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# Marketing of adventure tourism

Allied Adventure Travels and Tours, Nepal

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**ABSTRACT**

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This study has the main objective of comparing theoretical knowledge regarding tourism marketing, specifically adventure activities to its implementation by a real company. The case company and destination in regard to this research is Nepal. Hence, this study tries to understand how well a real adventure travel company understands and implements the theoretical part of tourism marketing in the real marketing activities.

The theoretical part of this study consists of mainly tourism and adventure activities in relation to the case destinations. Additionally, consumer behavior specifically in travel and tourism has been presented with relevant illustration. Furthermore, service marketing mix and managerial aspect of the marketing effort are explained, focusing on how marketing effort of a travel company can be enhanced with improvement of those marketing tools.

A qualitative method has been adopted to investigate the empirical part of this thesis. Questionnaires were designed and sent to the case company to analyze the objective of research and an active interaction was maintained with the case company in order to gather further essential information.

The result revealed that the case company partly understands the theoretical knowledge described in this work. Consumer analysis and elements of marketing mix namely, products, prices, participants, and promotions are moderately understood by the company while the managing marketing efforts have not been applied effectively.

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Keywords Adventure tourism, Marketing mix, Travel consumers

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**Appendix 1** The questionnaire

# 1 INTRODUCTION

Adventure tourism is now growing rapidly as the consumption of outdoor activities has increased in recent years with an estimated growth of 15% annually (Buckley 2007). Furthermore, it is indicated that the role of intermediary institutions in Tourism industry can still bring a significant growth since the process of product distribution and enabling consumers to access service activities are to be started through intermediary institutions. The intermediary institution in travel and tourism refers to for instance to Travel agencies, tour operators and related companies which are involved in tourism industry (Forstner 2004). However, the necessity of deciding proper marketing mix should always be considered while trying to reach the potential consumers by the travel agency. The proper understanding of the seven Ps of service marketing tools: Product, Price, Place, Promotion, People, Process and Physical evidence would help to enhance the company performance in relation to successful marketing strategy. It has been realized that the emerging trend in Adventure activities should be promoted in a way where marketers identify the opportunities and understand the market analyzing different variables and divide the market in the beliefs of increasing profits. (Hoek, Gendall & Esslemont 2006)

## 1.1 Aim of the thesis

The growing trend in adventure activities are considered to be opportunities for corresponding companies. The opportunities can further be enhanced and accomplished with the help of effective marketing efforts. Therefore, it is vital that a company understands and implements the fundamental theories behind marketing. Hence, this thesis is carried out with the aim of comparing theoretical knowledge in tourism marketing; particularly adventure activities to the implementation of those in real marketing activities of a Nepal based Adventure Travel Company. Based on the literature behind tourism marketing, the research has been conducted to reveal how the real company understands and implements that knowledge. The research has an objective of analyzing current marketing implementation of a tra-

vel agency which is working for adventure travelers in Nepal and compare that with the theoretical framework in the study.

## **1.2 Thesis structure**

The following study includes both a theoretical and an empirical part. The study initially describes the tourism industry in general and specifically in the context of case destinations. This further continues defining adventure tourism and availability of its kind in the case destination. The theoretical framework of this study has been divided into Consumer analysis, Marketing mix and management of marketing efforts. Consumer analysis is presented since it is the essential or center part of the both tourism service and marketing mix of a company. Marketing mix consisting of the seven P's of service marketing tools have been described and linked in the tourism service concept. The traditional marketing mix containing only four P's: Product, price, place and promotion have been expanded with the additional three P's namely People, process and physical. On the other hand, management of marketing effort of a company which can be done with the four variables namely analysis, planning, implementation and controlling are described highlighting the importance in successful marketing for a company. The empirical part includes the definition of qualitative research and its importance for this particular study. It further highlights the difference with the quantitative method.

## **1.3 Limitations**

The research is restricted to only one adventure travel Company while there are many similar other competitors companies offering adventure activities. The additional limitation of this research was associated with the lack of prior research about segmentation of adventure consumers. Furthermore, the case company and the researcher did not have direct interaction and all the inquiries were done through the internet. Nevertheless, the research was conducted as conveniently as possible and the relevant literature was adopted from reliable sources.



## **2 TOURISM INDUSTRY**

Travel and tourism primarily refers to human behavior of wishing to visit a particular destination for sightseeing, experience extreme adventures, visiting friends or family, business meeting, spending holidays or simply enjoying the surrounding (Goeldner & Ritchie 2009). It is believed that travelling from one place to another has existed since the beginning of human civilization when it was necessary to move in search of fundamental survival things. Furthermore, the travel histories suggest that despite search for basic necessity, travelers started crossing the border & moved for purpose of economic benefits, war, business and other reasons. (Theobald 2005, 6-7) However, Tourism has now becoming one of the fastest growing industries in the world. According to the UNWTO, International tourists have revealed virtually uninterrupted increase as there were 25 million travelers in 1950 to 278 million international arrivals by 1980. By the end of 2013, more than 1087 international tourist were accounted which shows huge difference compared to 1950. Despite unstable world's economy and geopolitical situation in 2013, international tourism resulted more than expected. There was 5% growth or 52 million more people crossed the international boarder and that growth exceeded early expectations. The ongoing increase trend in international tourist arrival is believed and forecasted to continue by 4% to 4, 5% in 2014. (UNWTO accessed 27.12.2014). Furthermore, this growth has been expected to continue until 2030.

### **2.1 Tourism in Nepal**

Nepal, which is located between India and China has been welcoming international tourists since 1951. Since the beginning of the 1960s, people from around the world started arriving in the country (Zurick 1992). (Adam 1992) claims that in the 1960s Nepal was recognized as the era of diplomatic Tourism for allowing easy drugs access, being cooperative and natural people. During that period, many foreigners visited the country for drugs by Hindu cults (Sill 1991). Between 1966-1970, there was a growth rate of 266%. It was followed by a 95% growth from the beginning of 1970 to 1974. However, in the early 1970s, the government enforced laws banning the cultivation of drugs, renewed visas rules and illegalized selling

drugs in the market (Belk 1993). Consequently, international arrivals specifically hippies gradually declined which led the country being transferred from a drugs destination to a country of adventure activities and mountain climbing (Koirala 1970). The country has been experiencing a positive growth but it witnessed a negative result in 1984(-2), 1989(-10%), 1993(-12%), 2000(-6%) and 2001(-22%) and the results were associated with political instability (Thapa 2004: Hall & Page 2000). The major reasons for international arrivals in the country can be categorized as natural attractions, adventure and cultural attractions. Most of the international tourists come to Nepal for its natural attractions. The country has number of Mountains measured as the highest in the world including the Mountain Everest which is the world's highest (8848m). A majority of international travelers arrive for trekking in the mountain and do some adventure activities. On the other hand, the diversity in Nepalese culture has also been considered as one of the main reason for international arrivals. (Simmons & Koirala 2000) The total recent population of Nepal was recorded to be approximately 26.62 million (Central Bureau of Statistics, Nepal). Of the total population, 101 ethnic groups speak over 92 languages, however the national language is Nepali, which is the official language of the country (Nepal Tourism Board). (The Ministry of Culture, Tourism and Civil Aviation (MoCTCA) has been working to increase the annual international arrivals by 2 million. (Ministry of Tourism and civil Aviation 2009) But, the current trend in the international arrivals does not indicate that the goal would be achieved with this investment and infrastructure. The year 2012 saw a record high of visits 803,092 while it declined to 797,616 in 2013. However, according to the statistics, the inbound tourists have steadily increased over the last ten years until it declined in 2013. Despite fluctuations, Government of Nepal aims to view the tourism industry as an essential part of its development with the enormous contribution in economic growth and employment opportunities. (Ministry of Culture, Tourism and Civil Aviation, 2014)

Among major destinations in the country is Kathmandu, which is the capital of Nepal. It consists of additional two other districts namely Lalitpur and Bhaktapur with the total population of approximately 2.5 million (Central Bureau of Statistics, Nepal). The capital is home for seven UNESCO World heritage shrine:

Kathmandu Durbar Square, Patan durbar square, Bhaktapur durbar square, Changu Narayan, Pashupathinath temple, Swayambhu and Baudanath. The Pashupathinath temple represents the Hindi religion whereas Swayambhu and Baudanath are connected to the Buddhist monuments. In contrast, Changu Narayan is believed to have connection with traditional indigenous Newari settlements. (UNESCO: Shackley 1994) Pokhara, which is situated 200km west from the Capital is a delightful city nestled in the tranquil valley. It has been popular destinations among the international arrivals as it is the access point for many highest Himalayans and rafting destinations. Machachhapuchhre Himalaya (6977m) can be observed behind the city which helps to make the city peace and magic. In addition, a magnificent view of the peaks for example: Annapurna, Dhaulagiri and Manaslu help to make the city a wonderful destination for international travelers. Another destination the country possesses out of the valley is Chitwan which is 165km from the capital. The nestled Chitwan National park is considered to be one of the finest in Asia. The park has been defined as one of the largest forest area in Asia with wildlife for instance: great one-horned rhinoceros which is rarely found in the world, leopard, crocodile, dolphin, more than 350 types of birds and other animals. UNESCO has listed the Chitwan National Park in the world natural heritage site. (Ministry of Culture, Tourism and Civil Aviation)

## **2.2 Adventure tourism**

A report from Adventure Travel Society states that adventure tourism is witnessing an annual growth of 10-15 percent. The report further claims that mostly adventure travelers come from the North American countries but recently Japanese travelers are also increasingly becoming interested in the adventure activities. (Hudson 2003) Adventure tourism represents the guided commercial tours where the major attraction remain outdoor activities often relied on nature, sporting equipment and is exciting for consumers. (Christiansen 1990; Trauer 1999) define adventure tourism as travel, sport and outdoor activities and is a growing subset of the tourism industry. There have not been well defined boundaries in types of adventure activities but the key major types are for instance climbing, Trekking &

hill walking, mountain biking, Bungee Jumping, paragliding, jungle safaris and similar outdoor activities (Buckley 2006,1-2;Hudson 2000;Beedie & Hudson). Adventure tourism has been traditionally defined centering on recreation and risk involved (Martin and Priest 1986). However, (Walle 1997) claims it to be the quest for insight and knowledge rather than risk. Instead, individualism in perception of adventure experience always should be considered (Karin 2001). Over recent decades, there has been enormous demand for adventure activities and recently the trend has appeared as many destinations marketing themselves specifically as adventure destinations (Ralf 2006, 475). It is said to be one of the fastest growing industry with the estimated annual growth of 15 % ( Buckley 2007: Hudson 2003). In the United States, approximately 98 million American adults which are half of the total adult population used adventure activities in the last five years of the twentieth century. This kind of trend reveals the growth of the industry is likely to continue (Tsui 2000: Hudson 2003)

### **2.3 Adventure tourism in Nepal**

The form of central Himalaya and the majority of the world's highest mountains are the key features of Nepalese mountain based adventure tourism activities (Zurick 1992). Nepal retains eight out of the 14 mountains which are over eight thousands including the world's highest (Sagarmatha) & Mountain Everest (8848m), Kanchenjunga (8586m), Lhotse (8516m), Makalu (8463), Cho Oyu (8201m), Dhaulagiri (8167m), Manaslu (8163m) and Annapurna (8091m). The Minister of culture, Tourism and Civil Aviation is the governmental organization issuing permits for bigger mountain while peaks between 5,587-6,654m are handled by the Mountaineering Associations. The climbers are allowed to submit the peak in all four seasons, spring (March-May), summer (June-August), autumn (September-November) and winter (December-February). (Nepal Tourism Board 2013) The adventure activities based on the mountain started in the country in the beginning of 1953, when a group of western expedition was given permission to climb the Annapurna Mountain. After three years, Hilary and Tenzing successfully ascended the Mountain Everest which brought the worldwide attention. Even though the international arrivals in the country have not been as crowded as

1900s, fascination of submitting those physically demanding peaks still draws many visitors from abroad.

Trekking in the lap of Himalaya is considered to be one of the popular adventure activities in Nepal (Zurick 1992). In the mid1960s Trekking was categorized as another form of climbing. Since then the country started its official and commercial trekking from both Pokhara and Sagarmatha (Adam 1992; Pagdin1995). During the period, the routes were limited to the Everest and Annapurna expeditions. The Annapurna area which covers approximately 7000km<sup>2</sup> is said to be the most geographically and culturally diverse area in the world (Gurung & De Coursey 1994). The area's diversity is evident with 475 species of birds, 101 and 1226 species of mammals and plants respectively (Banskota & Sharma 1998). Apart from diversity in species, the area is considered to be geographically attractive with spectacular view of Annapurna 1 (8091m) and world's deepest valley called Kali Gandaki river valley (Holden & Sparrowhawk 2002). Access to this place is only by foot which represents its natural features has approximately 120000 inhabitants. According to ACAP around 76000 people visited the Annapurna area in 2001. (Bajracharya 1998) estimates that every single tourist brings one supporter and most of them are not from the local area. Based on this statistics, it can be stated that approximately 152000 outsiders come to visit the area in a year. On the other hand, in recent days the development of further trekking route namely Kanchenjunga in the east and dolpo in the west has been helping to meet the country's demanding trekking routes. Unfortunately, the north-west of Nepal is too remote geographically for the travelers and political problems are still opposing the development of demanding trekking route. (Ministry of culture, Tourism and civil Aviation)

The other important adventure activities offered in the country include Rafting/Kayaking and Cannoning. Nepal's popularity among the visitors as whitewater rafting has been considerably developed during the last two decades. The country witnessed a total of only 1735 international rafting bound international travelers in 1985 while the number increased to 4169 in 1988 (Zurick 1992). The majority of rafters, around 89 percent rafters in 1988 used Trisuli River, which

can easily be accessed from the capital Kathmandu while many travel agencies and tour operators have been offering multi days raft tours on various rivers (Buckley 2006; Knowles & Allardice 1992; Zurick 1992). The availability of numerous rivers would help to enhance the experience of the adventure lovers with natural views and ethno-cultural heritage of the country. So far, the Nepalese government has officially offered ten rivers for commercial rafting. Trishuli River, as mentioned above is one of the most famous and widely used rivers in the country. The rafting tour takes the adventure travelers all the way to Chitwan National Park which is the UNESCO natural heritage site. It is followed by another famous river called Gandaki, near Pokhara flows through remote canyons and deep gorges for three days of intensive rapid. It is considered to be one of Nepal's holy rivers. The rafters would have spectacular mountain views, endless suspension bridges and typical Nepalese village. Furthermore, the country has one of the world's most adventurous rafting rivers named Karnali which provides challenging moments. The distance of this rafting is around 180km which can take between six to seven days of challenging river journeys providing stunning scenery, great river action and all the benefits of a long river in the country.

Paragliding, an adventure activities can be an emerging service for the country. Nepal is not associated with paragliding for long period but it is believed that it has the proper location to perform the activities. One of the perfect places to perform Paragliding is said to be Pokhara. The city has jumping off point for paragliders at 1,592m High Mountain. The place is famous among international travelers since it gives stunning views of three of the world's eight thousand mountains namely, Manaslu, Annapurna and Dhaulagiri.

#### **2.4 Destination marketing**

There has been increased concern and interest recently in the marketing of a place over the last three decades (Deffner & Metaxas 2005). The reason to some extent is the growing number of international travelers which has consequences for the competitiveness of a place. Destination is the core part of the tourism industry since most of the tourism activities take places in a destination. It can be defined as a geographically available space where tourism resources exist. Destination is

an accumulation of tourist resources and attractions, infrastructures, equipment, service providers, other support sectors and administrative organization whose integrated and coordinated activities provide customers with the experiences they expected from the destination they choose to visit (Rubies 2001 39). It includes environmental opportunities which match destination resources with the wider need of society in mind. It should intentionally reflect the available resources as planned to the travelers but not unnecessary or unavailable means of activities or resources. (Pike, 2008 page 23-25) In addition, Horner and Swarbrooke (1996) state that destination marketing means to use tourism as a tool for improving destination image, increase facilities and providing funding for improvement to the local environment.

Cooperation between the government and private sectors in marketing the country is very important. (Prideaux & Cooper 2002) suggest that marketing of a country should be viewed from the national level and the involvement of local and national government is essential. (Pike 2004) considers the globalization to be the most common reason for high competitions among destinations or countries. For example, it is found that 70 percent of international visitors travel only ten countries, while for the remaining 30 percent international travelers over 90 NTOs compete. Therefore, focusing on one thing that add other dimensions and differentiate it from other countries has been an essential part of destination marketing (Keller 2003).

### **3 TOURIST MARKET AND CONSUMERS**

In general, Market refers to a place where products and service are sold. It could be small places or big, could be a small product or big product. It can also be defined as a place where demand and supply are to meet and consumers are available to buy and sellers are active to sell something. Therefore, market is a gathering of some people having needs and willingness to buy on one hand and on the other hand, act of selling. (Dibb, Simkin, Pride & Ferrell, 221-222) In addition, Hollway 2004 mentions that market can be considered as a defined group of people for specific types of product or range of products. In this context, defined group cor-

responds to a group of consumers who can be identified by a set of variables differentiate them from other group of consumers.

Tourism market specifically has been defined as a set of all arriving and potential travelers from a particular region to a destination (Perdue 1996). Travelers refer to a group of people who buy travel and tourism related products & service. Consumer analysis has been regarded as an essential part of marketing activities. Discovering travelers motives are connected to successful marketing and it would allow travel companies to tailor their service responding their customers' needs and desires. In addition, it would also make it easy to reach the potential customers with the help of suitable advertising and sales messages. (Holloway 2004).

### **3.1 Consumer behavior**

For travel and tourism companies, it is important to make sure that there has been given sufficient attention to understand how consumers are responding the company's different travel categories, prices, advertising, distribution and interaction in order to be strong competitor or being above competitors. The initial process starts with the stimulus-response model of buying behavior presented in the figure below.



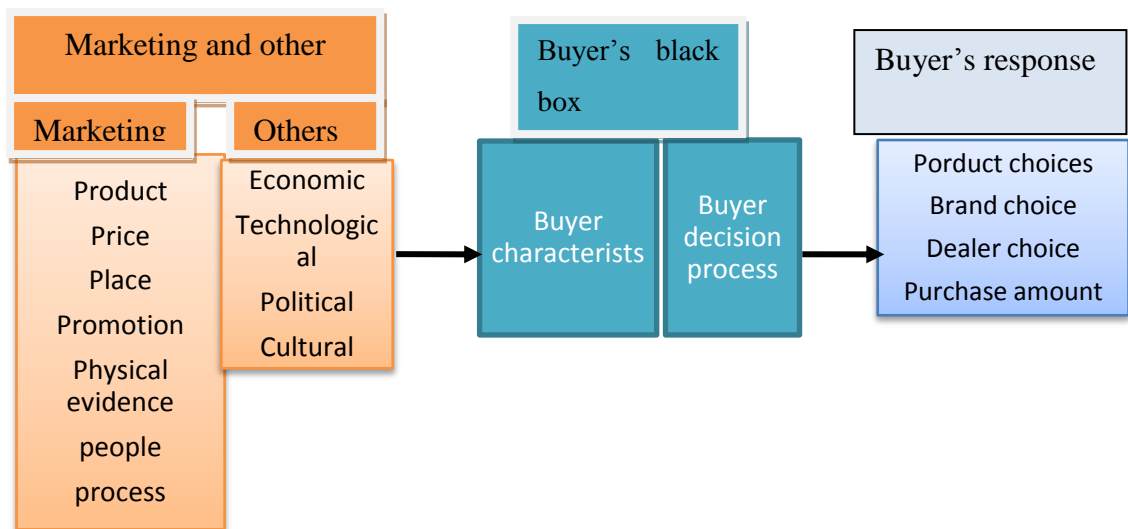


Figure 1: Consumer behavior (Kotler & Armstrong 2001, 171)

The following figure reveals that marketing and other stimuli enter the buyer's black box which will create some buyers response. The most important task for the marketers is to discover what is inside the black box. All 7Ps service marketing and other stimuli including major events and consumer environment namely economic, technological, political and cultural move towards the buyer's black box where they are turned into a group of observable buyer response: Product & service choice, brand choice, dealer choice and purchase amount. Marketers are deeply concerned to understand how the stimuli are converted into response inside the black box. Buyer's black box consists of two parts namely characteristics of buyers which influence how consumers perceive and reacts to stimuli. The second part is consisted of buyer's buying process that affects buyer behaviors.

### 3.2 Factors affecting buying behaviors

Consumers are strongly influenced in the buying process from different factors. Those factors can be classified as Cultural, social, personal and psychological. However, mentioned factors are beyond the control of any organizations but it is highly recommended that the attention should be paid. These factors can be understood by an example of a married American graduate student, working in com-

puter manufacturing company who wants to experience a week of adventures hiking to be away from regular working environment. In the search of a better place and process of deciding, many characteristics in that person's background will affect in evaluating the destination and activities. All factors influencing consumer behaviors have been shown in the following figure. (Kotler & Armstrong 2001, 172)

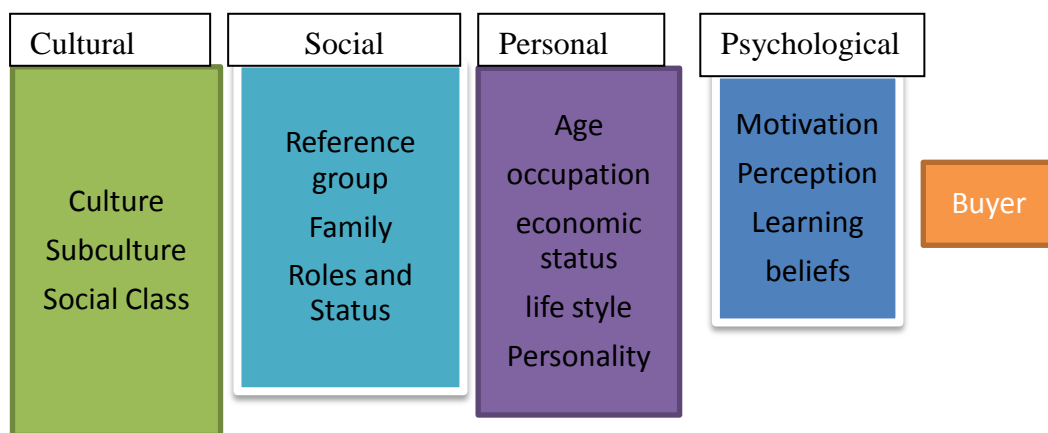


Figure 2: Factors affecting Consumer Behaviour (Kotler & Armstrong 2001, 172)

Culture is considered to be the most basic reason for human desire and behavior. Basically it considers the whole surrounding environment of a person that includes, basic values, perception, wants, beliefs, habits and others as a human being (Mothersbaugh 2010; Kotler & Armstrong 2001) Each culture consists of subcultures. It includes religion, geographic region, nationalities and racial groups which tend to establish a specific segmented market. Social class refers to a form

of social class structure that every society contains. It is not determined based on one factors for instance income, but is measured considering combination of occupation, economic conditions, level of education and other factors. Cultural factors are believed to influence strongly on consumer behaviors. It can be illustrated with an example: Nepal offers different adventurous activities based on the world's highest mountain, where most of the people believe in the Hindu religion, speak more than 190 languages, and has its own rules and regulations. These few characteristics concerned with culture can influence to the travelers from the US or European countries since they have different religion, language, rules and regulations. (Kotler & Armstrong 2001; Goeldner & Ritchie 2009; Peter & Olson 2010, 278)

Social factors which consists of groups, family and social roles and status. Group can be divided into two parts as membership and reference groups. Membership group refers to a collection of people where a member is influenced with other member while reference group represents a group in which an individual does not belong to however still consumer behavior can strongly be influenced with these kinds of groups. For instance, a widely known actor goes to Nepalese Himalaya and post pictures on social Medias, many followers might want to be part of those activities. (Kotler & Armstrong 2001; Peter & Olson 2010) Family is another part in the social factor which can strongly influence a buyer behavior in many ways. Many researches have revealed that family is the most important consumer buying organization in society. It has been widely researched that the roles of husband, wives and children have strong influence on buying behavior since their background, age and desires could be different. In addition, a human being is a part of a many groups- family, organizations and others where there is always certain roles and status. The role of a person in family needs to be different in the organizations. So, different roles of a person can influence in travelling behaviors as well. For instance, an organization employee might be expected to visit Middle East which may not be the priority of family members. (Kotler & Armstrong 2001, 179; Goeldner & Ritchie 2009)

Personal factors are also responsible for buying behaviors. A person is entitled to have many characteristics such as age. Human beings are not constant in term of consuming products or service. Changes in taste and newness in experience is no longer a surprising thing for human beings and age is one of the most important factors for a human being to bring such changes in their lives. (Kotler & Armstrong 2001) A young person might be interested in extreme adventures activities while in the late age or teenage, that desire might not exit.

A buyer's personal buying decision can also be influenced or determined by psychological factors. Human beings have different psychological factors for instance Motivation. A motive is termed as need that directs sufficiently to seek satisfaction to a person. The studies of human motivation towards travelling have long been conducted. (Casson 1974: Wolfe 1967) argue that many wealthier people in the roman society did own summer resort to be excluded from cities extreme heat. Understanding consumers motives would help marketers to know what kind of needs are those and how willing buyers are to consume the services. Consumers are more likely to express needing something for example a branded watch or computer. Buyers often ask question themselves if they really need those products or expressing their desires towards the products. Abraham Maslow describes the motivational theory explaining why people are driven by specific needs at specific times. It further explains the reason behind one person spend much time and energy just for personal safety while someone is gaining esteem of others. Maslow's theory has categorized theses needs into hierarchy stating that the basics needs have to be fulfilled before the desire for higher level needs would arise. Human beings are entitled to have certain physiological needs without which, their existence cannot be continued. These kinds of need include for instance, to eat, drink, sleep etc. The human needs however do not end with just physiological needs but it continues to make life well-being with additional needs. The need of satisfaction, self-esteem, reorganization, status and others would continue to rise inside human beings thoughts. (Holloway 2004)

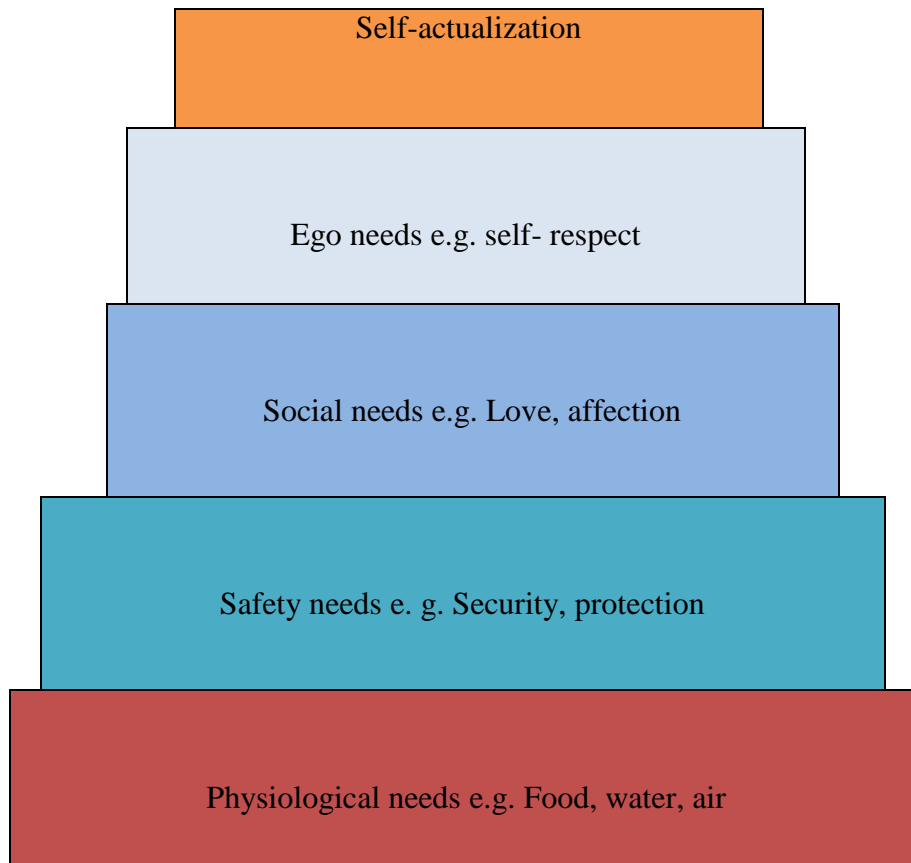


Figure 3: Maslow's Hierarchy of Needs (Holloway 2004, 102)

### 3.3 Service buying process

It is important that marketers understand the consumer decision process after analyzing the factors responsible for influencing consumer. The process of buying decision has been shown in the following figures as: recognizing need, searching information, alternatives evaluation, purchase decision and post purchase behaviors. It could be understood that before a consumer purchase a product or service, there is already a long process started. Therefore, marketers are required to focus on not only purchasing decision but all the stages. (Kotler & Armstrong 2001, 193; Peter & Olson 2010)

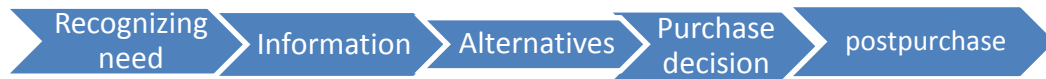


Figure 4: Consumer Buying Process (Kotler & Armstrong 2001, 193)

The following figure reveals that a consumer go through all the five stages however, in some cases, consumers often skip or reverse some of these stages. For instance, a young man purchasing a book would initially recognize its need and reach to the purchase decision. This case does not include or go through all the cases skipping searching information and evaluating alternatives.

A consumer buying process begins with need recognizing. The initial phase starts when a buyer feels a need or problem that needs to be fulfilled. It can be illustrated with an example of a young busy business man. The need to do some adventure activities may come to the man through external stimuli. It could be that recognizing need process starts after seeing a friend doing extreme adventure and having fun or watching an outstanding advertisement of wonderful environment. In this case, travel agencies marketers need to observe consumers in term of what needs are there and how it emerged and how consumers are lead to the specific adventure activities. With the help of these information, the organization would be able to categorize the most often cause for interest in such particular services and can develop the marketing programs considering those factors. After need recognizing, a buyer goes through the information search phase where different source of information can be used. Consumers can visit the website, ask friends, look for

advertisements or read articles. For adventure travelers, important information could be for instance, the uniqueness, level of adventure, activities and safety issues. While searching for information, consumers become more knowledgeable about the company and service. A company needs to consider its marketing mix to make consumers comfortable and reliable towards offered services. Furthermore, revealing the consumer source of information is very important and a brilliant marketer is always interested in asking consumers about the used source information which will help to improve the frequently means of source in future. (Kotler & Armstrong 2001; Peter & Olson 2010)

When a buyer comes to the evaluation of alternative phase, it should be noted that there have already been discovered many alternatives while searching for information. In travel and tourism, consumers have many options. Many destinations are available for adventure activities. Buyers in this phase analyze the alternatives. It could be for instance, comparing level and base for adventures activities in Asian countries and European countries. In this case, a travel agency offering adventures activities should be able to study consumer about how they evaluate destination alternatives and level of adventures. It will help the firm to take steps in influencing buyer's decision. Purchase decision phase begins when buyers decided to buy the most preferred destinations and activities. In previously mentioned alternative evaluation, buyer often try to rate the offered activities. In this stage, consumers decide upon the most rated destinations and activities in buying process. However, purchasing a service does not end marketing job for a firm. Marketers need to evaluate service performances. After the consumption, buyers either satisfies or dissatisfies and this information would be important for marketers. The relationship between the consumer's expectation and perceived performance are the factors responsible for customer's satisfaction and dissatisfactions. Consumers are satisfied if services meet their expectations and if it services fall short of expectation, consumers are dissatisfied. And if expectations are exceed, buyers are delighted. It is important to conduct or understand whether a costumer is satisfied or not. A research indicates that 96 percent unsatisfied consumers do not tell the company directly about the dissatisfaction. And the research further suggests that, an unsatisfied customer tells the stories of bad service to 11 people

whereas a satisfied customer tells 3 people about good services. Therefore, a firm is required to conduct a system where customers can complain indirectly which will help to monitor service performances. (Kotler & Armstrong)

### **3.4 Segmenting customers**

Segmentation refers to a designed process which places for example a group of people into similar or smaller categories. In another word, it is a group of customers or organization having one or more common interest or feature. (Dickman 1999, 93) Market segmentation acts to recognize a similar group of consumers so that a particular product or service could be offered for them. Furthermore, a product or service is designed targeting a particular group of consumers with the help of suitable advertisement, fair pricing and distribution strategies. (Dibb et al.,) It should be understood that there is not only one way of doing segmentation of consumers. It is to be done based on different variables. There should be used a proper way but the consumer needs and buying behaviors should always be taken into consideration. (Hoek, Gendall and Esslemont 1996) define segmentations as a process of a firm to understand a market collecting and analyzing several variables. With this understanding, marketers divide the market into different groups believing in increasing profitability.

One of the simplest ways of dividing the customers is based on where they live. It could be on global scale for example, (Asia or Europe) on individual countries (China, France) or on smaller scale such as a city, regions or districts. There are different variables within countries or contiguous countries for instance cultural differences which have to be understood by the marketers. A travel package for a group of Chinese people might not be recommended for Americans because of the difference in culture. Climate is also an important factors that is different place to place which should be considered while segmenting customers. For instance, arranging travel activities in the south Asian countries during extreme temperature would not be suitable for Nordic countries people because of the climate difference. (Holloway 2004; Dickman 1999, 98)



Another variable for segmenting consumers is demographic. This segmentation is based on division of the population according to characteristics such as gender, age, level of income, education, occupation or ethnic background. Marketers try to understand not only the present statistics of the population but also try to find out the changing patterns taking place in the population. A research in the United Kingdom shows that household size is shrinking with the falling number of birth which is affecting in the holiday-taking. On the other hand, the UK would notice a sharp increase in the number of single household and increased number of people above 60 years living alone. The reveal of following changing pattern would allow the marketers to set up necessary resources so that they meet the consumer needs. In addition, if the marketers are able to know disposal income of the segment, it would help further marketing strategy. For instance, in Britain it is found out that those above 45 whose children have already left the house may have two potential earners for the next 15 years. It would help and encourage the travel agency to focus on those elderly in the future. (Holloway 2004; Dickman 1999)

Psychographic segmentation is also an important variable that should be considered while doing segmentation. It refers to the motivation of individuals within those demographic groups. The motivation of individual is different to each other. It could be that a specific group of people may view adventure activities as risk to lives. The research suggest that British citizens tend to seek comparatively a greater measure of privacy than the U.S. Marketers are interested to know which demographic group prefer long holidays, expensive mountain climbing, risky rafting and trekking. In order to understand these kinds of questions, marketers should know the psychological needs and the cultural climate of the place. One research made by the British tourist authority found that for instance many Germans love arts and beauty, appreciate their environment and their tourist prefer clean and private accommodation. The research also found that Germans love to be accommodated in the family run hotels and restaurants and prefer local atmosphere. This particular information would help to improve hotel services for German visitors. (Holloway 2004; Dickman 1999)

## **4 MARKETING MIX**

The marketing mix concept and the four Ps of marketing- Product, Price, Place and Promotion was adopted around 1960 which dominated the entire previous models. However, the marketing of services emerged in the early 1970, viewing itself as a different field in the marketing area. The additional three Ps of marketing tools- People, Physical evidence and process were added in the service marketing concept. This field was studied especially in Scandinavia and Finland as something that has to be connected with overall management. (Gronroos 1994, 4-20) With the help of marketing mix, a company can determine allocating the budget, founding the marketing strategy and promoting the product in the right place. The implementation of above mentioned tools is quite complex in the field of tourism industry since the typical characteristics of tourism product which will be demonstrated later. (Holloway 2004, 17)

### **4.1 Product**

Travel and tourism often is included and associated with service therefore in this study, product refers to service which is collection of product that includes activities, satisfactions & experience for travel consumers (Kotler & Armstrong, 2001; Dickman 1999, 139). The natures of service are sometimes confusing as there are both tangibility and intangibility features involved. The need of analyzing nature of service highly stands since it helps to differentiate the service from other product concept. Furthermore, marketing is to be started according to the nature of products or service therefore It is important to observe the nature of service to identify marketing needs and ways of developing marketing strategies. The complexity of applying marketing tools in the product category can be illustrated with the following example. As a part of tour package, consumers can buy a hotel room which includes several facilities for instance bed or food in restaurant which are tangible. However, on the other hand, there are intangible things that can provide additional satisfactions to the hotel consumers. A hotel room with sea view can (an intangible asset which is said to be higher price) helps to enhance customer satisfaction (Holloway 2004; Kotler & Armstrong 2001 page 52-53). The follow-

ing four elements should be considered while understanding nature of tourism service.

#### **4.1.1 Intangibility**

Services are intangible which indicates that they cannot be tested in advances. The service provider needs to understand that there is risk with the purchasers since there is no assurance that the service would meet the expectation in advance. On one hand, it might appear that marketing of service would be easy since it does not consist of physical distribution, but it has many drawbacks. For example, the service provider does not have to buy the product before they sell to customers which reduce the sell commitment. Those challenges are highly recommended to be reduced significantly since it destroys the motivation of the company. Moreover, there are ways already used by the tourism companies to overcome the intangibility challenge of the product. For instance, the development of video displaying tourism product gained more faithful and favorable image. (Holloway 2004, 17)

#### **4.1.2 Heterogeneity**

The second nature of service is called Heterogeneity. The following nature of service can be illustrated with an example of visible product and comparing it with service. Computer is a visible product and the particular company might continue its manufacture for long time maintaining the same quality, procedure and with good quality control which ultimately convince to the consumers. However, service need to be viewed differently. For instance in travel and tourism, the service providers necessarily miss the control over many aspects. The service provider in this regard simply can't control over the weather for instance. The service consumed by travelers could be very different. A week holiday spent in sunny weather is very different with holiday spent in rainy days (Holloway 2004, 17).

#### **4.1.3 Perishable**

Tourism services are perishable which refers to inability of being storage. An illustration can be considered in order to understand this feature comparing with a

product. For instance, if an electronic company due to some reasons is having difficulties in selling for instance laptops today, there is still probability of achieving sales volume the next day. Furthermore, the same product could be offered with discount later. But this concept does not suit in travel and tourism context. An adventure hiking in the route of Himalaya in a particular season can't be stored if it is not consumed in that specific season. (Holloway 2004, 17)

#### **4.1.4 Inseparability**

Inseparability refers the relation of service to personalization. For example, when buyers see an advertisement of a particular computer brand that they really want to buy and the price difference is not that much compared to other stores, most probably they would visit the shop. Too often consumers are likely to be uninfluenced with the behavior of the sales person in this case even though if they are not showing interest towards the buyers. The reason is that reputation of the company, price and brand have already impressed consumers (Holloway 2004, 17). On the other hand, an example of consumer reaction to the hotels and restaurant is different. If buyers are not paid enough attention, it would lead to unexpected result and probably leave the premises. The quality of food, reputation of hotel, decoration of surroundings would not determine consumer actions unless the integral part service is not good. The same concept can be implemented for a travel agency. It should cooperate with customers all the time for instance, when arranging trekking for long days, providing essential information, providing safety equipment and guide the trekkers should be considered very carefully. All sectors involved in providing service to customers need to have social skills and should understand that dealing with customer is an essential part of the service. (Holloway & Robinson 1995, 10-12)

The product mix deals with different products & service that company produce. The company should be able to decide which products & services need to be manufactured and options for each should be considered. Such judgments are keys to the whole marketing mix. The service could have been designed in a way so that a particular segment can be targeted which may require unique advertising and promotional tools. The marketing team should be aware of each product &

service line considering the potential consumer and why they are buying, the level of competitiveness against rival's company service, sales volume achieved and its contribution towards the overall sales revenue (Holloway 2004, 144-145).

## **4.2 Price**

Pricing decision is considered to be one of the main factors which determine the successful operation of a company. Price is said to be the amount paid by consumers for product or service. It can also be termed as a figure at which products or services are prepared to compete in the market. (Dibb, Simkin, Price & Ferrell 2001, 565) In travel and tourism industry, it is often found that price is variable and negotiable as consumers can decide between ranges of competitive products expecting the best value for money. Price determinants should be considered in a way that would be right not only for it but also other relating products. If price of a service is cheap comparing with the rest in range, consumer purchasing patterns might be changed which can dramatically decrease the sales volume. In addition, service with low price may be considered suspicious in the market if the explanation for price differentials is not given. The proper implementation of pricing decision helps to lead the company towards success. It helps to survive in the competitive market while being consumer oriented. However, both internal and external factors that affect the company pricing decision should be considered. Internal factors of a company consist of for instance its objectives. On the other hand, external factors also influence in pricing determination and it includes for example, competitors cost, price and offer. (Holloway 2004, 52-53: Kotler & Armstrong 2001)

Price is often affected by the company objectives. For instance, if the company is facing high competition in the market, it can decide to set the price in survival position. In addition, if the company aims to increase demand, it might determine low price which probably would lead increase in selling. Similarly, a company might determine low price temporarily with the objective of drawing more customers. Competitor which is external factor is considered to be an important factor for determining firm's pricing policy. (Kotler & Armstrong 2001, 383) It is recommended that a firm analyze its competitors pricing policy regularly since it de-

termines volume of arrival of customers. If price is set higher to the same product as competitors, it might discourage consumers to visit the firm. (Dickman 1999, 238) For instance in travel and tourism, many travel companies organize activities and tour packages in the same destinations. Travelers may have the same experiences with similar activities. In this case, the company should determine the price close to competitors. However, if service providing days are long and activities are exclusive, comparatively more price can be charged. (Kotler & Armstrong 2001)

### **4.3 Place**

In the marketing mix, place is defined as the point of sale where the product can be seen, evaluated and purchased. Furthermore, it is also considered to be connected with the channels that are used to reach the consumers. It often deals with the proper distribution of product & services through the comprehensive sales channels. A proper point of sales can also be considered as satisfying purchasing process. In general, marketing theories represents the place considering where products & service can be purchased and inspected, and the means of delivering products to consumers. However in this context, only the channel of distribution of the service has been focused since the place is controversy tool in the travel industry. (Holloway 2004, 53) Channel of distribution in travel and tourism traditionally was associated with the travel agency & tour operator directly or through the outlets of the company however, recently developed means of delivery system seem to have dominated those traditional ways of channels. Specifically, development in the information technology is likely to bring revolution in traditional means of distribution channels. Buyers nowadays can easily visit the company web page and buy products or services. However, an example of existing traditional channel to reach the potential costumers can be considered Direct mail. Direct mail represents the efforts of a company to communicate directly with consumers through the post with the objectives of giving information about sales message. For direct mail, the company would have a good naming list not just name and address. In Britain, a research claims that more than 5 billion direct mails concerning travel information are sent every year. The research has also

found that only 10 percent respond to it and approximately a quarter of the populations have purchased something in response to getting direct mails. However, with the development in the information technology, the concept of direct mail seems to be decreasing by the use of email, fax or voice mail. But they also have backwards for example, 40 percent of emails dispatched in Britain are spam. So, the use of direct mail still can play a significant role in marketing and reaching the customers. (Holloway 2004)

Telemarketing is another form of direct marketing which uses telephone basically to initiate sales or to respond inquiries as a result of advertising. The sales staffs of companies try to reach the customers with the help of dialing preplanned list of customers. The concept of telemarketing can be implemented equally in both B2C (Business to consumers) and B2B (Business to business). However, Calling directly to people can sometimes result negative impacts towards the company. For instance, if the potential customers approached by the company are having meal or doing something that they don't want to be disturbed at the time would probably not be happy to answers the calls. (Holloway 2004)

#### **4.4 Promotion**

Promotion activities concern with the process of reaching or communicating with consumers about the products and prices that company offers. Basically, it consists of advertising, sales promotions, public relation and most importantly the proper use of recently developed technologies. Advertising is an integral and important part for a company. Advertising has been considered to be the breach for both consumers and the companies in this complex society. It helps to flow carefully prepared message to the consumers which is considered to be vital for both consumer and the company. The given messages help to enhance the knowledge of consumers in terms of product & services, prices, places, on the other hand, companies can benefit from the consumers while the interactions start. Moreover, it has the main intention of influencing consumer's alternative evaluations, feelings, knowledge, meaning and beliefs. (Peter & Olson 2010) Consumers to some extent seem to have relied on advertising while purchasing or believing the company's product or services. The raising importance of advertising can be illu-

strated with an example of the increasing amount of money in advertising. In 1980, companies in the US spent \$53 billion while the amount by 2002 reached nearly \$240 billion (Belch & Belch 2003, 13). In travel and tourism, an example of advertising channel is travel brochure. In advertising, travel brochure can play an important role. Travel brochure refers to a printed pamphlet or booklet containing information about a place. In general, a brochure in a travel agency consists of list of package holidays, resources available in a destination and activities or package they offer with the price included. So, it could be said that these form of brochures are the most important tools in marketing travel and tourism. Even though there has already been developed e brochure or website that can contains the whole printed brochure as well as additional information, the importance of printed brochure still remain as important as it was before many years.

Sales promotion refers to process of encouraging purchase or sale of a product to consumers. Even though it reflects the same perspectives as advertising, it can be viewed differently since sales promotion offers reasons to buy now instead reason to just buy a product or service. For instance, a travel agency offers an adventure tour package for a family with 20% discount and the same offer next year as well. (Kotler & Armstrong 2001, 559; Peter & Olson 2010, 408)

Public relation is another important promotion tool which is associated with maintaining favorable relations between the companies and publics while heading off unfavorable rumors. A company can maintain good public relation performing many functions for instance press relations. Press relations should be maintained to create and place newsworthy information in the media. The roles of press relation can be illustrated with following example. Let's take an example of a travel agency which has discovered many possibilities to offer adventurous paragliding experiences in a place. However, the local people oppose the ideas believing impacts on local environmental problems. In this case, the company can arrange press meeting to reveal the advantages to local people in terms of job opportunities, economic growth, and the company's objective to maintain the social responsibilities. It would help to maintain good relations with the public and offer possi-



bilities of being assisted with the plan. (Holloway 2004; Kotler & Armstrong 2001)

The promotion marketing tools cannot be completed unless the use of recent forms of means to reach the consumers through ICT. Online marketing has been one of the best ways of communicating and promoting the products or service. Online marketing generally is done in two ways either using the internet service provider or transmission of e-mails. The easiest and cheapest ways of reaching the potential customers is through E-mail database. Approximately 5 to 10 percent email recipients in the U.K. answer the message. (Kotler, Armstrong, Saunders, & Wong 1999). It has also advantages of timing. For instance, restaurant have successful stories of sending email to their potential customers between 4.30 to 5.30pm containing menu details and possible discount offers that could attract more customers. The customer relationship can be strong with the two way communication while there are also possibilities of adjusting the customer needs and expectation.

With advancement in the information technology, the users of social media applications have exceeded the estimated numbers and have facilitated unprecedented growth in social interaction in the 21st century (Lange-Faria, 2012). For instance Facebook has 864 million daily active users on average as of September 2014, where on average of 703 million people access the application daily by mobile (Facebook, 2014; Kaplan & Haenlein, 2010). Social media can be termed as any website which makes users capable of sharing their products, opinions, contents and views that encourage to active interaction with the followers. The term "Social Media" is made of two different words. Basically, media means communication of opinions or advertising through any channel. On the other side, Social refers to collaboration of individuals within a community. The recently most popular social media includes Facebook, YouTube, Instagram, Twitter, Myspace etc. (Sisira Neti, 2011)

The ultimate objective of social media used by a company includes convincing its customers that its products or service are worthwhile. Social marketing concerns with the application of marketing knowledge, concepts and techniques to improve

social and economic objectives. For travel agency, social media is one of the best ways of reaching and attracting the potential consumers. Posting a wonderful picture of a destination in Facebook with activities can be an example of simplest way of informing travelers (Lazer and Kelly, 1973).

#### **4.5 People & Participants**

(Boom & Bitner 1981) state that people are all human actors who are involved in service delivery that includes service providers and customers. Consideration of people in service marketing has long been realized since there is high contact between the provider personnel and consumers. Moreover, the high level of interaction between consumer and service provider requires firm's employees to be given attention as they are the part of service and occupy key roles in impressing consumers. (Berry 1984) However as mentioned above, participants concept does not exclude the roles of customers. It considers the customers who are interested in consuming the service as well as other customers in service environment. Therefore, it is essential that a company is required to manage not only the employees but also customer actions. Understanding participants in travel and tourism is very important. Number of customers, type and behavior of people can affect while experiencing the adventurous activities. For instance, a group of people which is for instance climbing the mountain or experiencing trekking might contain climbers from different background which is likely to affect the consumption process. (Ahmed 1995)

#### **4.6 Physical evidence**

Physical evidence has been linked to the service perceived environment and the roles of tangible goods in order to facilitate the performance and consumption of service (Boom & Bitner 1981). It considers the circumstances in which consumers are served and assist to make service more tangible with the support of physical evidences. (Shostack 1977) claims that the more intangible services a company tries to sell, the greater the need to make the service intangible. Thus, for example

a travel agency offering adventures activities in the remote area needs to arrange or provide a wide range of tangible evidence to motivate consumer buying process. It can be performed by for example, providing all the required equipment, training and other essential parts of the service. On the other hand, the atmosphere of the parking, exterior design, landscape and surrounding environment which are considered to be physical evidence can strongly influence the consumer's perceive quality. (Ahmed 1995)

#### **4.7 Process**

(Boom & Bitner 1981) argue that process includes all the activities and procedures that are associated with going together the service provider and consumers to complete the buying process. Although service process varies based on the company structure, the customer perception should always be considered very carefully. In this regard, the marketers need to understand that customers tend to evaluate the company overall performance depending on how the service process has been implemented. Moreover, a successful marker needs to be responsible for the understanding of customers towards the service process. In the manufacture companies which produce tangible product, the marketers likely to ignore different steps as there is no customer involved in the process. However, in the service industry, customers are obliged to participate in the whole service process. Marketers therefore, need to make sure that customers are paid attention from the initial phase of contact to the post- purchase actions. (Ahmed 1995; Zeithmal & Bitner 2003, 25) Hence, Processes for adventure travel agency are all the activities: from handling of enquires to registration, from taking the travelers to the destination, from arranging necessaries equipment to the evaluation of the satisfaction to name but a few. So, to this regard, process need to be set to analyze that physically and mentally fit people are registered for instance to have mountain biking experiences or rafting in which is regarded as extremely adventurous. (Jonathan 2008)

## 5 MANAGING MARKETING EFFORT

A company with successful marketing effort would be able to put into action the marketing mix that has been designed. The four marketing management functions which often have been used are: Analysis, Planning, Implementation and Control. Marketing analysis collects the needed information for the rest activities. After successfully gathering of the important issues, companies develop overall strategies and plans. Implementation phase starts taking consideration of plans into action. Finally, all the evaluations of above marketing activities are monitored and taken into consideration for improvements through control. The relationships of following marketing activities are shown in the figure: (Kotler & Armstrong 2001)

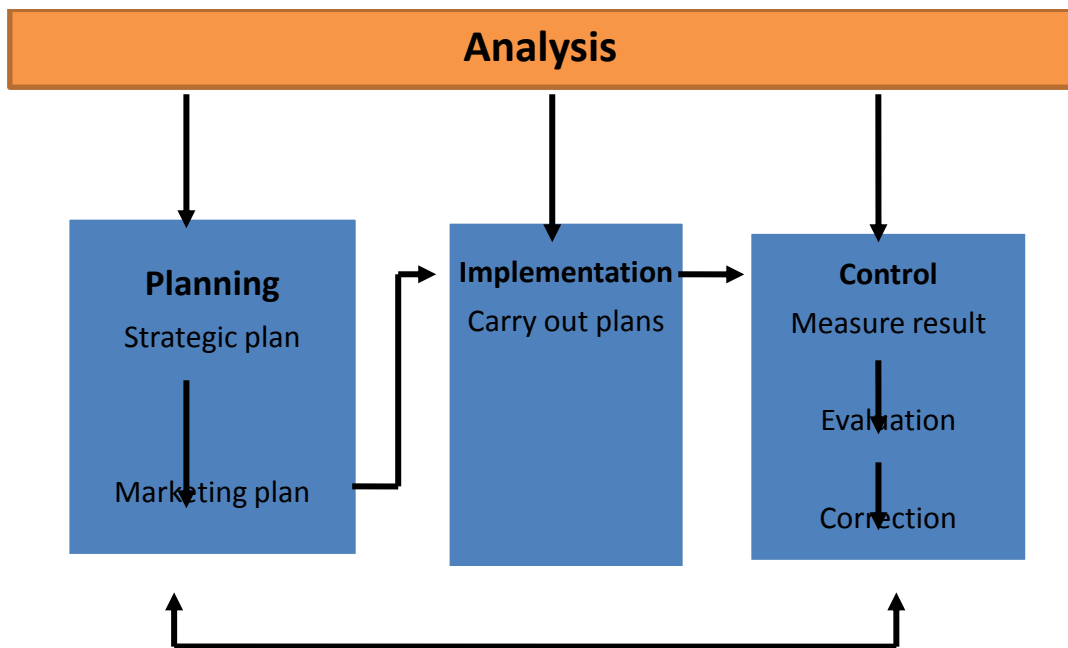


Figure 5: Relation of marketing mix (Kotler & Armstrong 2001, 69)

### 5.1 Analysis

Before company plans for future, there has to be constructive and complete analysis of the company's overall situation. Analyzing company's market and marketing environment are considered to be the crucial part since it helps to discover op-

opportunities and also avoid environmental threats. Discovering opportunities involve with finding the right customers, knowing the market trends, consumer's response and buyer behaviors. Furthermore, one of the most important task that analysis is expected to perform is finding both the company strengths and weakness. The strengths findings help to stand in the market as strong competitors while marketers can evaluate the weakness and try to improve in the future. (Kotler & Armstrong 2001: Middleton 1994)

## **5.2 Marketing planning**

In general, marketing planning does not sound to be too complex since it is to be carried out steps by steps but in fact it is something that deals with every single part of a product & service which makes it multifaceted. It consists of designed series of activities with the aim of setting marketing objectives and preparation of steps to obtain the targeted objectives. (McDonald 1999, 27-29) In addition, marketing planning represents planned activities considering opportunities and resources, setting the marketing aims and stepping in implementation (Dibb, Simkin, Pride & Ferrell 2006, 715) However, planning of a company is to be started from the base knowing its customers, location, competitors. A company often tries to understand those factors and make decisions for future planning. Shortly planning makes the target and determines the targets to be achieved. (Dibb et al. 2001 691)

Planning is a combination of strategic and tactic. The difference between these two elements are not always clear but strategies in general represents long term planning and on the other hand, tactic refers to short term planning for example making plan for two weeks or short period. Marketing plans of a company needs to have both short and long term objectives. It would be very important for a company to realize the present location of the premises, where it would be in next month. Apart from this, there has to be planned for long term objectives. It might be for instance to look for future source of investment. A company which lacks clearly mentioned future plans, it would be hard to get investment. It should be noted here that the marketing planning is a part of the company's overall plan. (Dickman 1999) claims that Marketing planning should be able to reveal goals

and objectives, and commitment of implementation to achieve set objectives. It represents the product vision and mission in order to make it available to the targeted consumers.

Planning of marketing in the travel and tourism industry is equally important as any other business organizations. Every single tourism organization is somehow involved in the marketing activities giving their best effort to get the target customers. For a travel agency, there has to be planned activities or decision made in terms of range of tour packages or activities that is to be offered, displaying leaflets in appealing ways, brochure which are to be racked, arranging safety equipment and other important issues. In simple word, planning of a tourism organization is designed to link its goals and resources to its marketing opportunities and make the best use of resources that it offers. Identifying special market opportunities, service advertising, recognizing the loyal customers and finding the most suitable service for them are all part of marketing planning. The company first of all should be able to recognize its resources and aims, and the opportunities it has in the market. It should be noted that if there is growing trend in travel with the economic prosperous, it would be easy to find the opportunities and in this case even those travel agencies who are managed poorly could survive in the market. But the marketing atmosphere is not subjected to be constant. There might be fall in the demand of tourism products when there is economic crisis and in this case, if the marketing planning of a company is not sufficient, it won't be able to compete in the competitive market. Therefore, planning simply represents a means of survival in a competitive and quickly changing environment. (Holloway 2004, 23-25)

### **5.3 Implementation**

A good planned strategy of a company is just the beginning of successful marketing campaign. There is no possibility that the company can be successful in marketing if it fails to implement those planned strategy properly. Marketing implementation is the process that derives the preplanned strategies into the real action to obtain the goals of marketing plans. The implementation phase deals with the questions of marketing activities for instance: How, when, who and where while

planning address what and why. Many researchers have indicated that right implementation is as important as or even more important than planning. However, considering both parts equally important would be the best act for company to bring the positive output. Moreover, a brilliant marketer can gain competitive advantages through proper implementation. The competitors in the market can build the same strategies yet effective, faster and better execution can help to win the market place. (Kotler & Armstrong 2001)

#### 5.4 Controlling

The most important function of controlling variable involves evaluating the outcomes of marketing plans and strategies and moving forward to correct the action and ensure that objectives are accomplished. Control phase consists of four steps as displayed in the following figure. The marketing management initially set a particular objective. Those set goals are then measured in the market place discovering what is going on. It will then involve in disclosing the difference between expected and actual performance. Finally, corrective actions are taken into consideration to reduce the gap between expected and actual performances. (Kotler & Armstrong 2001)

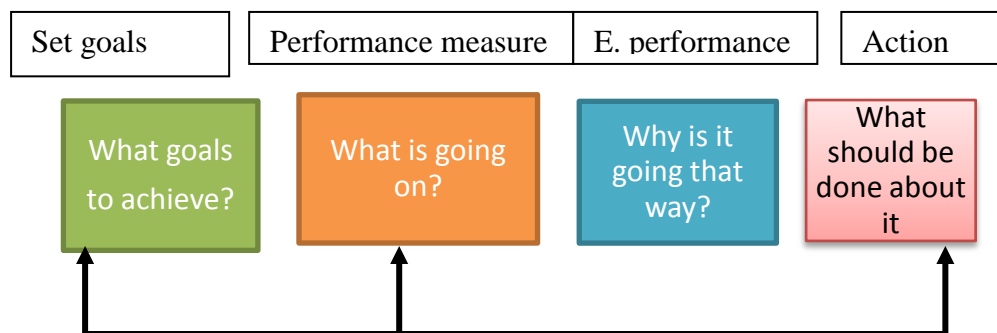


Figure 6: The controlling process (Kotler & Armstrong 2001, 73)

## 6 CONCEPTUAL FRAMEWORK

Based on the presented theoretical knowledge, a conceptual framework has been designed to support and implement to the research of this study.

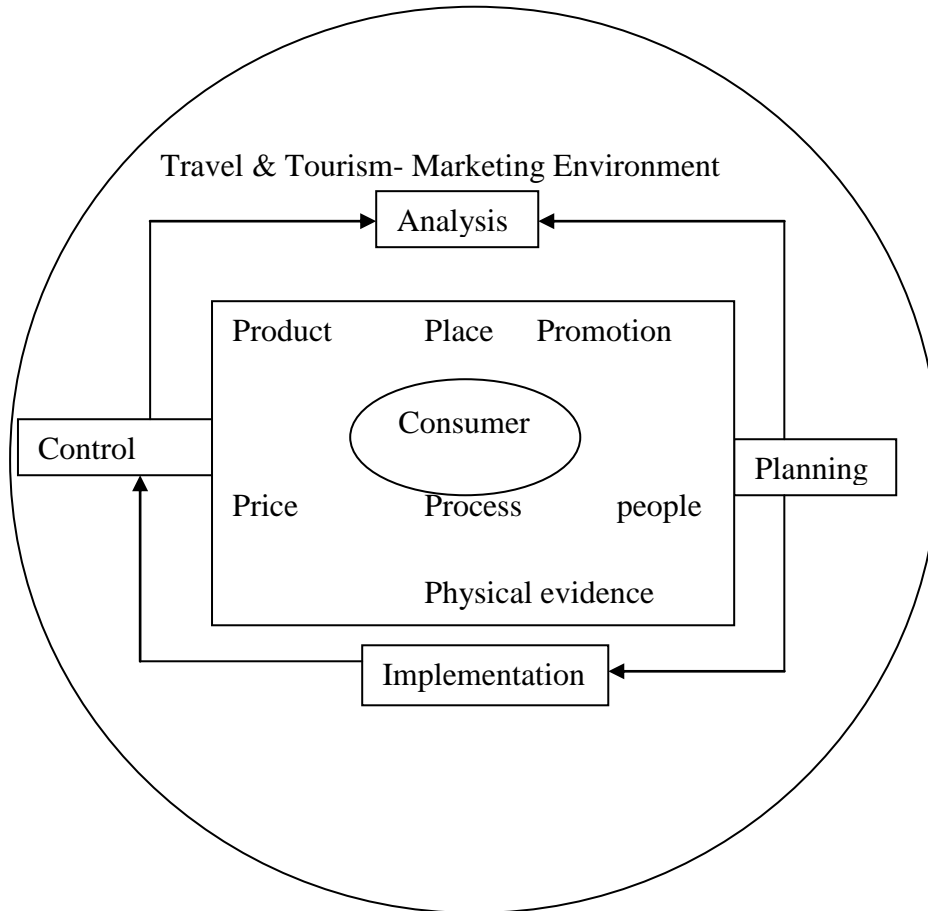


Figure 7: Conceptual Framework: Factors influencing travel company marketing strategies (Kotler & Armstrong 2001, 64)

In order to make the study narrowed and focused on specific variables, this framework has been adapted from the book 'Principles of Marketing' by Kotler & Armstrong. The consumer has been placed in the center as all the marketing activities are focused on them. The square part of the framework namely analysis, planning, implementation and control are factors responsible for managing the



marketing mix variables for a company. Travel Company and its marketing activities take place taking into consideration of all the seven P's of marketing tools: Product, price, place, promotion, people, physical evidence and process.

## **7 RESEARCH METHOD**

### **7.1 Qualitative research**

Recent decades have witnessed a considerably growing popularity in the qualitative research throughout the social sciences (Bryman & Burgess 1994; Denzin 1994; Jensen 1991; Marshal & Rossman 1999 and Morse 1994). The rapid popularity of this kind is believed to be based on the positive steps in order to understand the social phenomena deeply. A qualitative study uses words and pictures avoiding the statistical format to convey what have been learnt about a phenomenon. Moreover, a qualitative research method covers a wide range of approaches excluding absolutely the numerical data. Additionally, qualitative study generally gathers enormous numbers of essential information from the studies. (King, Keohane & Verba 1994, 4) Therefore, this study has adopted a qualitative research method since there has to be deep analysis of the case company towards its marketing activities and it can be accomplished with deep interview with the company. Further, it has been implemented as it is processed as inductive: meaning, data are gathered to build hypothesis or theories rather than hypothesis to be tested (Merriam 2002). The phenomenon of this research requires a deep analysis which can be accomplished with interviewing the company with a series of questions. Therefore, questions based on qualitative are considered being the best options over the quantitative in which data are gathered numerically and study is based on statistics.

### **7.2 Data collecting**

In order to gather the required data, a semi-structured interview was adopted. Questions were designed by grouping relevant and important issues under the main phenomena. The reason was to conduct deep analysis the main headings with the help and based on developed sub-headings. Every question is directly re-

levant to the described areas of this thesis. The main aim of adopting the semi-structured interview was to discuss the issues openly and encouraging the interviewee to go into deep analysis of the phenomena. It was done assuming that open discussions would lead the clear visual of the situation, achieving answers in details described. However, it was revealed that the structure of the company to some extent determined the level of understanding some of the challenging questions.

The theoretical part concerning 4Ps of marketing tools, consumer behaviors and marketing management were relatively easy to access through books and journals. However, it was a bit challenging to find relevant literature about the additional 3Ps of service marketing tools. In addition, literatures concerning in particular segmentation of travelers were not easy to gather. Despite those challenges, all literature was derived from the reliable sources.

Collecting information to investigate the aim of this research started analyzing the topics and written literature. Even though, the questionnaire could be suitable for all the companies, there were some questions modifiable considering the nature of the case company. The ready questionnaire were documented and sent to the CEO of the case company by email. In addition, the interaction happened over the phone and Facebook as well. During the talk, the language was not always English instead; Nepali language was used since the representative and researcher both are Nepalese.

### **7.3 Reliability and validity**

Reliability in a qualitative study lies in the examination of trustworthiness. (Guba & Lincoln 1989) states that to ensure trustworthiness in qualitative research are credibility, dependability and conformability. Moreover, it is believed that the term dependability is becoming more popular term for reliability in qualitative research (Sandelowski 1986; Hall & Stevens 1991; Robson 1993; Koch 1994). Furthermore, (Guba & Lincoln 1989) argue that dependability is parallel to the conventional criterion of reliability that is to consider the stability of data over time. In addition, (Long & Johnson) state that the main points dependability deals

with are associated with the same as reliability: to make sure that data are taken in a consistent manner. The research questions for this study are constructed directly in relation to the topics and are dependability as it is the same for all representatives companies. The questionnaires were designed in order to become fully aware of the implementation of current marketing tactics of the case company based on presented relevant literature. Therefore, it can be mentioned that this study is reliable. Validity on the other side, measures the degree to which an instrument measures as it was constructed to measure (Polit & Hungler 1995; LoBiondo-Wood & Haber 1998). Specifically in qualitative perspective (Hammersley 1992) argues that a valid study requires an accurate representation of the features of phenomena that it intends to describe. In other words, validity is specifically concerned with addressing the entire phenomenon under investigation. The following study has covered the essential literatures to investigate the phenomena and the findings are described in association with those entire phenomena. Therefore, it could be stated that this study maintains validity.

## **8 THE SUMMARY OF THE RESULT**

### **8.1 Introduction and Background of the company**

The case company for this research is Allied Adventure Travels & Tours Pvt. Ltd., situated in Kathmandu Nepal. It was chosen among many others as it has special characteristics in offering adventure activities to its clients. In order to understand and discover currently applied marketing activities, this phase will introduce the company itself and shortly history as well.

Allied Adventure Travels & Tours Pvt. Ltd. has been involved in adventure tourism business since the beginning of 2004. Since then, with a team of qualified and experienced, it has been offering different adventure activities to travelers from around the world. This company has four permanent members, two causal staff and in accordance with seasons, approximately 25 extra personnel. It was mentioned that the company is responsible for arranging everything for the whole

packages. The company states that understanding and acquiring intimate knowledge of the terrain, culture and local people are essential factors in order to provide excellent service to its customers. The team professionalism in mountain based adventure activities is proven with members born and grew up in the Himalayan region of Nepal helping them to understand the environment and people better. Mostly, product and services are based in Nepal but they provide tour to Tibet, Bhutan and India as well. The company is offering different adventure activities in all four countries since its establishment. In addition, the company is associated with network of South Asian travel companies which helps to make them competent in travel and tourism field. Furthermore, members of the company constantly observe the tourism related patterns to make sure that the activities or service they offer are valuable and highest quality in the competitive market. On the other side, company special characteristics continue with cooperation to airlines, hotels, lodge and other tourism related organizations in the country. They are committed to provide excellent choices for hotels and lodges during the travelers stay in the country as they maintain friendly cooperation with those companies.

## **8.2 Consumers**

This study has consisted analyzing consumers specifically travel consumers with relevant illustrations. Analyzing consumers is considered to be very important in the marketing field as they are the center part and all marketing activities are designed for them. The ultimate objective of this research in the particular context of consumers was to examine how adventure travelers are viewed by the company. Therefore, questionnaires were formed in a way that helps to understand whether the company implements the literature described in the theoretical part of this study or not. The contents of questions were basically trying to discover their typical customers in terms of age, gender and professions, where do customers come from, company target customers, how do the company understand cultural factors of travelers and measurement of the satisfaction of service receiver.

According to Bhim Barma (Managing Director), they have been offering adventure activities to different categories of consumers. It was mentioned that the company has served clients from children to 70 years old. However, specifically

in the context of adventure packages children are not allowed to do extreme adventure activities. In the high peaks for instance, where sometimes life could be in risk are restricted for minors. Surprisingly, young travelers were not accounted as frequent adventure consumers. Most commonly, middle aged people from 40 to 60 years old were the typical age groups for company's adventure activities. However, gender issue was not considered by the company. It was mentioned that both male and female consume the service almost equally. It was also found from the statistics of the country that there is no huge difference in gender coming to Nepal. In relation to consumer professions, it was not mentioned clearly what professionalism their typical customers are into however, it was stated that their customers come from different countries and sometimes it is not appropriate to inquire their professions. In question related to traveler's geographic location, it was said that mostly Europeans are the typical customers for adventure activities. In particular, middle aged people from France, Germany, Italy, the Netherlands and the UK are found to be the regular customers for the company. It was further mentioned that the most frequent motives for adventure activities were based on country's mountain. Many of the travelers were among those who wanted to observe the Mountain Everest themselves. Furthermore, Europeans were interested also in the white rafting activities of the country. Many of them were motivated to come to do rafting in the Karnali River.

The company was further asked to specify its target customers in terms of specifically demographic and geographic factors. It was stated that most of the travelers it gets are from the European countries. Therefore, the company is focusing on those countries however; recently there has been dramatic increase in Chinese tourist. But unfortunately, it was mentioned that Chinese tourist are not interested in participating on adventure activities compared to Europeans. In addition, India is the biggest source of tourist for the country. However, it is the same as china that Indians travelers have not shown interest in adventure activities. Only about five percent of both countries total arrivals take participate in the adventure activities. (Nepal Tourism Board) Therefore, the company has been focusing on middle aged people from the European countries for adventure activities while rising Asian countries have been focused for other service.

While studying consumer behavior for a successful marketing campaign, it was necessary to ask the company how well it understands cultural factors in its marketing activities. It was replied mentioning that travelers have different behaviors and wishes. Furthermore, it stated that even people from the same country are likely to have different views in some certain things. Therefore, it was mentioned that when they try to sell activities to Chinese travelers, the company tries to convince & influence them displaying Chinese food and dress. In contrast, sometimes the company found some travelers who did not like anything from their own country meaning that the person was willing to discover everything extraordinary.

At the end of the consumer analysis, the company was inquired to state if there were any system that allows its consumers to give feedback. It was answered saying that they do not have any technology to give the customers feedback but asking customers whether they enjoyed the activities or not were done all the time with all respect. Basically it is to be asked when the service consumption process completes. Specifically, travelers are asked what they liked the most and things that were not interesting or important at all. The company further explained that their customers are always asked if they had any troubles during the consumption process. The company tries to arrange a dinner party with customers where they exchange the views each other.

### **8.3 Marketing mix**

Allied Adventure Travels & Tours is not a huge company having its own marketing department. Therefore, the marketing applications are to be controlled by the management team of the company. The major objective of the company remains to reach all the potential travelers without any limitation. And all the marketing mixes are applied considering the customers characteristics.

#### **8.3.1 Products & Services**

Adventure activities based in Nepal are the sold and analyzed product in this study. Allied Adventure Travels & Tours offer different adventure activities in Nepal and most of them are based on mountain. Travelers are offered verities of

mountain based activities. The mostly used are Trekking in the Annapurna conservative region, Everest region, Kanchenjunga region, Dhaulagiri and Langtang region. With qualified and professionals team members, the company has been intensively successful offering trekking in those destinations. The study has already covered the possibility of Nepal's trekking with its enormous mountain specifically The Annapurna conservative region. Additional adventure activities that the company offers include Peak climbing and rafting. Both activities have already been described in the theoretical part of this study in the context of Nepal. The members of the company are well known with the peaks and rivers of the country which would help to enhance the service as pleasant as possible. All the adventure activities are designed in a way so that different categories of customers can be targeted. Moreover, the selling policy is not indicated towards ignoring to understand the suitability of the product. Often travelers are likely to have recommendation from the travel agency while choosing the product. In this process, a professional sales person is required for the company which helps to make the first interaction smooth showing the availability of different products. First the company tries to understand suitability of destinations and activities to travelers and then sell the products. Moreover, the case company states that understanding the cultural part of travelers is also considered to be important. For instance, it states that some travelers prefer close interaction for long days of trip while others seek high cross cultural contacts. During the service consumption process, these are already parts of the total products for company.

Another aim from the product category was to investigate how well they company understand characteristics of service. The question was concerned with intangibility feature of service. In particular, it was asked how the company convinces travelers about its activities as it cannot be tested and consumed beforehand. It was replied as stating that sometimes they face problems concerning intangibility features of service. The case travel agency gets sometimes questions regarding the quality of activities. Basically, those inquiries are handled sending customers the maps and videos. All other questions are answered through email. In addition, it mentions that some people understand the company process quickly while others take some times to follow the whole instruction.

The process of improving service is always a fundamental act for a company. It helps to market the improved service for suitable segments. Therefore, additional question was asked whether the company considers customer feedback in order to improve its services. The reply was absolute that they have always tried to take negative comments into consideration for further improvements. It was mentioned that for instance, if trekking travelers did not enjoy the hotel service, the company soon try to find out the reasons and probably consider cooperating with another hotels.

### **8.3.2 Place**

The easy access to company products has often been linked to the first contact between client and service provider which is considered to be very essential. The initial interaction, so called the moment of truth determines the customer's further movements towards the consumption process. Therefore, the company was inquired to specify the channel that they often use to sell their activities and efforts to make the first contact smooth.

It was mentioned that internet is the most frequent means of distribution channel for the company. The first interaction with clients can be established in many ways. The company has its own webpage consisting range of service, contact information, link to social media and further information about the provided activities. Managing Director of the company also mentioned that replying the client's inquiry is done with highest priority. It was stated that initial inquiry either through the email or webpage or social media, have been answered as soon as possible.

Internet has been an essential part of a company to sell or promote its service as mentioned in the theoretical part. Therefore, a question was designed attempting to reveal the facts whether the company use internet as a channel for selling its activities. The question was answered stating that most of its customers are dealt through internet in the beginning. However, there were some concerns regarding the governmental policies towards handling foreign currencies through internet.



Furthermore, it was said that the adequate steps are under way to discover further improvements in adapting internet as the main channel for selling products.

### **8.3.3 Price**

Pricing policy in Allied Adventure Travels & Tours is based on competition in the market. The location of the case company has also determined its competitive based pricing policy. The company's Managing Director is responsible for pricing policy. However, it was mentioned that cooperation with other members of the company while pricing has also been practiced. Thamel, where this company is situated has been named as one of the most famous places for international tourist and already consists of similar business activities. Therefore, the pricing policy is based on quite low-priced image. According to Bhim Barma, the level of competitor around is very high. Consequently, every firm is aware of becoming neglected in case of charging extra money. For similar activities and destination, all firms have almost the same prices. However, he further continues the firm's goals is to maximize the profit and there has to be given deep focus on customers since some of them are willing to be charged extra money but seek good service.

### **8.3.4 Promotions**

Promotion is done in order to reach the potential customers. The aim of this section was to discover how the case company is involved in promoting its activities. Internet was the mostly used techniques to promote the company according to Bhim Barma. It was further mentioned that the webpage has been updated whenever it is essential. It includes revealing for instance new destinations and activities visually and with pictures on its webpage. Additional inquiry was associated with using brochure for advertising its activities. The premises according to Bhim Barma, has been decorated with nicely arranged travel brochure picturing available activities. He further continues stating that the roles of brochure sometimes have played an important role in attracting clients. There has been case for the company where many people, walking by notice the brochure from the outside and sometimes they return to the firm stating the roles of brochure for asking activities shown there.

The next objective from this phase was to understand if the company promotes its activities giving reason to consume its service. It was replied mentioning that based on seasons and the size of groups, certain amounts of discount are offered for its clients. He further comments that, the larger the group of travelers lowers the cost of company. On the other side, if it is off season, the company gets heavy discounts from hotel and restaurants industry. Considering the following facts, the company stated that it is committed to promote its services revealing best reasons for consuming. In addition, it was important to ask the company if they are promoting their company through social media since it has been an important channel nowadays. According to Barma, the company does not ignore the important roles of social media however, as he stated, they are not totally into those forms of promotional tools.

### **8.3.5 People, Process and Physical evidence**

The expanded service marketing tools namely people, Process and physical evidence account important roles in service marketing. The questions from these categories therefore were directed to identify the ability of service provider and the procedure of service consumption. Initially, it was asked to discover the ability of participants specifically the employees of the firm. The objective remained to disclose employee's capability of communication, dealing with adventure activities in the remote and risky regions.

Employees, according to Barma are highly qualified in accordance with their responsibilities. However, in regards to communication skills, it was described that sometimes, misleading communication take places in the beginning phase. It was mentioned that for instance, in trekking service, clients and service provider's first contact sometimes does not go as expected but while in the service process continues, the problems are likely to be vanished. After all, as the interaction continues, they start communicating and understanding each other easily.

The further aim from this phase was to investigate how service consumption is processed or whether adventure travelers are given attentions in the consumption process. According to the company, all the adventure clients are initially required

to prove that they are not unfit for specific activities. Additionally, the company is also involved in asking client's experience for specific adventure activities. The answer continues as saying that some travelers are for instances are good at trekking even in their first time. Therefore, it explains the ability for adventure activities to some extent depends on clients themselves however, the company is always involved in making sure that every client is safe for whatever he/she intends to experience. It was further explained, claiming that the company possess all the necessary equipment for its adventure clients.

#### **8.4 Management of marketing effort**

The successful management of marketing effort helps to result the adequate implementation of strategy and planning. In this competitive business environment, it is vital that a firm has to be involved in analyzing the surrounding market, planning for future, implementation future plans and finally controlling all the efforts.

In order to investigate the company's future marketing planning, a question was asked if there was any short/long terms plans for marketing and possible future segmentations. Due to the facts that it is not a huge company and lacks the own marketing department, it was replied stating that they do not have specific planning for future and also the possible specific target market was not planned. The reason behind having no specific target market could be that it has clients from different countries and focuses have been on all those regions instead of specifically one market.

An additional question had been asked attempting to understand whether the company evaluates its achievements through marketing efforts and take corrective actions as well. It was replied again stating that it does not have any particular system in order to measure whether something has been achieved from the marketing campaign but agrees that there are always something positive outcomes with good planning. Further, it was mentioned that recognizing marketing faults and taking corrective actions is essentials. The answer continues stating that the promises while marketing service should be fulfilled and in this regard the case company is fully committed.

## 9 CONCLUSION

The following study was accomplished with the purpose of comparing the theoretical knowledge of adventure tourism marketing to its implementation by a real company in Nepal. The correspondent case company that this study dealt with was Allied Adventure Travel and Tours. The reasons for considering this particular company are associated with its long involvement and unique characteristics in providing adventure activities to the case destination.

However, the case company, being not a large scale lacked its own marketing department. On the other side, it was involved providing adventure activities to the case destination for more than a decade. Therefore, both above mentioned company characteristics should be considered while making the conclusion from the outcomes. For instance, understanding marketing terms could be challenging for a company which does not have its own department however, the length of existence in the market could lead the company towards being well known with marketing activities. Moreover, resources the company possesses are restricted for widespread marketing research and therefore the promotions are done moderately. This certain characteristics to some extent limits the following study but nevertheless, this form of travel agency are the most typical in the region.

The following section compares the understanding of the case company in regards to literatures concerning tourism marketing. Referring to the consumer behaviors, it indicates that the company is aware of its typical customers concerning mostly in accordance with geographic. Therefore, the promotion tools are mainly targeted towards those geographic locations. However, as mentioned in the theoretical part, understanding the demographic factors also remains very important. But to some extent, it can be stated that the company seems to have lacked the capability of considering demographic segmentation. Nevertheless, understanding cultural factors of consumers in marketing was seriously taken into considerations. Specifically, it was mentioned that while targeting Chinese customers, visualizing Chinese food and clothes for instance accounted more conventional factors to attract them. In addition, importance of evaluating customer satisfaction as demonstrated

above has also been applied by the case company. It has been applied as quoting the company, arranging dinner with customers who have already consumed the service and inquiring them the quality of services, positive, negative and things to be improved.

Unique characteristics of service and its essentiality in marketing as mentioned in the theoretical work are partly recognized by the company. It was aimed to compare literatures regarding certain features of service to its implementation in marketing by a real company. From the result, it can be said that the company agrees and understand certain characteristics of service. In order to support the argument, company further states that if clients are not sure about the destination, activities and service quality which can not be experienced in advance, clients are convinced displaying maps and videos to make them influenced.

Based on the theoretical work, it is important for Travel Company to have and retain loyal, pleased and happy customers. Therefore, the initial interaction between the clients and service providers, the so called moment of truth should be based on easy and smooth process. Hence, it was aimed to compare the theoretical knowledge about smooth distribution and selling process and the company's performance towards its ways of handling initial interaction. The case company replies stating that most of its customers are interacted through the internet and explains further emphasizing its roles in smooth interaction. If this is to compare with presented literature, it is likely that the recent development means of distribution channels are taken into consideration. Nevertheless, the whole buying process through the internet in the case company has still not been as effective as it needs to be. The concerns are according to Barma, related to laws of the country in handling foreign currency through the internet. But the company is positive and hopeful to use internet as the selling points for its activities in future. Additional marketing tool price, as mentioned in the theoretical work has to be decided considering different factors. In this regard, the company seems to understand that analyzing competitive factors is very important. The pricing decision in the case company has been determined according to the competitor's prices for the same kind of products or activities. It understands that charging extra money to its clients is

probably to lose clients. Therefore, the company is willing and ready to analyze the current pricing of competitors in the market and set the price for its activities so that it would be able to survive in the market.

Another important marketing element, described as promotion has been partly understood by the company. The essential tools of promotions as mentioned in the theoretical part of this thesis have not been taken fully into consideration while trying to promote the company. Nevertheless, some fundamentals issues for instance, displaying travel brochure with stunning views of the destination with range of prices are addressed in the case company. The importance of recently developed social media has been understood by most of the companies in order to interact smoothly with the clients as stated in the theoretical part of the study. In this regard, the case company uses the social media for example Facebook and YouTube. But the Managing Director of the firm does not deny that there has not been sufficient effort to promote the company through those channels. Additional promotional tools for instance giving reasons to buy its service was understood by the company. It offers some discount for its loyal customers based on the season and size of the groups. These were determined also based on how other cooperation companies consider allowing discounts to the case company. Hence, it can be stated that the necessary steps to promote the company as cited in the theoretical part has been partly understood by the company and the steps to cover the gaps are highly understood by the case company.

Literatures concerning the additional service marketing mix namely people, physical evidence and process to some extent have been taken into consideration in the case company. Specifically, the company understands and implements the theories regarding the importance of retaining qualified employees and giving sufficient concerns towards its clients. Therefore, it was claimed that the case company has highly qualified members in terms of language skills, ability of working with different background of people, adequate knowledge of mountain and minimize the risk levels for adventure activities. On the other hand, high priority for clients help to establish loyalty between the customer and service providers as mentioned in the theoretical part of the study. This concept was also taken into considerations

since they make sure that all travelers are suitable for specific adventure activities. It was further can be claimed based on the facts that the company feels responsible for the safety of its clients in all adventure activities and is committed to provide comfortable service.

The last part of comparing theoretical knowledge about managing marketing efforts to its implementation by the case company remained a bit challenging since it is not a large company and due to the facts that it lacks own marketing department. It can be analyzed that the participating travel company does not implement the theories concerning initiative to balance, proper marketing funds, controlling and develop the marketing strategies regularly. The importance of marketing plans has been described in the theoretical part of this study citing different authors. As presented, the four variables namely analysis, planning, implementing and controlling are considered to be essentials in order to implement the marketing mix tools into action. However, as mentioned above, the company lacks separate marketing budget and does not have specific market plans. Therefore it was done moderately by the members of the company.

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## **APPENDIX 1. THE QUESTIONNAIRE**

### **Questions for the company**

1) Background of the company, when it started involving in travel and tourism/adventure activities.

### **Questions in relation to travel consumers**

A. Who are the typical adventure customers for the company: Gender, professions, age?

B. Where do most of your adventure travelers come from? Continent or any specific countries.

C. Does company have any specific adventure group of people to whom it wants to focus on through marketing?

D. Does Company considers cultural, social or personal factors of consumers when marketing its tourism service? How the company has practiced to implement different marketing tactics for different cultural group?

E. Does your company try to understand whether customers are satisfied or not with the provided service? If yes, how do you get travelers feedback?

### **Questions in relation to Product & Service**

A. What are the adventure activities that the company offers? The mostly used destinations in Nepal?

B. Does the company understand that tourism product & service have specific characteristics which should be considered while marketing them? Activities that the company offer can't be tested touched and experienced beforehand and travelers need to be convinced. In this case, how do you try to convince them?

C. Do you consider consumer feedback to improve the service?

### **Questions in relation to place**

A. Most often used channel for selling service?

B. Can consumer buy your service through internet? Do you use internet often as channel for selling?

### **Questions in relation to Price**

A. Who is responsible for pricing adventure activities in your company?

B. How do you determine the price for your services? What factors do you consider the most?

### **Questions in relation to promotion**

A. How do you promote your adventure activities: does the company have brochure for activities displayed in the premise?

B. How do you encourage travelers to purchase your service? Do you consider any reasons for buying for instance offering cheap prices according to season?

C. Do you use social media for promotion: Facebook, YouTube? Do you interact with followers and do you use or update often?

### **Questions in relation to People, Process and physical evidence**

A. How do you explain your team & employee's: Language skills, ability to work for adventure activities in remote and mountain region?

B. Are travelers in your company given enough attention in the service process? How do you convince them that they are taken into consideration very seriously?

### **Questions in relation to marketing efforts**

A. Does your company have short/long plans for marketing? For instance, money to be spends in marketing and being more specific to certain customer segmentation...

B. Is there any practice to evaluate the outcomes of marketing efforts and taking into considerations for future improvements?