Consumer Behavior Models in Marketing Sustainable Tourism

Dr. Abdul Baji

Professor, Dept.of Business Management, Nimra College of Business Management, A.P., India.

Abstract - The theories of consumer decision-making process assume that the consumer’s purchase decision process consists of steps through which the buyer passes in purchasing a product or service. However, this might not be the case. Not every consumer passed through all these stages when making a decision to purchase and in fact, some of the stages can be skipped depending on the type of purchases. Many businesses nowadays are working towards incorporating sustainability into the core of their products. Quite often these products are the result of a well thought sustainability concept, and yet the entrepreneurs behind it fail to reach the marketplace, because they lack marketing expertise and knowledge of the tourism industry’s distribution channels. These tourism companies, and particularly small firms from developing countries, suffer from poor targeting, market segmentation and positioning, low consumer product knowledge, and consumer risk perception. Distribution channels are key to increase the exposure of sustainable suppliers, and to capitalise on the latent market demand for sustainability by changing behaviour in non-sustainable firms. Each channel has strengths and weaknesses which are reviewed with a range of examples showcasing good practice. These channels are analyzed from the point of view of the supplier for equity, cost-benefit, market penetration and normalization potential. The results show that few channels have high equity, but many of them offer a good cost-benefit ratio, hence efforts are needed to provide opportunities for businesses. The market penetration and normalization potentials show the channels with the greatest overall scope.

Keywords – Tourism, consumer product, consumer risk, sustainability, cost-benefit ratio.

I. INTRODUCTION

We have implemented many initiatives involving all tourism actors: from incentives for acquiring environmental certifications; to support for promoting and marketing of our diverse tourism products, to special funding for upgrading tourist services; as well as by creating the Benvenuti in Toscana (Welcome to Tuscany) protocol for tourism service suppliers which, in addition to increasing consumer protection, aims at integrating tourism, local identity and local culture. Furthermore, the annual Euro meeting: European Regions, Tourism and Sustainable Development conference, organized in collaboration with the Committee of the Regions of the European Union, has made Florence a privileged venue for discussing good practices in sustainable tourism at the European and international levels. The experience we have developed through Euro meeting has allowed us to cooperate with many important organizations who share our views on sustainable tourism. I am referring, in particular, to our collaboration during the 2004 edition of Euro meeting with the United Nations Environmental Programme and the special workshop Marketing sustainable tourism products: challenges and opportunities on to how to link supply and demand for sustainable tourist products. This workshop brought together a group of the field’s leading experts for an in depth examination of the sustainable tourism market: from a detailed analysis of demand and therefore consumer requirements, to the role of intermediaries (tour operators, travel agencies, e-booking systems, etc.), to the tools for generating and influencing demand (information, tourist guides, etc.).

This report not only documents the many valuable contributions of these experts and international operators, but goes a step further to propose some practical considerations on how to reach consumers who are interested in sustainable tourism products and how businesses can move towards supplying those products. Our intent is, therefore, that this publication may become a small "knowledge base" for everyone - entrepreneurs, operators, institutions and consumers – who are concerned, as we are, that the tourism sector continues to develop, but in harmony with each local environment and identity.

II. METHODOLOGY

The report reviews the strengths and weaknesses of the tools and channels available to promote and distribute sustainable tourism products. The distribution and promotion channels chosen were destination management organizations and tourist boards, tour operators, guidebooks, media, certification schemes, travel fairs, internet retailers and consumer organizations. These were chosen because of their turnover, and their potential to reach markets and contribute to mainstream sustainability in the tourism industry. Each tool has been analyzed by focusing on the following aspects:

I. Description of the tool. How can each tool be used to promote sustainable products? Quality, legal and systematic obstacles amongst others.
2. **Supplier equity.** What does a tourism company have to do to be promoted through each channel? What characteristics do these companies need to have? Can all suppliers access it?

3. **Market penetration potential.** Markets targeted by each channel. Social demographics, size, growth, purchasing behavior.

4. **Cost-benefit analysis.** Is this a cost-effective method to market sustainable tourism products?

5. **Normalisation potential.** How effective can each tool be to move sustainable tourism from a niche to a mainstream product? Forecast of sustainable tourism products each tool could be marketing (either in total, or as percentage of the company’s portfolio).

UNEP and the Region of Tuscany convened a workshop on Marketing sustainable tourism products: challenges and opportunities during the 4th Euro meeting Conference in Florence on 5th November 2004. Key representatives of the selected ‘distribution tools’ were invited to share existing efforts in promoting sustainable tourism suppliers, and perspectives on what could be their role in more effectively supporting ‘sustainable tourism suppliers’. In alphabetical order, the speakers at the workshop were Piegianni Addis (Kel 12 - on outbound tour operator), Sylvie Blangy (TUKTU Consultancy - on travel fairs), Chuck Bell (US Consumers Union - on consumer organizations), Jeremy Garrett (NaTour Communications - on marketing communications), Marcello Mariotti (Hello Tuscany - on inbound tour operators), Andreas Museler (LTU Touristik - on outbound tour operators), Malcolm O’Brien (Lonely Planet Europe - on travel guides), Caroline Ofroegbu (Alliance Internationale de Tourisme & Federation Internationale de l'Automobile – on consumer organisations), and Ronald Sanabria (Rainforest Alliance – on certification).

Prior to the aforementioned workshop, UNEP called a preparatory meeting to share experiences between firms and explore joint initiatives. We would like to thank the following experts who participated in this meeting together with the speakers outlined above: Ellen Bermann (Ventaglio), James N. Holleran (Ecole Hoteliere de Lausanne), Ulrike Rheinberger (Oko-Institut), and Matteo Montebelli (Touring Club Italia).

**III. MARKETING SUSTAINABLE TOURISM PRODUCTS**

Many entrepreneurs fail to understand the nature of the tourist industry as a marketplace, and assume that because they have an authentic and exciting tourism product, clients will find them. Many donors and policy makers also make the same mistake, funding conservation projects expecting that tourism will generate sufficient revenues for the long term survival. Underestimating the challenge, as well as the cost of distributing tourism products is a key reason why new tourism ventures fail, and why many donor projects do not survive beyond the initial subsidized period. The challenges mentioned here apply in the majority both to sustainable and non sustainable tourism products. Reviewing the key stages of a marketing plan provides some background to this report. The first stage is a thorough analysis of the market, resources, competitors and the business environment. The second stage is to decide on the strategic choices of how to segment markets, to determine the markets to be targeted, and to plan an appropriate product positioning. The latter part is to determine the marketing mix, which in its most basic sense means how the product will be offered to tourists, the price that will be charged, how the product will be communicated, and how it will be distributed. It is through examining the requirements of these promotions and distribution channels that projects and firms face the reality check of what the market wants.

---

![Figure 1. Key stages of the marketing plan](image_url)

Three key issues are highlighted below that influence the success of marketing efforts by tourism companies. Many of these cannot be solved by individual tourist firms or even through collaboration at a destination level; it is however important to be aware of them to consider how they will affect the promotion and distribution of tourism products.

**IV. CONSUMER PRODUCT KNOWLEDGE**

If a tourist market knows the product well, the type of promotion can emphasize characteristics of the product or place that are meaningful to the tourist, whereas first time tourists will need more information about the product as prior knowledge cannot be assumed. Also repeat tourists are more likely to buy directly from suppliers that first time tourists.
Inexperienced product users. Tourists that buy a certain type of holiday for the first time are more open to education, but it is also less likely that their behaviour will be in-keeping with that of locals. First time tourists on a package such as trekking, diving or home stays have specific awareness raising and education needs before and during their experience, which will mark their behaviour for future trips. The product and the message to these first time users will need to be tailored to emphasize safety and customer care, whilst also communicating the need for cultural sensitivity and respect — insofar as tourism involves interactions that necessarily include an active and a passive experience.

Price sensitive first time visitors. Many tourists experiment with destinations, visiting just once, making it hard for the service providers to communicate product quality, and relying on price alone to secure sales. Uniqueness and authenticity need to be reinforced for these first time visitors who lack the knowledge to demand them for themselves. Information sources that can be trusted such as travel guides and signs of quality for example are good vehicles to reinforce such messages.

Repeat clients encourage sustainability. Repeat clients are more likely to appreciate the unique characteristics of a place, usually related to sustainability. Lack of loyalty to destinations often means service providers do not see a short term benefit from providing the required services of quality, as those tourists leaving will not come again, and others just as gullible will follow.

V. DISTRIBUTION CHANNELS

Current Practice and Prospects
The tourism marketplace is made up of a large number of tourism service suppliers trying to reach a multiplicity of tourist markets. They do so targeting the tourists directly, developing positive messages about their product through promotion channels, and working with intermediary distribution channels that will sell a range of services tailored to the market’s needs.

Figure 1 maps out key players in producing, promoting and distributing tourism products, inevitably there are many organizations that do both, and they have been placed according to their core function. There are two commercialization strategies:

Business to consumer (B2C). Tourism service suppliers can use a range of direct marketing channels such as database and internet marketing to attract tourists. The advantage is having a greater control over the message sent and the type of tourist attracted. The disadvantages are that this is done at a greater financial risk, with potentially high start up costs. Box 2 includes a summary of main channels for direct marketing.

Business to business (B2B). The main focus of this report is for suppliers to trade through intermediaries that take the role of either selling individual services, packaging them or doing the marketing and booking. Tourism suppliers benefit from outsourcing the cost and risk of marketing. The advantages are diversification of markets that reduce risk, a potentially secure level of business, and fixed commissions that facilitate financial planning. The challenges are less control over marketing messages, markets and income streams.

VI. CONCLUSION

Distribution channels in the tourism industry are the key element in any market-led policy to mainstream sustainable tourism practices. There are examples of good practice from
each of the distribution channels to contribute to promoting sustainable suppliers. There is also evidence that distribution channels can do more within their commercial remit to market sustainable tourism products. Focusing only on the business case for sustainability is unlikely to achieve considerable shifts in industry performance, and a certain amount of enforcement coupled with a better understanding of the moral and corporate social responsibilities for such change is necessary. Three scenarios for strategies are presented to illustrate how different approaches will lead to different policy recommendations. It seems likely that a combination of all three by different agents will help to move the sustainability agenda forward. Possible levers for change have been identified for each of the three scenarios outlined here.

1. The concept needs to be made fashionable: it needs to become a lifestyle value. Industry leaders will take the lead, with the support of the media, opinion leaders, travel guides, and forward thinking distribution channels. A segment of the market will always be at the cutting edge. Policy makers can contribute by showcasing best practice, transfer of best practice and encouraging entrepreneurial behaviour of industry leaders.

2. Information needs to be more widely available and presented in a less dogmatic and more impartial way so consumers can make up their own minds. The concept needs to be demystified first. Consumer organizations, retail outlets and promotion channels will take the lead. All stakeholders must be engaged; none can be excluded.

Policy makers can contribute by creating transparent communication mechanisms that allow the market to identify sustainable practices.

3. Business to business marketing is the strategy to normalize, not business to consumer. In some instances consumers will not need to know that products selected are of higher sustainability. Large tour operators will take the lead by implementing corporate social responsibility as good business practice, and also to protect their companies from NGO pressure, shareholder concern and government legislation. Policy makers can contribute by engaging tour operators in discussions for industry self-regulation, and incentives for supplier development as part of supply chain management.

To this effect, three recommendations are highlighted for the benefit of government, donor, industry association and intergovernmental organization policies to promote tourism distribution channels to give preference to sustainable tourism products.

REFERENCES


AUTHORS PROFILE

Dr. Abdul Baji, working as Professor, Department of Business Management at Nimra College of Business Management, Vijayawada, A.P., India. He has published several papers in National and International Conferences and in International Journals. His Research includes Marketing Management, Organizational Behavior and Financial Management.