



# 2002 Lenawee County CVB Annual Banquet – Marketing 101

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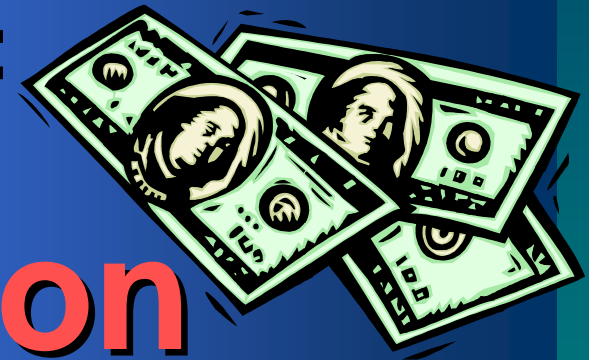
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# Travel Industry Association of America (TIA)

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**Total Travel Spending\* in Michigan  
in 1999 was:**

**\$11.5 Billion**



**\*Total travel spending includes both direct & indirect or 'multiplier' spending.**

# Michigan Travel, Tourism & Recreation Resource Center

Michigan Travel Market Survey –  
Profiled 4,759 pleasure trips to Michigan  
between 1996 and 2001

County	Market Share	Estimated Total Travel Spending
Hillsdale	0.25%	\$28.7 million
Jackson	1.53%	\$175.9 million
<b>Lenawee</b>	<b>0.44%</b>	<b>\$50.6 million</b>
Monroe	0.61%	\$70.1 million
Washtenaw	2.54%	\$292.1 million

# Lenawee County – Economic Impact of Tourism

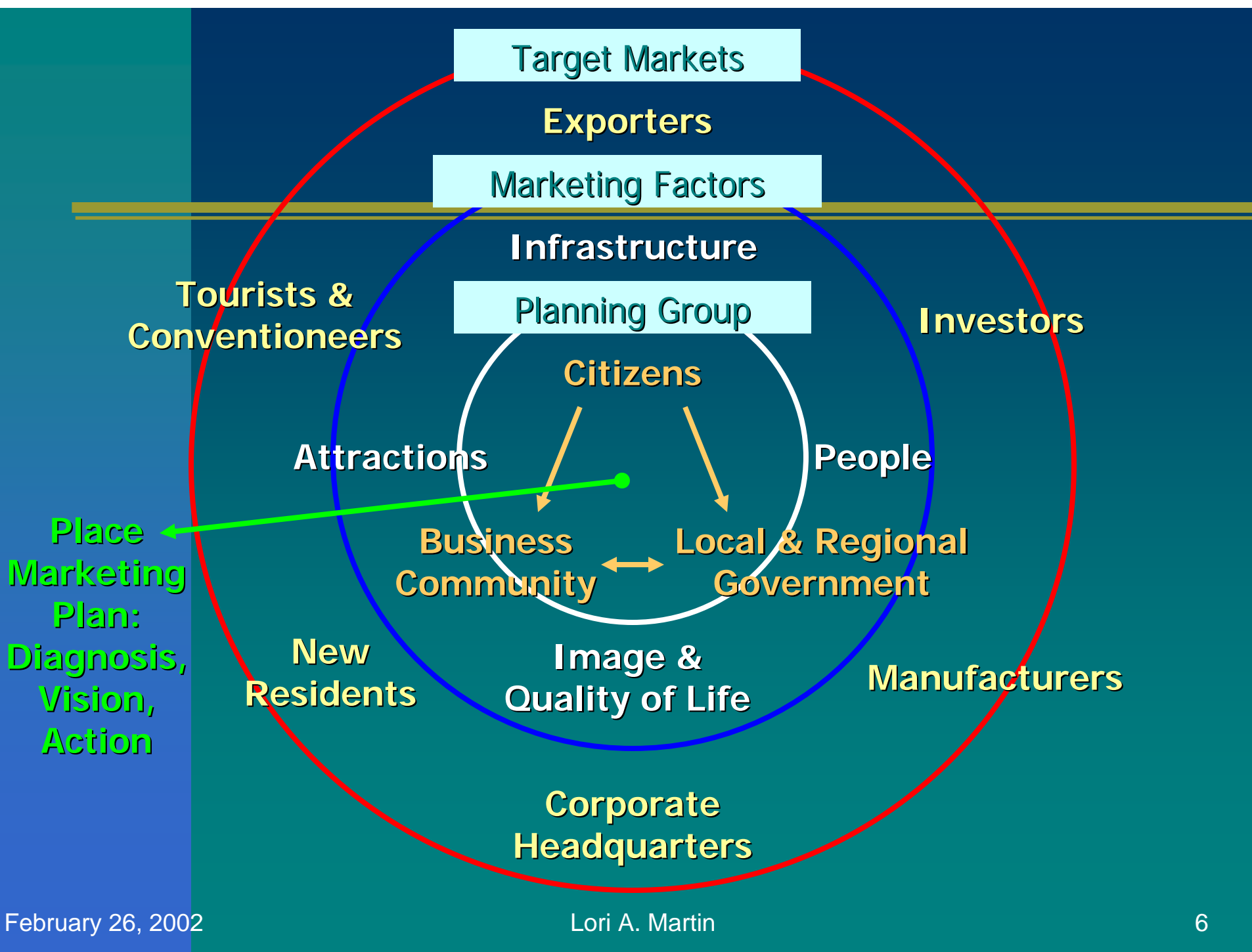
## Estimated Total Travel Spending in Various Sectors (1999)

Industry Sector	% of Spending*	Total Travel Spending
Public Transportation	26.7%	\$13.5 million
Auto Transportation	20.3%	\$10.2 million
Lodging	15.5%	\$7.9 million
Foodservice	22.5%	\$11.4 million
Entertainment/Recreation	7.0%	\$3.5 million
General Trade	7.9%	\$4.0 million

\*Per TIA.

# Marketing

- Marketing is a social and managerial process by which individuals and groups obtain what they need and want through creating and exchanging products and value with others. Marketing is *more than just selling and advertising*. The aim of marketing is to identify customers' needs—and meet those needs so well that the product almost “sells itself.”
- Marketing is a *strategic process* that aims to fit the resources of a destination to the opportunities existing in the market. It is as much about retaining tourists as it is about winning new business.



# Destination Marketing

- Tourism marketing (marketing a destination) is much more than just selling a place to potential visitors.
- It includes the uniqueness (*positioning*) of what visitors come to see (*the product*), the relative cost of one place compared to another (*the price*), the 'distribution' (*or accessibility of the place*) to potential target markets, and the variety of methods used to inform and attract visitors (*the promotional mix*). [-The marketing mix.]

# Destination Marketing

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- Although advertising and information services are significant and tend to dominate local tourism budgets, their emphasis alone will not necessarily ensure success.
- Destination marketing has progressed into a well-developed business, built on strategies, competitive advantages, targeted markets, and mixed marketing techniques and appeals to reach actual or would-be visitors.

# The Destination Team



# Market Segmentation

- Market segmentation is a two-step process of:
  - **Naming** broad product-markets
  - **Segmenting** those broad product-markets in order to select target markets and develop suitable marketing mixes (the “P’s”).



# Examples of Market Segmentation

Type of Market Segment	Shared Group Characteristics
Demographic Segment	Measurable statistics such as age, income, occupation, etc.
Psychographic Segment	Lifestyle preferences such as music lovers, city or urban dwellers, etc.
Use-based Segment	Frequency of usage such as recreational drinking, traveling, etc.
Benefit Segment	Desire to obtain the same product benefits such as luxury, thriftiness, comfort from food, etc.
Geographic Segment	Location such as home address, business address, etc.

# Marketing Plan

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- A marketing plan contains information about your company and its products, marketing objectives and strategies, as well as how you will measure the success of your marketing activities. It describes all the marketing activities you will perform during a specified time period (usually one year). You also include any background information and research results you used to select those marketing activities. Finally, you document the costs associated with your planned marketing activities as well as the measurements you will use to determine success.

# Components of a Marketing Plan

- I. Executive Summary – Nature of your business, products & services you offer, mission statement, company objectives, organizational structure, management team, & a summary of the marketing objectives & recommended marketing strategies in the plan.
- II. Current Situation – Your location, target markets, competitive environment, & key issues your company faces.
- III. Competitor & Issues Analysis – Information about competitors, & key business issues that are potential challenges (i.e. – new legislation or the impact of an impending technological advance in your industry.)

# Components of a Marketing Plan

- IV.** Marketing Objectives – State your marketing objectives (i.e. – increasing the awareness of your product among your target audience) & the time frame for achieving them.
- V.** Marketing Strategy – Your game plan for achieving your marketing objectives & details about the P's of your marketing mix.
- VI.** Action Programs – Your marketing “to do” list, what will be done, when it will begin and be completed, & who will accomplish the tasks.

# Components of a Marketing Plan

- VII.** Budget – The cost of the marketing activities in your plan.
- VIII.** Measurements – Numerical targets that will measure the results of implementing your marketing plan, including time limits for achieving your goals. (i.e. – Increase occupancy rates by 10% in 12 months.)
- IX.** Supporting Documents – Any supporting documents referenced in other plan sections, including resumes, spreadsheets, market research results, etc.

# Market Research

- Market research is simply the study of markets (or groups of people) you would like to sell your product to. In other words, it is learning about your customers. Who are they? What do they want or need? What are their lifestyles?
- Market research is a systematic, objective collection and analysis of data about your target market, competition, and/or environment with the goal being increased understanding. It allows you to take *data*—a variety of related or non-related facts—and create useful *information* to guide your business decisions.
- Market research is not an activity conducted only once; it is an ongoing study.

# Why Do Market Research?

- It guides your *communication* with current & potential customers.
- It helps you identify *opportunities* in the marketplace.
- It minimizes the *risk* of doing business.
- It uncovers & identifies potential *problems*.
- It creates *benchmarks* & helps you track your progress.
- It helps you *evaluate* your success.

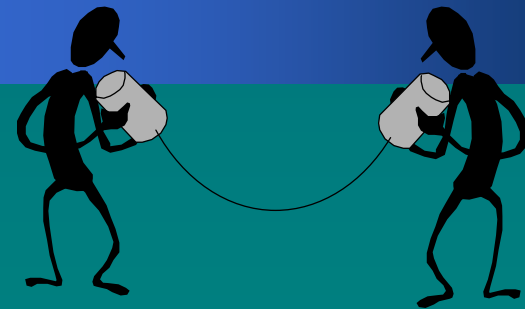
# Types of Marketing Opportunities

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- Market penetration is trying to increase sales of a firm's present products in its present markets—probably through a more aggressive marketing mix.
- Market development is trying to increase sales by selling present products in new markets.
- Product development is offering new or improved products for present markets.
- Diversification is moving into totally different lines of business—which may include entirely unfamiliar products or markets.

# Integrated Communications or Convergence Marketing

- The most effective tools of the trade are *blended together* in a customized, creative and strategic way to produce a *holistic communications package* to maximize efficiency and results. A truly integrated communications program delivers more impact at a fraction of the cost of a traditional advertising campaign.
- *Activities* include advertising, developing marketing collateral and public relations activities such as developing media campaigns, writing press releases and assembling press kits and much more.



# Seven P's of the Marketing Mix

- **Product** – The service, attraction or destination your organization provides to tourists.
- **Price** – The selling price per unit customers are willing to pay for your product.
- **Place (or distribution)** – The manner in which you get your product to tourists or tourists to your product.
- **Promotion** – Marketing activities that create awareness (i.e. – advertising, sales promotion & public relations.)

# Seven P's of the Marketing Mix

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- **Packaging** – A combination of travel products such as transportation, lodging, meals, attractions, entertainment & guide services in a one-price product.
- **Partnerships** – Cooperation of professionals in both public & private sectors in order to best meet the needs and wants of tourists.
- **Positioning** – The uniqueness of your attraction or destination among competing entities.

# Attracting the Tourism Market

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- **How important can tourism be to a place's economy?**
  - Due to location, climate, limited resources, size and cultural heritage, some places have no real choice but to engage in tourism to grow, develop and improve their living standards.
  - Other places engage in tourism with mixed emotions, and at times, ambivalence.
- **How can the tourist market be segmented and monitored for shifting trends, lifestyles, needs and preferences?**
  - Places must decide on not only how many tourists they want and how to balance tourism with other industries or strategies but also what kind of tourists they want.

# Attracting the Tourism Market

- **What kinds of strategies and investments must places and businesses make to be competitive in the tourist industry?**
  - Strategies may include a focus on heritage development, theme parks, a “green” image, or event-based tourism.
- **How can a place gain access to or establish a niche in the tourist business, and what are the risks and opportunities of such a venture?**
  - To attract tourists, places must respond to the travel basics of cost, convenience, and timeliness.
  - Places must market not only their destination but also their specific attractions.
  - Places must provide easy access to their attractions.

# Attracting the Tourism Market

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- **What kinds of messages and media are effective in tourist attraction and retention?**
  - Tourist competition, like business attraction and retention, involves image-making. Effective place imaging requires a congruence between advertising and the place.
- **How should a place's tourism be organized and managed?**
  - Making a place tourist friendly is the task of a central tourist agency which may be public, quasi-public, nonprofit or private.

# The Challenges

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**How destination images are developed and competitively positioned, markets analyzed and targeted, images designed, visibility executed and sustained, and impact assessed are, in part, the marketing challenges that face those critical leadership entities most commonly called “destination marketing organizations”.**

# Questions & Comments

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# Brainstorming & Networking Session

- Each group will discuss how Lenawee County can use one of the P's of marketing mix to develop or promote tourism in the upcoming year addressing these questions:
  - 1) What is our Lenawee County competitive edge?
  - 2) How can we capitalize on opportunities to work together?
- Choose a representative from each group to share their ideas with the larger group

