for members, including **marketing initiatives, professional development and education and quality standards**.

#### 3.3.3 Co-operative Marketing with Local Tourism Operators

Co-operative marketing **is a concept that can be extremely beneficial** to small tourism businesses when carried out correctly. **The main thrust** of this concept is the **creation of partnerships** across regions and industry. Typical alliances would take the form of private businesses participating in a **regional market strategy** through collaboration with local tourism organisations.

**Pooled resources enable strong regional marketing efforts** to support a destination area and **integrates** all the complementary tourism offerings **into one, unified destination** offering to the tourism consumer. If the destination is branded on its key strengths, with support from related products, then all partners stand to win. **The pooling of resources is a key driver** of such a marketing approach.



Packaging is an **important part of co-operative marketing**. Packaging involves **combining a number of component products** to form a package, which can then be sold to interested trade and consumers. It is important to **tailor the elements** of the package **to a particular target market** and keep their needs in mind in both the development and promotion of the package.

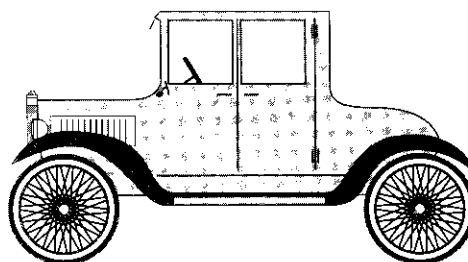
A package should **contain** complementary products such as **accommodation, transport, entry to attractions, meals and touring**. Packages can also prompt people to use your product in low season or off-peak periods. **Attractive pricing of packages can be a powerful motivator** of travel at these times.

Example of a model package

***Daimler Collingrove Escape  
in the heart of the Stellenbosch Wine Region  
invites you***

Visit our grand homestead, Collingrove (circa 1856) where our personal service will ensure your stay is a memorable occasion. After a peaceful night, spend a stylish day in our world renowned wine country.

For the true wine explorer, travel in the classic comfort of a 1962 Daimler and visit local wineries and art galleries. Enjoy a gourmet lunch and savour local wines.



**OUR PACKAGE INCLUDES:**

- Hosted guest house accommodation
- Fudge and flowers
- Cooked breakfasts daily
- Full day use of a vintage car
- Tour of winery and 2 course gourmet lunch including wine on day of tour
- 10% discount at local art gallery

- Antique furnishings
- Wine tasting and tour
- Gourmet food
- Cedar hot tub
- Classic car
- Local gallery visit

**PER PERSON COST FOR 2 NIGHTS:**

- Twin Share R1250 pp
- Extra Night R320 pp

**TO BOOK:** Ph/Fax: (021) 555 5555

*The elements of a model package should motivate customers, provide all information required for them to make a decision and finally make it easy to book if the contents of your package have convinced them to take action.*

The above model package can be analysed in the following way:

MOTIVATION  
attention grabbing  
package title

CONVERSION  
clear/easy method  
of booking

MOTIVATION  
captivating description  
of the experience

CONVERSION  
incentive to book/perceived  
value for money

INFORMATION  
inclusions in package

INFORMATION  
product attributes



### 3.3.4 Working with the Travel Trade (Wholesalers and Agents)

**Wholesalers and travel agents provide vital links** in the distribution and sale of travel offerings. If you wish to work with travel agents, booking offices, tour wholesalers and inbound tour operators, you must **be prepared to pay commission**.

Commission levels range from 10% for a retail agent or booking service, to 20% for a wholesaler, to 35% for an operator working in the international inbound arena. Commission is essentially the cost to distribute your product, but remember, **you only pay a commission if you get a booking**.

This **commission must be included in your rack or retail rate** and should not be added on top of this rate. For example, if your product sells for R440 (before tax) the commissionable rate you would provide to a retail agent would equal the total less 10% i.e. R396.

Being a part of 'packaged product' (a group of compatible products such as accommodation, transport, attractions, meals and touring offering a total experience aimed at a particular target market), can mean your product is more likely to be taken up by a wholesaler. **Packages will also need to be fully commissionable**. Use of a central booking number for the package makes it more attractive for the travel industry to make one call to book all products, rather than having the expense of calling each single operator.

### 3.3.5 Trade and Consumer Shows

Trade shows are organised events where companies from an industry assemble and go about meeting potential clients, suppliers and possible future partners in business. It is not likely that tourists will attend this type of event and **it is often impractical** for individual businesses to attend. However, **local and regional tourism organisations often attend** in order to promote their tourism region. From a co-operative marketing point of view these events are very important.

There are some holiday shows (such as camping expos and backpacking shows) that consumers do attend and these should be evaluated on the potential market that is likely to attend. Some consumer shows have visitors collecting brochures but not really being interested in everything they collect. To **prevent giving away large amounts of brochures at a show**, have one on display and **print a small response card**, which describes the brochure content. This allows customers to fill in their contact details, leave it at the stand, or mail it to you and you will send them a brochure. This is also **the benefit of having a web site address** to give to people so they can obtain the information from the web, **rather than receiving a brochure** which eventually gets thrown away. The response card can be used with a group of operators and the cost split. A kit of all operator info can be compiled and sent out from one location.

**Trade and consumer shows are also important venues for networking with trade, industry partners and other operators.**

## 3.4 Public Relations

**Public relations** activities can **involve building relationships** with media to facilitate editorial exposure, co-ordinating special promotions and competitions or hosting agents and journalists in the hope that they will **provide additional exposure** for your product.

ELEMENTS TO CONSIDER:

<b>Time:</b>	<ul style="list-style-type: none"> <li>• Researching relevant contacts and publications</li> <li>• Meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Project involvement</li> <li>• Provision of information</li> </ul>
<b>Cost:</b>	<ul style="list-style-type: none"> <li>• Staff time</li> <li>• To accommodate and feed journalist</li> </ul>	<ul style="list-style-type: none"> <li>• Provision of material such as photos</li> </ul>
<b>Skills Required:</b>	<ul style="list-style-type: none"> <li>• Negotiation skills</li> <li>• Development of unique story lines or angles</li> </ul>	<ul style="list-style-type: none"> <li>• Self promotion skills</li> <li>• Development of interesting prizes/promotions</li> </ul>
<b>Benefits:</b>	<ul style="list-style-type: none"> <li>• Targeted/interested audiences</li> <li>• Breadth of distribution</li> </ul>	<ul style="list-style-type: none"> <li>• Credible information</li> <li>• Action orientated content</li> </ul>

These activities take much more time and effort in building relationships than direct costs, and must be reviewed on this basis.



### 3.4.1 Editorials

Editorials **are an inexpensive or free way** of receiving press coverage. This marketing tool enables you to communicate a large amount of factual information about your offering that may not fit into a small and expensive advertising space. **Editorials can be difficult to organise** and the tour offering must be of some significant interest.

Destinations are often the subject of editorials and it is here that co-operative marketing can help the smaller tourism businesses who operate in the area. **Popular attractions or reputable tourism services will often be quoted in these editorials.**

### 3.4.3 Familiarisations

Agents and journalists are more likely to promote your establishment **if they have experienced it first hand.** As the term suggests, encouraging agents and journalists to become familiar with your product, increases the likelihood of them including it in future promotions. **Accommodating** these important **“salesmen” free of charge** will assist with the education process and encourage personal anecdotes to sell your experience.

But **be selective** and try to focus on what makes your product different and arrange for the person to experience the most special aspect. Sometimes **quirky or entirely unique things stick in their minds.** Finally – don’t cross your fingers and hope – continue to **follow up and develop the relationship** which has now commenced.

## 3.5 Promotional Tools

Promotional tools are **tangible items which display elements** of your product. Promotional tools play different roles in how they display product attributes and benefits, and vary in investment and importance.

ELEMENTS TO CONSIDER:

Time:	<ul style="list-style-type: none"> <li>• Compilation of relevant content</li> <li>• Meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Project &amp; supplier management</li> <li>• Design and production process</li> </ul>
Cost:	<ul style="list-style-type: none"> <li>• Staff time</li> <li>• Design cost</li> </ul>	<ul style="list-style-type: none"> <li>• Printing/Other materials or production cost</li> <li>• Distribution cost</li> </ul>
Skills Required:	<ul style="list-style-type: none"> <li>• Design/layout skills</li> <li>• Project management skills</li> </ul>	<ul style="list-style-type: none"> <li>• Selection of inspiring visuals</li> </ul>
Benefits:	<ul style="list-style-type: none"> <li>• Tailored information provision</li> <li>• Makes product tangible and something for consumer to keep</li> </ul>	<ul style="list-style-type: none"> <li>• Breadth of distribution</li> </ul>

**Tools** such as brochures and exposure through **web sites are generally considered essential methods of communication** in today’s environment. **Other tools such as promotional videos, banners and merchandise are additional tools to utilise** if budget permits, but again, each has different merits for different businesses.

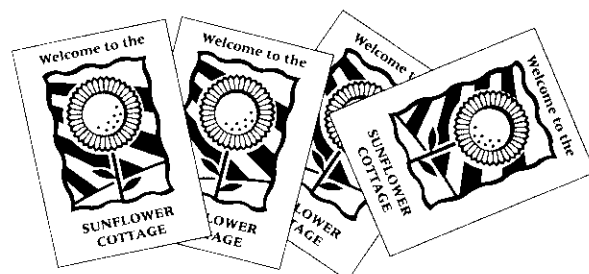
### 3.5.1 Brochures

A brochure is a **good way of communicating** your tourism offering to your target market. It offers the **best opportunity** for a potential consumer to preview the tourism offering from the visual display and the text. Brochures can be very **simple or extremely sophisticated.**

### 3.4.2 Special Promotions and Competitions

Innovative ways of **getting your message across** and motivating customers to act in some way, **can be beneficial** for launches, highlighting special deals, educating and building relationships with agents.

For example, to **promote a range of wholesale products** to agents who are always bombarded by faxes, a box of chocolates thanking them for their support is more likely to grab their attention!



### 3.5.2 Web Sites

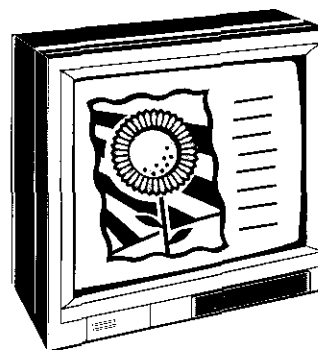
Having a web site is a great way to put your offering to the market in **an interactive and creative format**. It is a useful tool for information provision to a wide audience, but production of a web site will not produce instant business. There are **two jobs to do** with a web site. **Production of the relevant information for your markets;** and **promotion of your site**, so that your markets will find their way to your web site. There are millions of small businesses out there with a presence on the Web, so **have a clear idea of who you are trying to attract** and do not fall into the trap of trying to be everything to everyone.



Creating **fully operational transaction based web sites**, where bookings and payments are handled, **can be an expensive exercise** for an individual business. However, if a number of **small companies pool their resources** it may be viable to establish such a web site. This can also be achieved through **an initiative by the local tourism organisation**.

### 3.5.3 Promotional Videos

Videos also **require a reasonable investment** for a good quality production, but promotional videos have a wide range of uses, from trade and consumer shows, to in-flight viewing, in-house hotel TV channels, or an introductory presentation video for any meeting. **Short duration** and **succinct messages** are **essential elements** for a punchy production: **6 minutes maximum duration**, to maintain audience attention span.



### 3.5.4 Banners

Banners are a **versatile form of promotion** that can be utilised at launches, trade and travel shows, at seminars, events, sponsorship events and in window displays. An important branding tool, but remember that **banners are a low direct response driver**.

### 3.5.5 Merchandise

Promotional or corporate gifts can be used as **attention grabbing items**, appealing thank you gifts or ways of adding branding to many elements of business. In many cases, for a low unit cost, **the additional goodwill generated is of significant value**.

#### GENERAL NOTES

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### 3.6 Direct Marketing

**Communicating** with customers **in a direct manner** by utilising a number of different tools, is becoming **increasingly important** for businesses which need to portray different messages to more specific segments of the market. Customer databases, personalised mail, customer reward programmes and special offers and incentives are all tools to build a trusted relationship with the customer and encourage repeat visitation.

ELEMENTS TO CONSIDER:

<b>Time:</b>	<ul style="list-style-type: none"> <li>• Compilation of relevant content</li> <li>• Time to segment and maintain database/ mailing lists</li> <li>• Meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Project and supplier management</li> <li>• Design and production process</li> <li>• Distribution/ mailing process</li> </ul>
<b>Cost:</b>	<ul style="list-style-type: none"> <li>• Staff time</li> <li>• Design cost</li> </ul>	<ul style="list-style-type: none"> <li>• Printing/Other materials or production cost</li> <li>• Distribution/ mailing cost</li> </ul>
<b>Skills Required:</b>	<ul style="list-style-type: none"> <li>• Design/layout skills</li> <li>• Project management skills</li> </ul>	<ul style="list-style-type: none"> <li>• Selection of inspiring visuals</li> <li>• Database management</li> </ul>
<b>Benefits:</b>	<ul style="list-style-type: none"> <li>• Highly targeted information provision</li> <li>• Makes product tangible and something for consumer to keep</li> </ul>	<ul style="list-style-type: none"> <li>• Breadth of distribution</li> <li>• Action orientated content</li> </ul>

All of these tools involve research, planning, production and distribution processes, but if executed effectively, can produce invaluable and sustainable rewards.

#### 3.6.1 Your Most Valuable Tool: The Customer Database

By far the **most cost-effective form of promotion** is that of **word-of-mouth**. Satisfied customers will always **tell their friends and colleagues** of the excellent service and experience that you provided. **Your customer database is a most valuable tool.**

Common wisdom in the marketing world alleges that it is 5 times **more expensive to find a new customer than** it is to get an **existing customer to buy again**. This is especially true with tourism marketing, therefore it is very important to **understand the characteristics and attitudes of your existing customers**, as well as **keeping in regular contact** with them.

Keeping a **customer database** with not only their **name and contact details**, but also **details of age or life cycle, occupation, intended length of stay and activities** they plan to do while in the area, can help to **build a profile** of your customers. This **information can be conveniently stored** on your computer in a **spreadsheet or in a database programme**.

This information is then useful in tailoring **further communication** with customers to **demonstrate personal service**, offer special rates or extra benefits if they visit you again, **or recommend a friend**. Even if they're unable to visit you again themselves, **being proactive with personalised communication can encourage word-of-mouth to friends**.

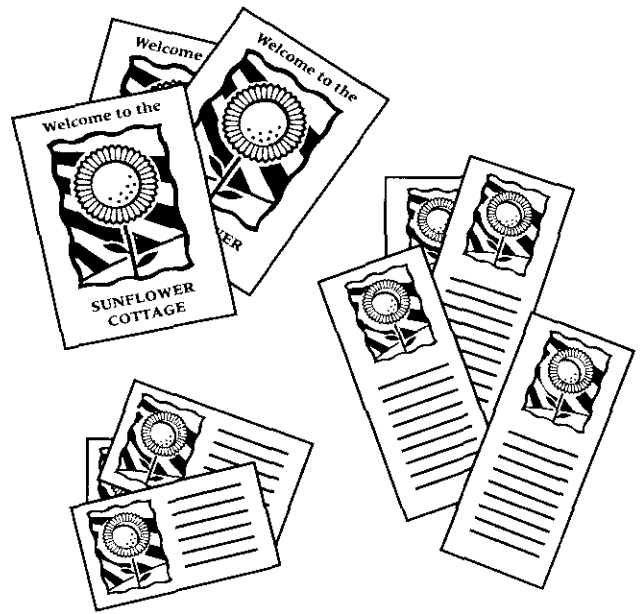
A **customer database** can be an extremely valuable tool, but the information **must be used regularly** to justify the collection of the information. Criteria must be developed for **defining the most valuable customers** and segments on your database and then you must **plan communications** for an extended period.



### 3.6.2 Direct Mail, Postcards and Flyers

Information can be **tailored to specific segments** and either **letterbox dropped** in particular areas, **or personalised and sent directly to individuals**. Communication through the mail is a **highly effective way of getting specific messages across** to segments. “Junk” mail is the term given to material, which **has no relevance at all for the recipient**. If the message portrays how a product can meet the needs of the consumer and captures the attention of the consumer, its impact and potential conversion rate will both be very high.

**Direct mail** has the potential to **motivate, provide information AND convert interest** into a booking by **providing prices and a strong call-to-action**. **Direct mail** can consist of **simple, but attention grabbing formats**, such as **postcards and flyers**, or more sophisticated mail packages consisting of **covering letters, brochures** and other **promotional tools such as discount vouchers**.



### 3.6.3 Special Customer Reward Programmes

**Reward programmes** for your customers **do not need to be as sophisticated as the bonus points systems** of the airline frequent flyer programmes. They **can be as simple** as identifying potential repeat visitors, offering them benefits for repeat visitation and then regular communication **to provide reasons and incentives to visit**.

#### FOR EXAMPLE

- Visit 4 times in a year and receive 1 night free.
- Because you've stayed with us before, we have a special for June, July and August. Book two nights in any of these months and we'll give you a free picnic hamper for an indulgent lunch, filled with a range of local cheeses, fruit, fresh bread and wine.
- Book three conferences in a year and receive free catering for your next conference.

### 3.6.4 Special Offers and Incentives

**Special offers and incentives** are a great way to **boost visitation** in low season, **extend length of stay** or to **increase bookings** around a special event.

#### FOR EXAMPLE

- “Couples Winter Escape”: Book two double rooms this winter and receive a 5% discount and 2 free bottles of wine.
- “Wine Festival Special”: Two complimentary wine glasses and transport to the festival, which showcases the region's wines and local jazz talent.
- “Garden Route Spectacular”: Book yourself and two friends on a tour during January and you'll receive a complimentary bungi jump!

*Ensure that you research what kinds of product would appeal to your target market and what price they would be prepared to pay. Test your concepts with a couple of people you perceive to fit your target market profile.*





### 3.7 Wide Audience (Traditional) Media

**Advertisements** can come in **all shapes and sizes in many different media types**, from **newspapers to television commercials**, to **billboards**. Advertisements are used to inform and **raise awareness** of a product or service.

Advertising **can be expensive**, so it is important to **make sure that you will be reaching your target market** when choosing the media type. For instance, **if your main target market is international tourists** then it **may not be practical to advertise in local community newspapers**. However, **a bright poster at the local tourism organisation**, where many international tourists are likely to visit, **may be a very fruitful form of advertising**.

**Wide audience media can play an important role in the marketing mix**, by establishing your brand in the marketplace and reaching substantial numbers of people with your messages. **Below is a set of criteria which will help you to make decisions regarding use of the media**. But you must also **keep in mind the other marketing tools** you are using **to communicate to your target markets, your target market's use of each medium and your overall communication objectives**.

#### Definitions of Criteria

- 1 **Reach:** Number or percentage of people in the target market who are exposed to your message.
- 2 **Impact:** The effectiveness of the media in 'cutting through the clutter' and grabbing the attention of the consumer.
- 3 **Cost of Production:** How expensive it is to physically make the ad or communication tool. For example, design and production costs associated with a newspaper advertisement or planning, filming and editing a television ad.
- 4 **Cost of Placement:** How expensive it is to purchase the space or time in a particular medium, so that it is delivered to the consumer. For example, the cost of television airtime – the longer the ad, the more expensive the airtime. The cost of the space to place an ad in a magazine. The cost of the billboard space for outdoor advertising.
- 5 **Targetability:** The capacity of the medium to target a specific segment of consumers.
- 6 **Conversion:** The effectiveness of the medium in being able to prompt consumers to take action and request more information or make a booking.

#### ELEMENTS TO CONSIDER:

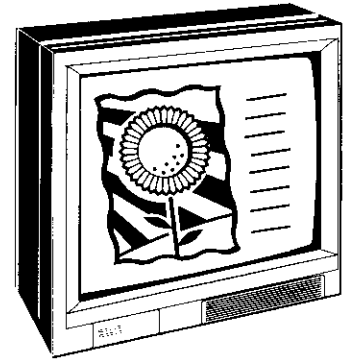
<b>Time:</b>	<ul style="list-style-type: none"> <li>• Developing overall concept</li> <li>• Meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Finalising script or ad concept</li> <li>• Design and production process</li> </ul>
<b>Cost:</b>	<ul style="list-style-type: none"> <li>• Staff time</li> <li>• Cost of production including talent, graphics, images, props, production company or designer and editing suite time</li> </ul>	<ul style="list-style-type: none"> <li>• Printing/other materials or production cost</li> <li>• Cost of placement, including physical copies of the ad or to provide the advertisement electronically, as well as the purchase of air time or space in the publication</li> </ul>
<b>Reach/ Frequency:</b>	<ul style="list-style-type: none"> <li>• Reach – Which proportion of your target market will be exposed to your ad at a particular time?</li> <li>• Which programmes or sections are your target markets most likely to see and be interested in?</li> </ul>	<ul style="list-style-type: none"> <li>• Frequency – How many times will your target market see your ad and how many times are required for your message to sink in?</li> <li>• Consider the implications of shorter campaigns with higher frequency, or longer campaigns with frequency spread out</li> </ul>

### 3.7.1 Television

Advertising on **television can be an effective medium** if you want to reach a broad market, **but it can be an expensive medium** if you want to reach particular segments.

For television to be effective, **two factors** must be successfully achieved:

- **Reach** – this means that at the time your ad is running, the highest possible number of your target market needs to be viewing that particular channel.
- **Frequency** – this means that your target market must see the television ad enough times in a week to be able to remember and understand the messages your ad is trying to get across. If your total airtime is going to be over a shorter period, then very high frequency per week will have the biggest impact. If your campaign is running over a longer period of time, then an accepted benchmark is your target audience seeing the ad on average 3-4 times per week.



Therefore, a **clear description of your target market** is required for both production of the ad and selection of the airtime, including programmes and the time of day.

Media companies and buyers **can provide in-depth analysis of reach and frequency**, but local television stations **can provide this information direct** to the consumer.

Overall, **television advertising will not be worthwhile if your budget is not large enough** to sustain reasonable reach and frequency over a decent period of time. The **recommended minimum period** to advertise at any one time is **two weeks**. It would be preferable that **two-week blocks are repeated over time**, if continuous advertising is not possible.

Television may be a **viable option for larger local tourism organisations or conference venues**, but for the **small tourism operator, a promotional video** may be a more viable option.

<b>PRODUCTION TIPS</b>	For the significant investment in television production, sufficient time must be put into development of the script and creative concept. Research on the target market is imperative and pre-testing with a sample audience is advisable.
<b>PLACEMENT TIPS</b>	Again, in relation to the cost of production, ensure that there are enough funds to ensure adequate airtime exposure for sufficient reach and frequency to your target audience.
<b>Benefits</b>	<ul style="list-style-type: none"><li>• Ability to reach large numbers of people</li><li>• Applicable to branding objectives</li><li>• High impact in terms of television's ability to attract attention and engage the senses</li></ul>
<b>Weaknesses</b>	<ul style="list-style-type: none"><li>• High cost of production and placement</li><li>• Generally does not prompt immediate action</li><li>• Length of production time</li></ul>



### 3.7.2 Cinema

**Cinema** advertising space is **cheaper to purchase than television** and has the advantage of playing to a **captive audience**, which also means that **slightly longer ads are effective**. It is also quite easy to segment the audience based on the **type of movie that is screening** and the **geographical location** of the cinema. The format of a **cinema ad is slightly different from a television ad**.

Production quality and **costs for a cinema ad vary** and can be as **sophisticated as a television ad**, but can also be **produced at a lower rate** by the companies that sell the advertising space.

Consideration of **reach and frequency here is also important**, but cinema advertising may be able to have an **impact over a longer period** of time because of the **limited number of ads** being shown and the **captive audience**.



#### PRODUCTION TIPS

Cinema ads can have high impact if the captive audience and increased air time are incorporated into the creative concept effectively. Concepts which provoke and engage the audience are very effective.

#### PLACEMENT TIPS

Research the types of movies showing and the demographics of the areas where the cinema is situated and you can be quite targeted with placement of ads.

#### Benefits

- Ability to reach a captive and somewhat targeted audience
- High impact and ability to engage the audience
- Flexibility in the investment required for production
- Effective brand building tool

#### Weaknesses

- Ability for quick conversion
- Generally does not prompt immediate action
- Need to run a campaign over a significant period of time to achieve sufficient frequency

### 3.7.3 Magazines / Journals

This is a **cost-effective method** of advertising, because of the **reasonable reach, targetability and life span of the media**. Certain monthly publications and tourism or travel journals may target your market segment accurately.



#### PRODUCTION TIPS

Magazines are high impact publications, therefore evocative, thought-provoking ads work well here. Magazines can have varying levels of advertising in them, so more innovative concepts are sometimes required to capture readers' attention.

Consecutive ads portraying a message and then asking for action can add intrigue and have high impact.

#### PLACEMENT TIPS

Magazines usually have detailed readership information, so carefully compare research. Remember that certain sections of a magazine will have more impact than others.

#### Benefits

- Ability to target broad audiences as well as niche markets
- Ability to intrigue readers by using ads on consecutive pages
- Readers actively involved in content
- Good prospects of conversion
- Travel sections in relevant magazines can be excellent environments where the audience is highly receptive to your messages

#### Weaknesses

- Need to ensure distribution of publication consists of a number of outlets and is broad enough geographically
- Need to physically see a previous copy to ensure the images, printing and paper stock are of sufficient quality
- Need to run a campaign over a significant period of time to achieve sufficient frequency

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### 3.7.4 Travel and Destination Guides

There are many **travel publications which are printed annually or periodically** and often contact tourism businesses to **purchase advertising space**. Accommodation guides, regional and local visitor guides, camping and walking guides and touring guides are all forms of travel publications.

#### PRODUCTION TIPS

Advertising messages should be relevant to the section in which the ad is placed. These publications often have a long time between the commencement of advertising sales and actual production of the publication, so ensure that the information contained in the ad will not date.

#### PLACEMENT TIPS

Questions that you should ask advertising sales representatives when they phone are:

- How many copies of the publication are printed?
- How are they distributed and how many were purchased last time it was produced?
- Which markets does the publication target?
- What form of advertising will be used to promote the publication?
- Are there other forms of promotion supporting the marketing of the publication?
- What are the different sections in the publication and where will the advertising be placed in the publication?
- Can they provide testimonials from other advertisers who have experienced an increase in enquiries or bookings as a result of advertising in this publication?

The **best way of dealing with unwanted advertising** salespeople is by **identifying publications** in which you are going to advertise throughout the year, based on the strategies you have identified in your marketing plan. Suggest that **once you've reviewed the success** of your planned advertising, **you may be prepared to review their advertising proposal**.

#### Benefits

- High travel interest from people purchasing or sourcing these guides
- Shelf life of publication is usually longer than magazines and newspapers
- High ability to motivate enquiries and bookings

#### Weaknesses

- Need to ensure distribution of publication consists of a number of outlets and is broad enough geographically
- Need to physically see a previous copy to ensure the images, printing and paper stock are of sufficient quality
- Need to run a campaign over a significant period of time to achieve sufficient frequency

### 3.7.5 Newspapers

With newspaper advertising **frequency is important**. It has **broad reach but sections within newspapers provide vehicles** to segment the readers. A great medium for conversion, because **readers take note of special deals and contact details**.



#### PRODUCTION TIPS

One single message with a strong call to action is the most important factor of a newspaper ad. Ensure the ad is not too cluttered.

#### PLACEMENT TIPS

Research the readership of different sections of the newspaper and place ads in the most relevant sections.

#### Benefits

- High prospect of conversion especially in travel section
- Flexibility of size and cost of ads
- Ability to reach a wide audience
- Special features and editorial provide a good environment for tourism product

#### Weaknesses

- Ads can get lost in the clutter of many other ads surrounding your ad
- Short life span of publication

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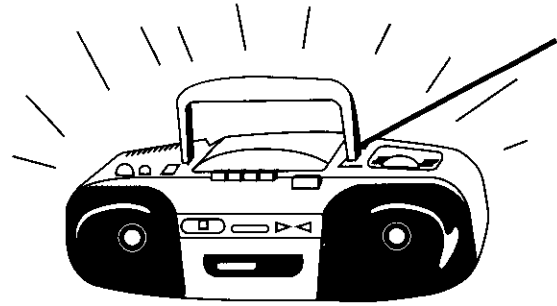
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### 3.7.6 Radio

Radio is an **underestimated medium**. It is a medium which can **attract high consumer involvement**, therefore the **potential for conversion is quite high**. The **production process** of producing a script for radio is **not as complex, time consuming or costly** as other media. Specific stations and radio segments can allow **reasonably effective targeting** to occur.



#### PRODUCTION TIPS

When using a radio script ensure it has a unique way of promoting the product, using specific triggers related to the particular target market.

#### PLACEMENT TIPS

Understand as much about the listening audience for particular segments as possible and then choose carefully.

A number of operators can develop a radio campaign together, which can run over consecutive weeks. For example, in a travel segment, a group of B&Bs can take turns to advertise or talk about their offering. One call-to-action would provide consumers with a flyer summarising the details of the B&Bs. One B&B will get their "day in the sun" each week, but all B&Bs will get exposure through the flyer.

#### Benefits

- Short campaigns can often be very effective
- Relatively short time required to produce a script for airing
- Humour can work well on radio to capture people's attention if executed properly
- Specific segments to reach particular audiences

#### Weaknesses

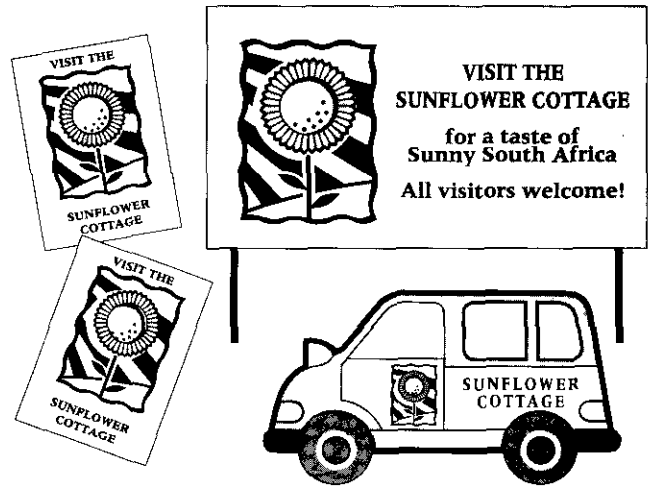
- No tangible reference for the customer to keep
- Only particular markets listen to radio regularly



### 3.7.7 Outdoor Billboards and Posters

The **main formats** for outdoor advertising are **billboards and posters**, but other methods **can also include bus or taxi advertising**. In a society where **driving to work** is a necessary evil and heavy traffic is a daily occurrence, outdoor advertising **provides an opportunity** to communicate a clear message.

Because **at any one time, only one or a few outdoor messages** will be in a person's view, there is **high recall of clever advertising**. With people often travelling the same routes every day, there is often **high frequency and reinforcement** of the messages.



#### PRODUCTION TIPS

One single-minded message is even more important in billboard advertising. Clutter on a billboard is disastrous! Strong images are also important. Humour can be quite effective on a billboard and if executed properly will ensure recall is high.

#### PLACEMENT TIPS

Outdoor advertising companies can pinpoint areas where your target market may commute and provide data on the demographics of the audience of particular outdoor sites. Ensure that one message is up for a reasonable period of time and consider the use of multiple messages over time.

#### Benefits

- Highly visible medium, free of the clutter of other mediums
- Strong branding tool
- Can target particular suburbs or areas with a certain demographic profile and the message is reinforced regularly with people who travel the same route daily
- Humour can be effective in achieving high impact on outdoor advertising

#### Weaknesses

- Relatively low ability to facilitate direct bookings as a result of the ad
- Sometimes expensive production costs (but street lamp posters would not be too bad)

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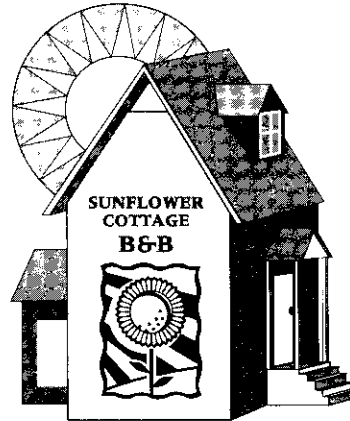


# Section 4:

## Case Studies

### 4.1 Accommodation Supplier

Mrs Adams retired from her primary school teaching post in 1996 and decided to invest in **opening up a B&B**. She made **alterations to her house** located in Hout Bay, Cape Town. She offers **four double bedrooms with en-suite bathrooms and sea facing balconies**. She also serves breakfasts in a communal dining area. Her main market segments include **foreign independent travellers** and **domestic tourists** from outside the Western Cape.



#### 4.1.1 Product

Before planning any alterations Mrs Adams **contacted the Guesthouse Association** of South Africa to determine what a B&B establishment should offer. She also **visited many guest houses and B&Bs** in Cape Town to get a feel of the market in terms of the following aspects: **size; style, décor and furnishings; location; type and level of service being offered; occupancy levels and average length of stay** for the high and low season and prices being charged and details of discounts being offered. After gathering this information **Mrs Adams was able to establish the requirements for starting a B&B**. She was also **able to calculate the potential income** of her B&B and went ahead with **drawing up plans for the alterations** to her house.

#### 4.1.2 Pricing

The **rack rate is slightly higher than the average B&B rates** being charged in the market. The **sea facing balconies**, the attraction of the village of Hout Bay and **relatively high demand** for accommodation, **justifies the higher rates**. She **advertises her 'rack rate' (standard rate)** in her brochure but **offer varying discounts**, depending on the state of business, to people booking stays of over three nights. She **offers tour operators**, who could provide her with a substantial volume of tourists, **discounts** that were also negotiated. Mrs Adams has established a **good relationship with two tour operators** who supply her with roughly 40% of her bednights. Mrs Adams **increases her annual 'rack rates'** from season to season according to related running costs such as her municipal rates, electricity and utilities, food prices and **general inflation levels**.

#### 4.1.3 Promotion

Initially, **Mrs Adams thought that a full colour brochure and an advert in a national weekend newspaper for the month of November would generate enough interest** from upcountry tourists. After **receiving quotes for the costs** of such an advertising exercise she soon **realised that she would not be able to afford it**. Given her cost constraint she limited her promotional activities to **creating a three colour brochure** and **visiting the local tourism bureaux** and talking with the consultants when she dropped these brochures off with them. Mrs Adams makes sure that, on leaving, **all guests are given a brochure** to give to their friends or family.

Mrs Adams has established a good relationship with the Cherry Lodge B&B in Knysna. Cherry Lodge recommends that their guests use Mrs Adams' B&B when they visit Cape Town while Mrs Adams does the same for her guests. Details of **Mrs Adams' B&B were included in a House & Leisure magazine** feature on tourism in Cape Town. The local tourism organisation **approached Mrs Adams to host the journalist**. In return for the accommodation **Mrs Adams' B&B was included in the story**.

#### 4.1.4 Distribution

**Bookings are taken by telephone at the B&B**. Mrs Adams ensures that the local **tourism offices always have her brochures** at hand. She often pops into the Cape Town Tourism Information Centre to **make sure that her brochure is visible**. Mrs Adams also has an arrangement with a couple of **travel agents: she offers them a commission** of roughly 15% **on all bookings** made through their offices by tourists.



## 4.2 Conference Venue

John and Eileen Peterson own a **50-hectare farm** nestled against the Helderberg between Somerset West and Stellenbosch. They have run a **successful agricultural business** selling various grape varietals to the local co-operative wine producer. **The couple decided to develop a small conference facility using existing farm buildings**, located 5 minutes drive from the R44.



### 4.2.1 Product

They **built a main conference hall** accommodating 80 people in cinema-styled seating. Attached to the main room are **three smaller 'breakaway' rooms** for smaller groups. All **rooms are air-conditioned**. The facility also has a **terrace and outside bar with breathtaking views** of the mountain and the vineyards of Stellenbosch.

They take **bookings for office functions and weddings** and offer **full catering facilities** which are outsourced. A comprehensive range of **audio-visual equipment** is available. A typical conference **package includes three tea/coffee breaks and a three course buffet lunch**, as well as **post-conference bar facilities**. Ample **accommodation facilities are available in the area** for overnight stays. Their main market segments include **corporate meetings, planning sessions and client functions** as well as **office parties and weddings**.

### 4.2.2 Pricing

John and Eileen **price on a per head basis when catering is included** and on a **standard venue hire fee if no catering** is required. As they are fairly new in the market they have decided to **price more competitively than similar conference venues** in the Stellenbosch area, so that they can **capture a share of the market**. They also intend to **increase prices in relation to other venues** in the Cape Town area in the future, which is an **example of competitor based pricing**. They have an agreement with various accommodation establishments to offer **pre- and post-conference nights at a slightly discounted rate** to encourage increased length of stay.

### 4.2.3 Promotion

The conference venue is a **member of the South African Association for the Conference Industry (SAACI)**. They are **listed on SAACI's database** and they have their **own web site linked to that of SAACI's**. However, they have learnt that the **best form of promotion** for their business is that of **word-of-mouth-advertising**. Good word-of-mouth is generated as a **result of delivering a consistently high quality of service** to clients.

The local Stellenbosch wine route guide offers good rates for advertisers. A **small ad promoting the facilities** with breathtaking views of the area **is affordable** for the owners. A **sign on the R44** also directs customers to the conference venue.

### 4.2.4 Distribution

Eileen used to work for a major insurer and has **extensive experience in dealing with clients**. She makes **sales calls to human resources and marketing departments of firms**, in and around Cape Town. Personal selling is **the most effective form of distribution** for them. They also make use of a **telesales exercise every year** in September and they **mail information packs to firms** outside of the Cape Town area.

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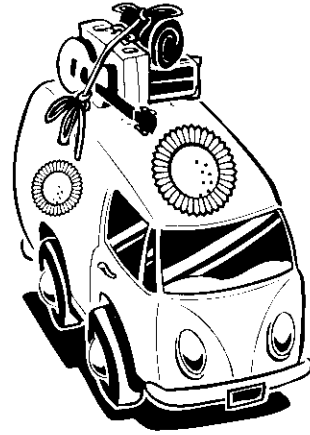
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### 4.3 Tour Guide

David **studied tourism** at the Sivuyile Technical College. As a student he worked as a driver for a small company that operated an airport shuttle business. During this time **he spoke with international tourists** and gained a good understanding of their needs in terms of tourism activities while in Cape Town. **After he graduated he decided to start his own township tour company** focussing on 'Gugs'. **His main target segments include international backpackers and international organised groups.**



#### 4.3.1 Product

From his contact with foreign tourists David knew that they would be **interested in half-day tours in the township**. He offers a **mini-bus tour** with the following format:

- **hotel pick-up** after breakfast at 9 am.
- a **drive through** the heart of 'Gugs' in an **air-conditioned mini-bus** with **commentary** by himself.
- a **visit to the home of a local family** to gain experience of township living followed by a **trip to a local market** where tourists could purchase items of interest to them.
- a **visit to a local tavern or shebeen** to enjoy a traditional **home cooked lunch** with a performance by a **marimba band**, before taking the tourists back to their hotels.

#### 4.3.2 Pricing

David has **priced his township tour in line with other cultural tourism offerings** in Cape Town. He **charges a standard per person rate, inclusive of the meal cost**. He does **offer discounts** on an informal basis **to parties of four or more**, depending on how busy the business is at the time. Some **tour operators use his services** and he **charges out to them at a reduced rate of up to 30% per person**. David's **price increases depend on the price of fuel for his mini-bus and the cost of the lunch** that he offers.

#### 4.3.3 Promotion

David had **very little to spend on promotional activities** and has produced his own **small, two colour pamphlet** which he **leaves at local accommodation facilities and tourist information centres**, such as Cape Town Tourism and Tygerberg Tourism **of which he is a member**. He often **visits more established tour operators** to **promote his business** in the hope that they will include his half-day tour on their itinerary.

David has **taken part in the "One City Festival"** and often **includes tour operators in his tours** so that he can **show them what he offers**. Due to the fact that **David's operation is recognised as a high quality tour**, visiting **dignitaries often book tours** with David. He makes sure that **this fact is mentioned in his brochure**.

#### 4.3.4 Distribution

As David **receives a lot of trade from the backpacker market** he has arranged that **tickets can be booked at certain backpacker centres** in the city. David **gives a commission to the backpacking hostels** for doing this. **Alternatively all bookings are made through his home-based office** where his mother acts as an assistant.



## 4.4 Tour Operator

George Selborne started Hamba Tours in 1998. He has **expanded from running one inbound tour group** in his first year of business **to running 15 in 2000**. George based his business on **experience and market knowledge** gained as a game warden at Umfolozi Game Reserve.

### 4.4.1 Product

George designs tailor made **week- or two-week long holidays for Germans** visiting South Africa. **He specialises in eco-tourism products** and contracts some 30 suppliers of tourism services, e.g. **accommodation, attractions, eco-tourism guides**, etc. The packages are **sold to eco-tourism interest groups**.

### 4.4.2 Pricing

George uses a **focused or niche marketing strategy**, and **charges a premium for his tours**. He is one of a few specialists in this area and can **comfortably charge high rates**.

## 4.5 Tourism Merchandiser

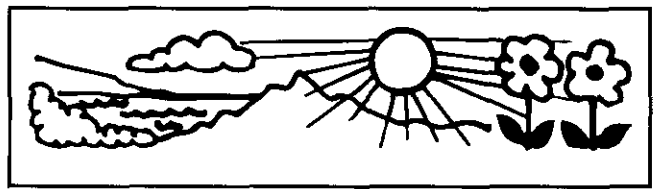
Thandi Mputle is an **artist and traditional art retailer**. She has been running a **small stall at Green Market Square** for three years. She **started selling her own work at Cape Town station** but soon realised that the passing **pedestrian traffic does not represent her target market**. She then **set up shop at Green Market Square** in order to **target international visitors** to the city.

### 4.5.1 Product

She **makes and sells her own, and other people's, rock and wooden sculptures** of various sizes, **traditional jewellery** and **watercolour paintings** of township settings.

### 4.5.2 Pricing

Thandi's curios are **priced in line** with the many other similar stall holders at the market and **are cost-plus based**. She negotiates prices with some flexibility in order to secure business.



### 4.4.3 Promotion

George **visits Germany twice a year** to meet with his **major distributors (travel agents)** and establish new contacts. **The full colour glossy brochure is updated annually and sent to the German agents**. Mainstream advertising is not used, as it is unlikely to reach the target market. Much of his business is achieved through **word-of-mouth promotion**.

### 4.4.4 Distribution

Mr Selborne has **four official agents in Germany** who **promote his tour**. **The agents are specialists in world eco-tourism holidays**, and he enjoys a mutually beneficial relationship with them. **He is also establishing links with agents in France and England**.



### 4.5.3 Promotion

Thandi **does not undertake any promotional activities**, as the **market itself is a drawcard** for the tourists in Cape Town.

### 4.5.4 Distribution

Thandi's retail **stall at Green Market Square is her only distribution point** at the moment, but she **hopes to set up another stall** at another high volume tourist area in the Peninsula in the near future.



## 4.6 Local Tourism Organisation

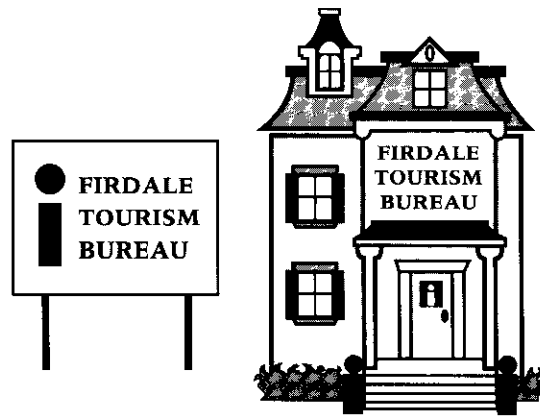
A local tourism organisation is typically a **public-private partnership**, jointly funded through a local government grant and membership fees. **The main target markets are local tourism businesses and visiting tourists.**

### 4.6.1 Product

In servicing their members, LTOs will **carry out broad marketing activities to promote tourism to the area** and in so doing, promote their members' businesses. The service that **they offer to tourists is information about tourism services** in the surrounding areas.

### 4.6.2 Pricing

**No price is charged to tourists** for the information and advice they receive. However, **information booklets and brochures** published by the organisation **may be charged for** and some form of **merchandising will be undertaken** by the organisation, e.g. **postcards and small gifts and souvenirs**. **Local businesses that benefit from the service offered by the organisation are generally required to become a listed member of the organisation that will involve an annual membership fee.**



### 4.6.3 Promotion

Within the co-operative marketing context **it is easier for an LTO to approach publications** for the possible inclusion of editorials regarding their regional tourism offering. **Publishers rarely provide this type of opportunity to small individual businesses.** **LTO attendance of trade shows**, on behalf of tourism businesses in the area, is **a further benefit of co-operative marketing.**

### 4.6.4 Distribution

LTOs act as **distributors of information** for the various private businesses that are members of the organisation. This is **achieved through a centrally located regional office.** This serves as a **direct distribution point to the tourism public.**

## GENERAL NOTES

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