STRATEGY FOR THE DESTINATIONAL E-MARKETING & SALES

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SUMMARY

Every tourist destination should make and implement a destination's marketing and sales strategy. A very important part of destination's sales and marketing strategy is the e-marketing and sales strategy. The cooperation of specialized regional development agencies, regional tourist board, local (city and county) tourist boards, hoteliers, tourist agencies, conservators, entertainment and cultural program developers, private accommodation owners and others involved in creation of destination's overall offer, is essential for strategy creation and implementation. This paper gives an overview showing one of many possible paths for creation of destination's e-marketing and sales based on Istrian region example.

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Key words: strategy, SWOT analysis, benchmarking analysis, on line presence, interactive marketing communication

1. INTRODUCTION

Strategy for destinational marketing & sales and possibilities from informational technology are merged into a single destinational strategy for e-marketing & sales. When developing destinational e-marketing & sales strategy one starts from the existing situation, needs and profitability of developing all segments of the destinational e-marketing & sales. In addition to strategy of destinational e-marketing one has to take into consideration interests of all interested parties involved in the strategy.

Positioning is the act of shaping the offer and the image so that they take a crucial and outlined competitive position in the conscience of the target market (Kotler, 2001. page. 295.). Strategic decisions attached to development of destinational e-marketing & sales attempt to narrow down the wide area of possible application of the e-marketing & sales strategy. Thus every destination as main strategic decisions selects its areas of development actions for e-marketing and sales based on its own success criteria. Strategic decisions also relate to the target market, positioning and differentiation by cluster and micro destination, CRM, etc. Strategy of e-marketing is the combination of marketing and possibilities stemming from the informational technology to accomplish set goals. It is designed so that it takes advantage of informational technology possibilities that the specific business offers in order to accomplish set goals (Strauss, El-ansary, Frost, 2003. str.24.). Therefore, e-marketing strategy is the basic document for e-marketing activities realization. Defined as the set of current and planned goals, resource usage and interaction of the company with the market, competition and other society factors, it answers the three basic questions: What (goals); Where (what service and what market are the strategy focus); and How (what resources and activities will accomplish the market success).

2. SWOT ANALYSIS

SWOT analysis lists internal strengths and weaknesses as well as outside threats and opportunities. The goal of the SWOT analysis is not only listing weaknesses, strengths, opportunities and threats related to the analyzed problem but moreover comparison of information on internal strengths and weaknesses with information on outside opportunities and threats resulting in a specified proposal for shaping of a clear marketing strategy. Fast development of internet has intensified online trading and market has globalized for all types of products and services slowly creating a virtual or electronic market (Buhalis, Dimitrios, page 38.). As a result of new market development before marketing experts were placed new opportunities and challenges. In order to succeed in the new electronic environment marketing experts in tourism must adapt marketing and sales to the new electronic market. Strategy creation in general and so the strategy of destinational e-marketing & sales very often starts with a SWOT analysis. In order to create proposals related to destinational strategy for e-marketing & sales first we must know the strengths and weaknesses of the existing destinational e-marketing and sales as well as obtaining information about opportunities and threats from the existing environment. Strategy of marketing relations can be simply explained in a sense that it is more efficient

to invest in creating long-term relationships with clients rather than relying in a few disconnected one-time exchanges. Nevertheless, in practice, the implementation of such marketing strategy is not simple (Zinkhan, George, 2002, str. 83.). For this purpose it is best to start the SWOT analysis of destinational internet pages (region and city). Following table provides an example of such analysis:

Table 1. SWOT analysis of destinational internet pages

Strengths	Weaknesses
*CMS system is good and has possibilities for further development *Quality information database *Quality information update system *Registered and accepted recognizable domain	* Number of visits to regional web pages is small * Domains of regional web pages have not been systematically promoted * Portal content is insufficient based on quality and quantity * Regional visual identity is not present on the web pages
Opportunities	Threats
* Quality destinational web pages also build a Destination brand * Quality destinational web page serves as a good base for selling all parts of the tourist offer * Quality destination web page is a good base for joint promotion of the tourist destination as an outcome of cooperation between private and public sector	* No content and no activity in selling by destinational portals creates assumptions for development of uncontrolled private portals that take a more significant place online creating chaotic and for the tourist offer - the most expensive marketing and sales.

Source: personal analysis & usage of www Tourist Boards (see bibliography), 2009.

After making a SWOT analysis it is necessary to set the goals of the destinational e-marketing and sales strategy. Goals have to be set so that they provide answers to the questions, what needs to be done, when and how much. For example goals of the destinational sales and e-marketing strategy can be: strategy of destinational e-marketing and sales should provide as much as possible destinational experience in all its important segments and therefore improve the destinational brand building, different marketing activities should achieve the level of internet page visits to about 30.000 visits per day, making different portals with possibility of selling

all (accommodation, tourist, cultural.....) tourist content, making a wide information database as a support for the CRM, regularly update information about the destination.

3. BENCHMARKING ANALYSIS

Benchmarking analysis encompasses best practice concept in the area of destinational web page development. Benchmarking is a sophisticated method of discovering areas that will be upgraded - from simple, such as sending orders and product development, to more complex, such as ensuring quality, customer satisfaction and managing resources (Schwartz, 1998, page 51.) With this purpose in mind it is necessary to select a larger number of destinational web pages in different destinations worldwide (Italy, Tuscany, Provance, Rome, Spain, Greece, France, Portugal and others). Analysis has to include elements such as web page map, main chapter listings, entry pages, destination description, accommodation display, hospitality, cultural and other content within the destination, organization of destinational activities, accommodation reservation, transport organization, other searches, multimedia, CRM and more. Based on the previously listed elements a most acceptable solution is selected and as such it serves as a base for development formulation of the destinational e-marketing and sales strategy. As an example a sample of the existing status of destinational web pages was analyzed, results were commented based on the existing situation and expert opinion and best use concept recommendation in this area was made. Research included the web pages for destinations: Spain, Costa del Sol, Malaysia, Ireland, Dubai, Greece, Wien and Portugal.

4. BENCHMARKING ANALYSIS CONCLUSIONS

Comparison of eight tourist board web pages (Spain, Costa del Sol, Malaysia, Ireland, Dubai, Greece, Portugal, and Wien) and analysis of the obtained information resulted in Spain being the best example of a tourist destinational web page.

Spain's web page is attributed with ideal ratio of content amount and information required for a potential destination visitor. There are many possibilities that include efficient search of all information types (clusters based on different parameters, accommodation, transport, etc.). Efficient trip plan organization and obtaining many practical information for the user is easy. Simple use and navigation of the web pages makes them very user friendly. Possibilities for easy communication for all additional contents and questions exist and all are crowned by a superb and

very clear visual design. In addition, web pages of Ireland, Malaysia and Portugal stand out as successful examples of destination internet presentation although they fall behind Spain in many specific (above explained) segments.

5. TARGET MARKET

Within the context of e-marketing and sales target markets are characterized by language type segmentation. Therefore content on destinational web pages has to be offered in Croatian, Italian, English, German, Czech and other languages. The existence of variables within the targeted markets have to be respected while developing destinational web pages like the different age structure of internet users that relates to the intensity, capabilities and habits of internet users. Internet has become the dominant informational tourism marketing channel. It is twice as popular as any other information source. Searching information by using internet while selecting the next destination strongly affects the decision making process. Stunning 48% of tourists uses web as primary information source, 20% friend recommendations, 10% special offers, and only 9% classical tourist agencies (Country Brand Index 2005, page 7.).

Internet role in marketing is as follows:

- **reaching the market** (internet makes it possible to reach more guests than by using classical channels);
- **presenting the offer** (information is available 24 hours a day);
- **selling content** (transaction is simpler for the end user and for the provider);
- **keeping the existing customers** (CRM possibilities are larger and more cost effective at the same time)
- **building brand image** (internet application presents a competitive advantage).

Let us examine the Istrian example. Regional web pages should, for example, have a cluster classification or areal division within the region. Clusters are differentiated based on the tourist offer, geographical characteristics, cultural and historical localities, etc. Additional division within the cluster is required and based on micro destinations such as cities and/or tourist towns. Previously mentioned is important because of the differences within a larger area such as tourist regions, and the same conditions the need for cluster recognition and positioning of clusters and micro destinations on the tourist market. Managing consumer or customer relations is an

obligation part of today's e-marketing and sales. Basis for CRM is the existence of: customer database, web pages that are adaptable to the different aspects of customer demands and e-mail. CRM serves as a tool for establishing guest contact, offer presentation, guest stimulation to choose a specific destination and creation of destination loyalty. In conclusion, for a qualitative approach to strategic e-marketing and sales one has to define the system parts within its business sphere and this can be: offering accommodation, food, beverages…, local tourist boards, destinational tourist board, destinational info center, companies that deal with destinational strategy, business partners (tourist agencies for example), media, guests.

6. STRATEGIC DECISIONS FOR DESTINATIONAL MARKETING AND SALES

Possibilities for applying e-marketing are very wide thus the task of every decision making strategy on appropriate activities for the business whose processes are being analyzed. Strategic decisions for e-marketing of Istria contains Target Market, Positioning and Differentiation, Customer Relations Management CRM, Business Model, Levels of E-marketing Representation, Organizational Structure and Decisions on the Marketing Channel Modification, Target market decision making is equally important for both marketing and e-marketing strategies. During segmentation precise variables are applied in order to define segments while at the same time influencing the e-marketing activities. Selected positioning determines the structure and content on the web pages that will, for example, be presented on a cluster level. By e-marketing activities and specially while structuring web pages, it is important to involve a micro destinational presentation.CRM in the electronic environment is a crucial element of e-marketing that includes integrated marketing databases, web page personalization, e-mail personalization and other processes aimed at CRM goals realization with respect to lowering operational expenses. Internet business model are company methods intended to realize long-term profits by using internet. (Affuah, Tucci, 2003, page 7.) The goal of this approach is to unify the entire offer for a destination on the web pages (with all relevant information about the offer) but also to differentiate those who support e-marketing activities with higher amounts of invested resources. Using brand additionally motivates the providers to fulfill of high quality standards that in return achieve higher levels of quality for the entire destination. Web pages, as the central place for e-marketing activities represent the biggest challenge for the e-marketing strategy. It is important to define relationship of the involved forces and set accountability for activity coordination. E-marketing application For Istria introduces a new channel of sales

and distribution. Nevertheless it is crucial to decide to what level the possibilities of the electronic distribution channel will be exploited.

7. MODELS FOR E-MARKETING STRATEGY CREATION

Integration of e-marketing strategy into marketing strategy presents a challenge for numerous organizations especially because those two strategies are created separately and without joint coordination. However, the growing importance of internet and its influence on doing business demand an integration of strategies. Strategy integration and activities coming from it also cause a necessity of high level cooperation between the Tourist Board, local Tourist Boards, Offer Components (hotel business, private accommodation, and activity organization) and outside partners. Model for creation of e-marketing is the essence of methodological frame for e-marketing strategy creation. As such it is based on the theory contributions of authors in the area of e-marketing and it is adapted to destination specific situation. First step is to conclude that the strategy of e-marketing is part of the destinational marketing strategy. Marketing strategy is under direct influence of goals and strategy of the destination, making internal elements that affect the e-marketing strategy. On the other hand external influencing factors are the SWOT analysis for needs of the e-marketing and completed benchmarking analysis. Integration of e-marketing strategy into marketing strategy presents a challenge for numerous organizations because those tow strategies are often created separately and without joint coordination. Moreover, the ever growing importance of internet and its direct effect on the business condition strategy integration. Marketing strategy as a factor of internal influence defines the three functional elements: Market Segmentation, Targeting and Positioning.

8. RESEARCH RESUTLTS

8.1. Future demands modifications of marketing channel sales in a way that web pages of a country and a reservation system of main offer components (i.e. hotel chains) or in order to set up a uniqe online reservation system on a destinational leve.

8.2. Proper e-marketing strategy creates a foundation for realzation of e-marketing activities.

8.3. Strategy application is a logical next step that will result in fulfillment of planned business goals. In order to manage this sequence efficiently it is important

to define a step by step (detailed) activity plan with instructions for their realization. These instructions include organization of resources utilization with aim to meet strategic goals.

8.4. Since internet has to be available 24 hours per day, 7 days a week, destinations have to direct significant marketing efforts in creation of contemporary and wholesome presence online that offers not only detailed destinational information but also communicates a unique experiene.

8.5. Internet as a channel offers the possibility of strenhtening the relationship with consumers before the visit

9. RESEARCH METHODOLOGY

During research we used the methods of analysis, description and comparison of web pages for domestic and international destinations as well as using various literature sources. In addition, observation method was used for international visits to tourist destinations.

10. CONCLUSION

All parts of the tourist offer system have to be present within the strategy of destinational e-marketing and sales. These parts create a new destinational marketing and sales channel causing a sense of product recognition and trust for guests. Different approaches in presentation of the regional parts of the tourist offer are possible on the web pages. The approach on a more simple level may be financed from the sojourn tax budget. A complex level can be financed from the previously mentioned source and with additional funds from budgets of the local tourist boards, accommodation owners, hotel companies, etc. In order to manage effectively a complex system of destinational e-marketing and sales it is necessary to establish a clear organizational structure. Various solutions for organization and management of destinational web pages exist. However in its essence there should be a head coordinator (editor) of destinational web pages who at all times has access and the ability to coordinate information, offer and news. Speed of modern media allows us not only to get the right information at the right time but also to immediately forward it to our guests or share it with potential visitors. In conclusion, a successful strategy for the destinational e-marketing & sales creation process has to involve all regional key players in order to maximize the existing resources

and bring the best possible economic growth to the destination focused on the long term positive effects.

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