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## THE LOGISTICS OF SELLING A DESTINATION'S TOURISM PRODUCT\*

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**Abstract:** Tourism demand is becoming increasingly more discerning. It expects a well-designed and diverse product. This can be achieved with properly organised receiving-tourism facilities and services, and an array of attractions and entertainment events. Parallel to enhancing attractiveness, it is also necessary to strengthen and intensify internal and external marketing to ensure that a destination product and, in particular, its segments will find customers on the market.

*Key words:* destination, product, marketing, promotion, selling, hospitality, attractions, life cycle.

### INTRODUCTION

A tourism destination is an integrated area that is visited by and in which stay many tourists. A destination builds its identity on the concept of cumulative attractions and well-organised receiving-tourism facilities and services. Various economic and social activities help in designing a destination's tourism product that meets the needs and wants of visitors.

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A destination's product is promoted and sold on the tourism market through marketing activities that are founded on well-devised strategies and tactics. A product possessing an established brand will be in greater demand.

The following sections analyse the role of marketing activities – in particular, promotion and selling – in designing and marketing a destination product.

Special focus is placed on hospitality services, as a component part of the product, and on the product's life cycle.

## 1. MARKETING ACTIVITIES

Through its organised activities, marketing brings together the destination-product offering and tourism demand, and it exerts a crucial influence on how this offering is designed and marketed in the marketplace. The reason marketing does this is to meet the needs and wants of visitors/tourism as fully as possible, generate profits for supply providers, and foster progress within a destination. Therefore, designing and marketing a tourism product and achieving customer satisfaction is at the heart of every destination's marketing strategy.

What is marketing and which are its basic activities?

Generally speaking, marketing can be defined as a social and management process through which individuals and groups can get what they want and need by creating and exchanging products and value with others.<sup>2</sup>

All destination-marketing activities can be divided into the following groups<sup>3</sup>: forecasting, research, promotion, preparation, selling, consumption and control.

Forecasting is a marketing activity used to determine the position of a destination product on the market, its potential market position, the intended qualitative and quantitative objectives, and the strategies and tactics needed to accomplish these objectives.

Research is a marketing activity that uses the appropriate method to identify the product's position on the market and to direct its offering.

Promotion is a marketing activity that provides information about a destination's product to the marketplace and seeks to persuade potential customers to buy it.

Preparation is a marketing activity through which the receiving-tourism facilities and the attractions within a destination are prepared for the organised reception of visitors.

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<sup>2</sup> Kotler, P., Wong, V., Saunders, J., Amstrong, G., *Osnove marketinga*, Mate, Zagreb, 2006, p. 61.

<sup>3</sup> Vukonic, B., *Osnove trzisnog poslovanja – marketing u turizmu*, Skolska knjiga, Zagreb, 1985, p. 45.

Selling is a marketing activity focused on selling a destination's product in the marketplace under optimum conditions.

Consumption is a marketing activity organised by marketing department to meet, as best as possible, the needs and wants of visitors.

Control is a marketing activity that enables the management to assess the efficiency of marketing and to initiate change.

Umbrella and operative destination-marketing plans define the marketing activities which marketers need to develop in order to accomplish business objectives.

By skilfully combining the elements of the marketing mix in the marketplace (product, price, sales channels and promotion), the providers of a destination offering can have a major impact on how they achieve their objectives.

Managing destination marketing is a process of planning, organising, preparing and supervising marketing activities to effectively and efficiently enable and accelerate exchange.<sup>4</sup>

Marketing managers are responsible for developing and managing marketing strategies, meaning that they need to focus on analysing market opportunities, selecting target markets and developing the marketing mix.

For marketing managers in a destination to successfully carry out their task, they need to possess specific skills. These are: forecasting, planning, analysing, creating, deciding, motivating, communicating and implementing. These skills make up what we call marketing ability.<sup>5</sup>

Marketing managers need to affirm their skills by training the marketing staff and developing internal marketing.

Marketing is not only an activity but also a function that marketers carry out at the destination level in the companies and institutions of the providers of the product offering.

Marketing departments can be organised according to market segments and according to functional, production and regional concepts.

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<sup>4</sup> Dibb, S., Simkin, L., Pride, W., Ferrel, O.C., *Marketing*, Mate, Zagreb, 1995, p. 21.

<sup>5</sup> Kotler, P., *Marketinska znanja od A do Z*, Binoza press, Zagreb, 2004, p. 93.

## 2. PRODUCT PROMOTION

Promotion is a component part of a destination's marketing mix.

What is the fundamental role of promotion?

A vital role of promotion is to communicate with individuals, groups or organisations and to facilitate exchange, either directly or indirectly, by providing information to one or more target groups and persuading them to accept the product of an organisation.<sup>6</sup>

Therefore, through promotion, a destination establishes communication with the tourism market for the purpose of increasing exchange, that is, the sales of products and services.

Suppliers use promotion to communicate with potential customers, tell them about their product and try to convince them of its edge over the products of competitors. Destination providers can communicate with potential customers either directly or through a market intermediary – a tour operator.

To communicate with potential customers and tour operators, a destination's marketers employ various types of promotional methods. When marketers combine the individual elements for product promotion, this combination becomes the promotional mix for the given product.<sup>7</sup>

The promotional mix of a destination product consists of the following elements: tourism advertising, personal selling, sale promotion and public relations.

Tourism advertising is a paid form of communication with target groups in the marketplace, and it is conveyed by means of mass-communication media such as television, radio, newspapers, magazine, direct mailing, catalogues and others. Tourism advertising media vary according to their technical features, and they can be classified as graphic media (brochures, flyers, calendars, articles, news reports, guide books, posters, stickers), advertisement media (ads, news reports, slides, bill boards), projection media (movies, Internet pages), and spatial-sculptural media (exhibitions, fairs, shop windows, souvenirs, badges, key rings).

Personal selling is a form of promotion in which the product supplier and potential customer are brought into direct contact. The goal of personal selling is to provide information to potential customers and persuade them to buy the product.

Sales promotion refers to carrying out additional promotional activities, and motivating and stimulating the marketing staff.

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<sup>6</sup> Coubsen – Thomas, C., *Marketing Communications*, London, Heinemann, 1986., in the book: Dibb, S., et al., *Marketing*, op. cit., p. 400.

<sup>7</sup> Dibb, S., et al., op. cit., p. 44.

The providers of a destination offering should seek to maintain good relations with the media to ensure that a favourable image of the tourism destination is propagated.

### 3. PRODUCT SELLING

Selling is the basic function of destination marketing. Its task is to sell a destination product on the market at the most favourable terms.

Selling has three objectives:<sup>8</sup>

- To achieve the optimum turnover of a product in the marketplace
- To increase the sales effected of a product by winning new markets
- To eliminate all risks in the selling process.

The selling function is performed by the appropriate sales departments organised at the destination level and in companies and institutions, the providers of the offering. To succeed in accomplishing their goals, salespeople need to continuously monitor market trends.

Based on the insights obtained, they must be able to forecast change and improve the performance of the product on the market by putting in place a flexible sales policy. The salespeople also perform operative activities<sup>9</sup>: they engage in direct selling of the destination product, gather and process data from the selling market, process and accept offers, conclude contracts and supervise sales execution.

A destination product can be bought and sold through direct customer-marketer contact, as well as through agencies, fairs and the stock exchange, and over the Internet.

Recently, the Internet has become a very important sales channel. Used and managed properly, it is the perfect provider of contacts with potential product users.

Within today's framework of Internet development, three types of presentation are possible on the Web pages of a destination or the individual providers of its offering. Especially important to Internet users in buying and selling a destination product are the reservation system, Internet pages and electronic mail.

The selling function in organisations – supply providers – can be structured according to functions, geographical areas, products and markets.

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<sup>8</sup> *Rjecnik marketinga*, Masmedia, Zagreb, 1993, p. 360.

<sup>9</sup> Galicic, V., Ivanovic, S., Lupic, M., *Hotelska prodaja i recepcijsko poslovanje*, Fakultet za turistički i hotelski menadžment, Opatija, 2005, p. 61.

#### **4. HOSPITALITY IN A DESTINATION PRODUCT**

Hospitality is a vital part of the tourism offering of a destination. This activity is performed in properly designed and equipped premises – hospitality facilities. There are two types of hospitality facilities: facilities for providing accommodation services, and facilities for providing food and beverage services.

Hospitality facilities are classified into five categories:<sup>10</sup> hotels, motor-camps and other types of accommodation facilities, restaurants, bars and canteens. Depending on their quality (equipment and services), accommodation facilities are categorised as facilities ranging from two to five stars.

As an economic activity, hospitality is engaged in preparing and providing services. There are three groups of hospitality services:

1. commodity or tangible services (food, drinks and beverages)
2. intangible or non-commodity services (the use of a hotel room, the organisation of various events)
3. animation services (organising active/passive recreational activities in accommodation facilities).

Each business unit in the hospitality industry has its own range of services, a product characteristic of the type and category of a given facility.

The range and quality of services has a considerable impact on creating the image of a hospitality establishment.

Hospitality services can be sold in a number of ways: through personal selling, catering-based selling, ambulatory selling, vending machines, indirect selling and Internet selling.

Consumers are the judges of the range and quality of hospitality services. This makes quality management one of the most important tasks of management. Fierce market competition has intensified the need of managing quality. Today, the term for commitment to quality is Total Quality Management. It relates to service-consumer satisfaction and to employees rendering services.

#### **5. LIFE CYCLE OF A DESTINATION PRODUCT**

Once destination marketers have launched a destination product or its segments on the tourism market, they need to remain sensitive to the product's life cycle, its ups and downs. They must monitor its status on the market and undertake measures to ensure that the product's competitive value is as high as possible.

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<sup>10</sup> Marosevic, I., *Prodaja ugostiteljskih usluga*, HoReBa, Pula, 2007, pp. 54-93.

The duration of the individual stages of a product's life cycle is not known in advance. Changes to the cycle impact on the level of sales effected and on the profit realised.

The life cycle of any product, including a destination product, evolves through four characteristic phases:<sup>11</sup>

- **Product development** is the first phase, and it begins when a destination or one of its product providers announces a new product to the market
- **Product introduction** – The product is introduced on the market, and its sales gradually grow. In this phase, costs are high and profit, low.
- **Product maturity** is the phase in which the market has accepted the product, causing costs to decline and profits to grow
- **Decline in product sales** – Because the product is no longer competitive, its costs and profits are in decline.

This life cycle is not characteristic of all products; some products die as soon as they reach the market, while others remain in the maturity phase for a lengthy time.

By developing the product, introducing innovations and applying more efficient marketing activities, a destination product can be kept competitive and in demand on the market for a long time.

## 6. CONCLUSION

The tourism product of a destination consists of a variety of products, services and attractions. Tourism-product suppliers make use of the appropriate marketing activities to sell their product on the tourism market.

Marketing research is used to identify target groups and individuals as potential customers in the marketplace. Promotional methods are applied to provide product information to potential customers and persuade them to buy. Marketing ends in the selling of the product. Selling can be carried out directly by the marketing department or indirectly through tourist agencies, fairs and the Internet.

In market competition, products that have a better life cycle and are supported by aggressive marketing stand a greater chance of being sold.

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<sup>11</sup> Kotler, P., Wong, V., Saunders, J, Armstrong, G., op. cit., pp. 604-605.

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