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BUSINESS ADAPTATION PROGRAMME

Fundamentals Marketing E-Guide for MSMEs

Future-Tourism in the Eastern Caribbean

#FUTURETOURISM

Acknowledgements

This guide will enable you to **REFLECT, RESTART or to REVITALISE** your business in relation to markets, particularly in the digital environment, and help you to create and communicate your offerings through marketing campaigns.

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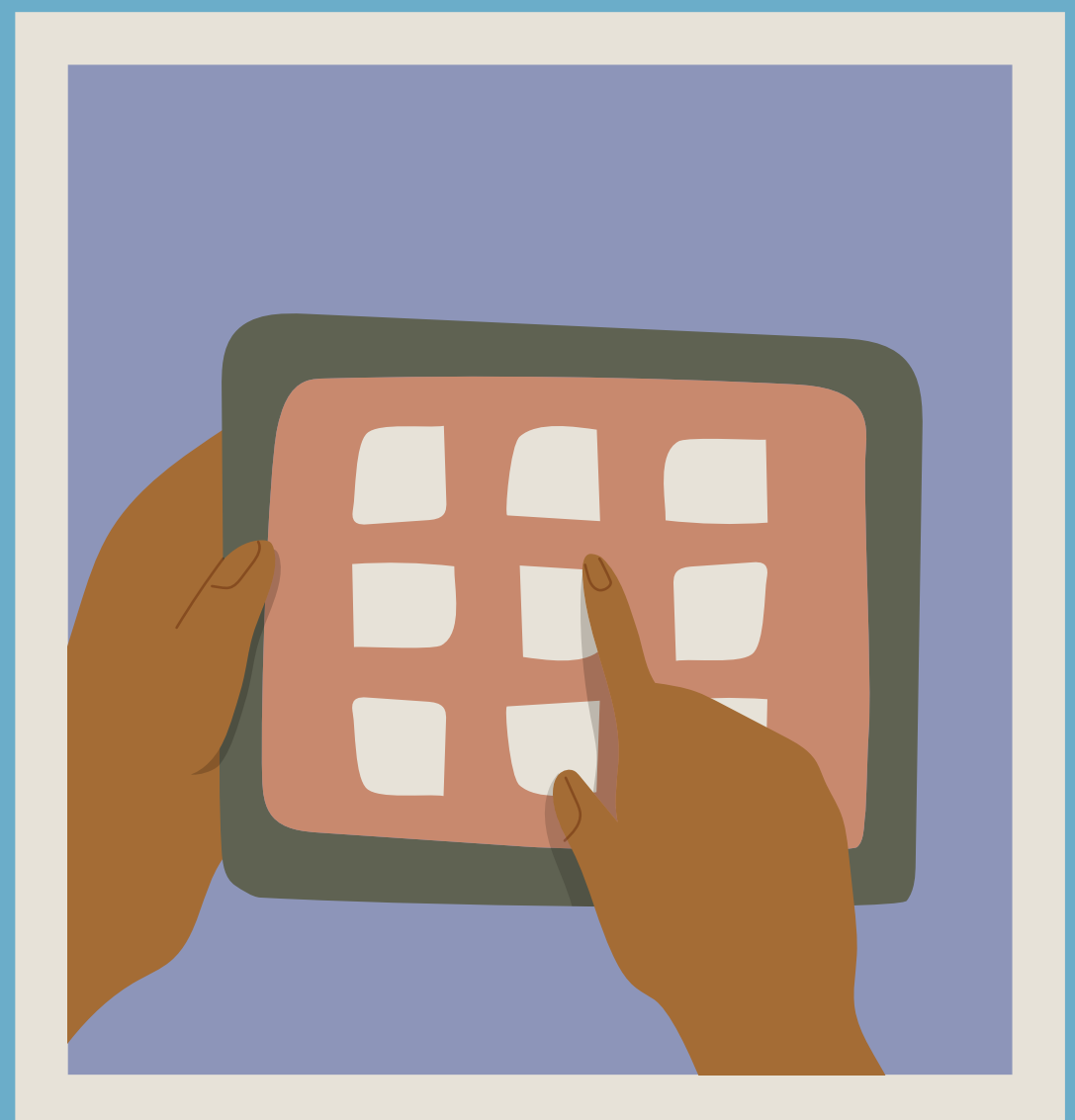


1. What is Marketing?

Marketing is a process through which products and services reach the customer via various steps. There are plenty of definitions available:

- According to Philip Kotler, Marketing is “meeting needs profitably”. ([A Framework for Marketing Management, 2001](#))
- The UK’s Chartered Institute of Marketing (CIM) defines Marketing as “the management process responsible for anticipating, identifying and satisfying customer expectations profitably”([CIM, 2021](#))
- The American Marketing Association (AMA) defines Marketing as “the activity, set of institutions, and the processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners and society at large”. ([AMA, 2021](#))

Marketing has always been about connecting with your audience in the right place and at the right time. Marketing covers a vast area of activities.



2. What is Digital Marketing?

Digital marketing is any form of marketing that occurs online. Businesses leverage digital channels such as websites, social media, mobile devices, apps and emails.

Digital marketing poses particular challenges. Digital channels are spreading rapidly and it is important to stay up to date on how these channels work, how they are used by consumers and whether these channels are helpful for your business to market your products and services effectively.



3. Marketing and Tourism

Across different industries, most businesses acknowledge the importance of marketing. Yet, every sector has its own challenges and opportunities. Still each sector uses the same marketing channels (traditional and digital). Tourism marketing includes hotels and other forms of accommodation along with restaurants, entertainment venues, travel agents, tour operators, car rental services and many more. In tourism the aim is to promote your business, make it stand out from others, attract customers and generate brand awareness.

The tourism market has specific characteristics and being aware of how to market for the tourism sector will help you develop marketing skills and strategies.

Tourism Supply:

“The supply of assets, services and goods to be enjoyed or bought by visitors and occasioned by the journey of visitors”

What is a Tourism Product?

It is referred to as a bundle of activities, services and benefits that constitute the entire tourism experience.

Tourism Demand:

“The total number of persons who travel or wish to travel and use tourist facilities and services in places away from their work or residence”



What is your market?



DOMESTIC TOURISM

- Travel within own nation/ own country of residence
- No language differences
- No culture differences
- Tend to be shorter stays
- Cost-effective option
- No worries about obtaining a visa
- Inspires a genuine appreciation of the beauty of one's own country
- Expands one's understanding of one's nation (raises national consciousness)



INTERNATIONAL TOURISM

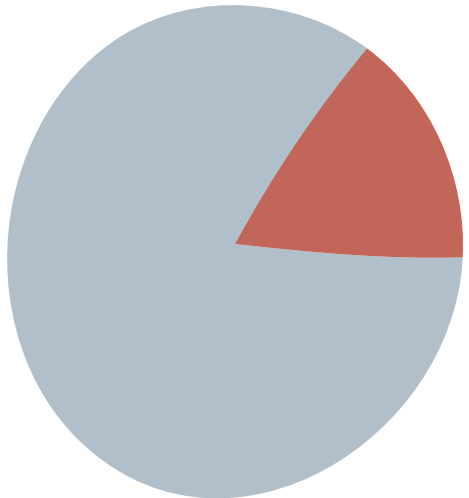


- Travel outside usual environment
- Potential language differences
- Might encounter cultural differences
- Need verified legal documents
- Generate foreign income for the country

REMEMBER:

Tourism Marketing is a marketing strategy that uses a specific marketing plan and techniques to promote touristic products and services such as destinations, hotels and transport services, etc.

4. A three-step Marketing Model (STP)

The three steps **Segmentation, Targeting, and Positioning** go hand in hand and allow for a customer-centric approach which enables a business to better understand whom the business is trying to reach and how to position the business for success. The Model is also called STP. This process means creating market segmentation, targeting the selected segment, and adjusting a product or service position accordingly.

 <p>SEGMENTATION</p>	<p>Divide market (existing and potential customer) into sub-groups of customers (known as segments) based on shared characteristics.</p>	<p><i>Ways of segmenting customers</i></p> <ul style="list-style-type: none"> • <i>Demographic</i> • <i>Geographic</i> • <i>Psychographic</i> • <i>Behavioural</i> • <i>Values</i> • <i>Needs</i>
 <p>TARGETING</p>	<p>Select most attractive customer group (segment) to focus your marketing efforts on.</p>	<ul style="list-style-type: none"> • <i>Look at the size of the segment</i> • <i>Analyse the opportunity from a financial perspective</i> • <i>Is the segment accessible to your business?</i>
 <p>POSITIONING</p>	<p>Determine how to position your product/ service to appeal to the targeted segment.</p>	<ul style="list-style-type: none"> • <i>Position and centre your campaign around the most pressing problem that your audience is facing that your product can fulfil</i>

WHY TO SEGMENT A MARKET?

Segmentation allows you to be more relevant by understanding the key characteristics and behaviours of your customers. You are then able to deliver marketing messages that are likely to resonate with customers. Increased relevance leads to higher conversion rates¹ and an advantage over your competitors.



WHY DO WE TARGET IN MARKETING?

Once you have divided the market into segments, the second step in STP marketing is to select the segment that offers you the greatest sales and revenue potential. To analyse the suitability of a segment for targeting, you should consider three factors: size of the segment, profitability and reachability.

Targeting in marketing serves brands and consumers. It leads to connecting with your audience in a meaningful way as you link customer needs to marketing action. By targeting one segment at a time, you can build more measurable strategies to determine whether the segment provided the results you thought it would. Different types of target group marketing are explained in the section after next.

¹ Conversions can be conversions of interested parties into customers or buyers. However, any previously defined and achieved goal can also count as a conversion. The conversion rate can therefore also reflect the ratio of visitors to successful newsletter registrations.

WHAT IS POSITIONING

The final step in the process of the model is position. It is all about creating products and their marketing to fit a marketing segment you created.



Positioning refers to the place a brand occupies in the minds of customers and how it differs from other providers' products/services, or their brand. To position products or brands, companies can emphasise their brand's differentiators or try to create a suitable image through the marketing mix.

WHY SHOULD YOU POSITION YOUR BRAND?

JUSTIFIES PRICING STRATEGIES

MAKES IT EASIER FOR PEOPLE TO BUY FROM YOU

MAKES YOUR DESIGN MORE CREATIVE

AMPLIFIES YOUR STORYTELLING COPY AND MESSAGING

ENABLES YOU TO COMPETE ON VALUE

BREAKS THROUGH THE CLUTTER OF NOISE

CREATES MARKET DIFFERENTIATION



THE VALUE OF THE **THREE-STEP MARKETING MODEL** IN DIGITAL MARKETING

Spending your marketing resources randomly on general audiences is neither productive nor financially sustainable. The above model will help you streamline your marketing efforts. Especially in the context of e-commerce, this process helps you target your audience by showing them the relevant products according to their requirements.

Digital marketing **allows fast experiments to see whether a segment reacts** to your marketing efforts the way you intended.

5. What is a Target Market?

A target market is a group of people with some shared characteristics that a business has identified as potential customers for its products.



Targeted marketing is an approach of customising and personalizing online advertising based on data collected about a specific target group. Target marketing decides which market segment(s) presents a greater opportunity for its business.

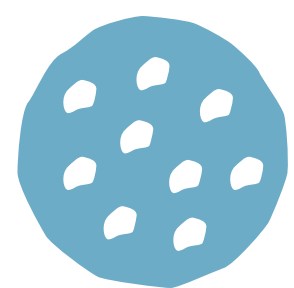
TYPES OF TARGET MARKETING



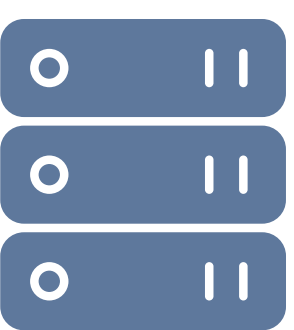
- **BEHAVIORAL TARGETING** uses web user information to strengthen advertising campaigns. It is a type of advertising that uses people's activities to determine which advertisements and messages will resonate most with them. It is based on search queries, pages viewed, buttons clicked, time spent on a website, etc.



- **CONTEXTUAL TARGETING** is the practice of displaying ads based on a website's content.

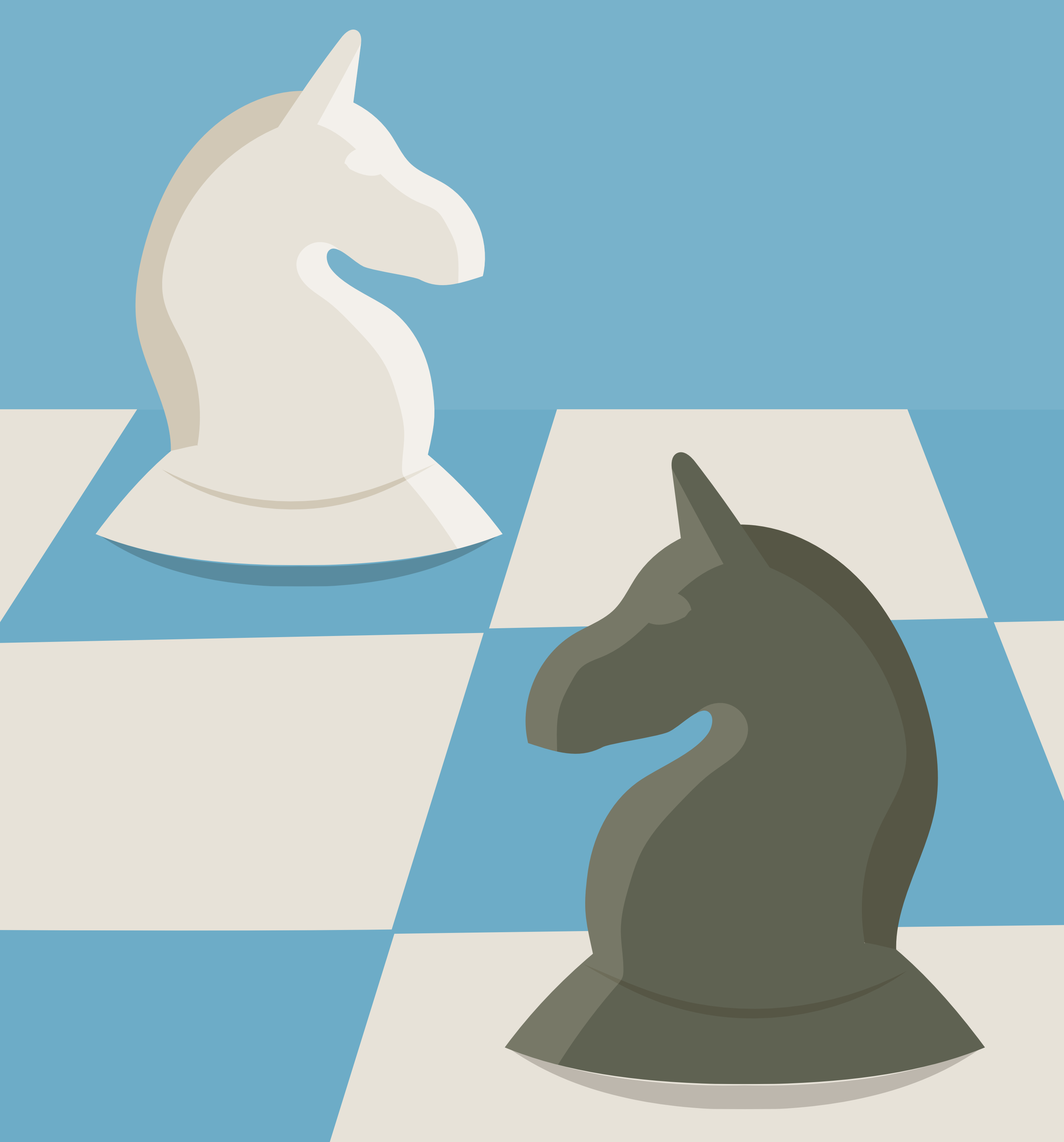


- **RETARGETING**, also known as "remarketing", is a form of online advertising that can help you keep your brand in the visitor's field of vision even after the website visit has ended. It is a cookie-based technology.



- **PREDICTIVE BEHAVIOURAL TARGETING** is a further development of behavioural targeting and enables target groups to be addressed independently of the thematic environment. For this purpose, predictive behavioural targeting combines information from users' surfing behaviour with information from other data sources such as survey or registration data.

It's possible to identify new potential customers and target them with relevant advertising content on the right platforms at the right time. With predictive targeting, you entrust the segmentation of your visitors to a machine learning algorithm that feeds on all your visitor data.



6. What is a Marketing Strategy?

A marketing strategy refers to a company's overarching plan to reach potential customers and turn them into customers for its products or services.

A marketing strategy includes the company's value proposition, key brand messages, data on target customer demographics and other overarching elements.



To successfully develop and implement a marketing strategy, the so-called marketing mix by Jerome McCarthy is used which includes the 4Ps.

The four Ps stands for Price, Product, Place and Promotion.

Product: When you think about your product, consider exactly what you're selling. Is it a specific product? Or is it a service? Your product can be a physical product or an online service.

When you define your product / service, think about what problem your product / service solves for your customers.

Consider how your product / service is different from competing products. ***What features are unique to your product / service? How does your product / service meet your customer's needs?***



Price: When it comes to price, you have to consider how much you're going to charge customers for your products or services. Of course, you need to make a profit.

What is the value of your product?

Promotion: Is how to publicize and advertise your product. Think about where, when, and how you'll promote your brand. ***How can you differentiate your product from competitors?***

Place: When it comes to place, this might mean the physical location of your company, but it could also be defined as anywhere you sell your product, which might be online. The place is where you market and distribute your product. ***Where are customers looking for your product?***



7. Types of Marketing Strategies

- **Paid Advertising:** This includes multiple approaches for marketing. It includes traditional approaches like print media advertising, as well as internet marketing, PPC (Pay per click) and paid advertising.
- **Cause Marketing:** Links services and products of a business to a social cause or issue.
- **Relationship Marketing:** Enhancing existing relationships with customers and improving customer loyalty. It clearly focuses on building and improving customer loyalty.



- **Undercover Marketing or Stealth Marketing:** Here, a business advertises their product/ service or brand without the customers noticing anything of the marketing strategy. This is a strategic product placement in movies or video games for example.
- **Word of Mouth:** Providing quality service increases the customer probability of promoting that service.
- **Transactional Marketing:** Retailers encourage customers to buy with shopping coupons, discounts and events. The purpose is to encourage and motivate customers to purchase the promoted products.
- **Diversity Marketing:** By adapting and integrating different marketing strategies, different target groups are addressed.

8. Market Development and Market Diversification

Market development and diversification are important strategies to improve your product offering, enter new markets or even build on your existing market to differentiate your business from the competition.

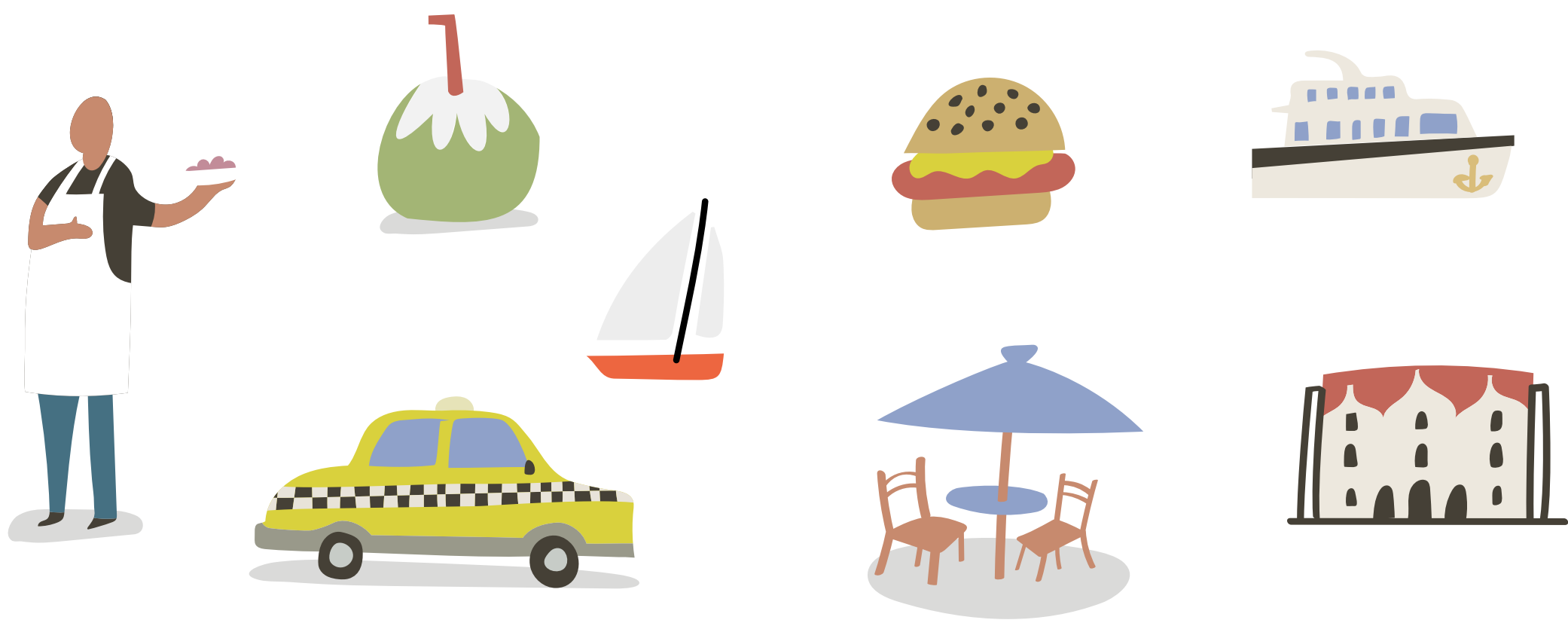
MARKET DEVELOPMENT STRATEGY

It is a strategic step taken by a business to develop the existing market rather than looking for a new market. This strategic approach takes limited risks of developing and selling a new product.



MARKET DIVERSIFICATION

It is a strategy whereby a business seeks growth by adding products and markets that have nothing to do with its existing products and markets. A business may decide to diversify its activities by expanding into markets or products that are related or unrelated to its current business activities. For example, an automobile company may diversify by introducing a new car model or by expanding into a related market like trucks.



REASONS FOR DIVERSIFICATION

Operating in different markets or with different products, mitigates the risks in the event of an industry downturn. Diversification allows for greater variety and more options for products and services. If done properly, diversification can significantly improve a company's brand image and profitability. By diversifying products or services, a business can protect itself from competing businesses.

In the case of a cash cow in a slow-growing market, diversification allows the company to take advantage of the surplus cash flow.



9. Over to you!

Before you decide on a marketing strategy, you should consider a few aspects. Answering the following questions will help you focus on the best strategy for your business!

Profitability: Is the market development strategy profitable? What are the returns from the strategy and more importantly, when can you expect any profits?

Modified products: Is there a need to introduce a modified product that would be a different version of the existing product? Will it satisfy the demand in the market and fulfil the needs of your customers?

New products: If a modified product does not work in the market, can your business afford to introduce new products. What is the timeline and cost for introducing new products to the market? When does the company expect a return on investment? Or is the launching of a new product the only available option? Will it be more successful than the modified product strategy?

Target customers: Are the target customers properly profiled? What are their expectations? What products or services are the target customer currently using? Those from your competitor? How does the competitor satisfy the customer's needs? Why do customers turn to your competitor?



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