
THE "TOURIST IN ROMANIA" CAMPAIGN - METHODS OF CALCULATION AND ALLOCATION OF ADVERTISING BUDGETS

Mihai Papuc*

Abstract

The present study proposes the submission of two techniques in promoting Romanian tourism destinations: tourism advertising via television and outdoor tourism advertising, as well as the procedures for the calculation and allotment of advertising budgets.

Keywords: tourism advertising, out-door advertising, target, rating, Target Rating Points.

JEL Classification: L83, M31, M 37

1. Introduction

Promoting tourism in Romania is about presenting techniques and actions of communication used by tour operators and other service providers in the field to inform potential customers on the offer, to convince them to buy and carefully maintain their interest. While the creation and marketing of tourism products is made especially at local level, promotional activity may take place at national or international levels.

All promotional activities follow (at least in theory) a series of steps or stages meant to lead the tourist in making the purchase decision. Chaining these steps forms what is called a model of communication. One such model, used primarily in tourism, is called AIETA (Awareness, Interest, Evaluation, Trial, Adoption), or in Romanian CIETA (Conscientization, Interest, Evaluation, Testing, Adoption). The significance of this model would be: the potential tourist must first learn (become aware) of the existence of a travel product or service, his interest in it be aroused, to be given an opportunity to assess it in advance (based on information provided by promotional literature) and then to make a first acquisition in order to test (try) the offer. If in this latter round the tourist is satisfied there is a good chance for him to repeat the purchase (to return to a destination, to prefer the same hotel, to go on a trip organized by the same tour operator, etc.).

It is well known that one of the main features of Romanian tourism industry is the relatively low share of promotion through mass media (TV, radio, press), in contrast, printed promotional materials (brochures, flyers, catalogs, posters, etc..) are of very high importance. Therefore, two of the forms with two of the largest impact on potential customers are presented, for offers of interest in Romania: television tourism advertising and tourism out-door advertising.

* Mihai Papuc is Professor of Marketing at the Romanian American University in Bucharest.

2. Television advertising in tourism

Advertising is a paid form of impersonal communication and market, which aims to create and keep customers by informing, encouraging and convincing them on the opportunity to purchase the tourism products that support the company's interest.

Some of the possible objectives of an advertising campaign could be the following:

- Inform potential customers about the existence of a tourism product market (a two-week trip to Greece, for example);
- Information on a cultural event, sports, etc.. generator of tourism - for example, festivities at Mount Ceahlau of Durau;
- Positioning of a country or a tourist destination (eg, the Discover Romania campaign, launched on the website of the Ministry of Culture and Religious Affairs);
- Highlighting the benefits offered by a travel program (eg a holiday on the Cote d'Azur);
- Creating a brand image for a provider, product or destination.

Determining the advertising budget is closely related to the proposed objectives. In establishing the advertising budget size, two methods can be used.

A first method is allocating a percentage of turnover for advertising (eg, 5 or 10 percent). This percentage will be influenced by the cost of advertising in previous years, advertising costs of competitors, the stage of product life cycle or how the company can afford to allocate the time for advertising.

The second method requires a first phase where the advertising actions to be undertaken are established, and the second phase where the costs generated by each action are calculated separately. The advertising budget will be the sum of all these costs.

For this we show 3 examples of calculation and allocation of advertising budgets to the "Tourist in Romania" campaign.

2.1. The "Tourist in Romania" campaign, proposed to run from August to December 2009 on three television channels is aimed at increasing the number of Romanians who choose to spend their holiday in the country.

The offer of the association of Best Advertising & Consult Ltd. and Optimedia Ltd. was declared the winner in case in the auction organized on July 20, by the Ministry of Tourism for acquisition of the service of organising the national campaign "Tourist in Romania".

The offer proposes the dissemination of some 30 second spots on the first generalist television station and on the first two TV news channels, selected according to the audience.

The selected items for international promotion of tourism destinations are Romanian Pro TV - the first national general television station, reality TV and

Antena 3 - the first two news stations, as measured by GFK audience between 01-31 May 2009.

The rating of bidders was prepared by applying the calculation algorithm provided in the specifications for the acquisition. The winner submitted the most advantageous offer economically, in terms of cost per point of audience (CPC), with a weighted value of 435.05 lei (compared to other bids, which were at 789 lei 809.8 lei and 726.4 respectively 676.6 billion). The total value of the winning bid amounted to 3,617,102 lei, the equivalent of 866,891 euro, without VAT and without the cinema tax.

Below, we illustrate the comparison of prices offered by agents. Worth mentioning that Media One participated in association with Diadikasia Business Consultants and only made offers in lei:

Table nr.1.comparison of prices offered by agents

Agency	Budget (euros)	Cost per point	Total points purchased
Ars Advertising	338.000	258 euro = 1076 lei	1.310
Media Today	388.000	274 euro = 1141 lei	1.419
Media One	1.439.410 lei	1.208 lei	1.200
Media Investment	415.300	310 euro=1296 lei	1.337
Best – Optimedia	304.000	72 euro = 301 lei	4.209
Media One	1.136.193 lei	344 lei	2.800
Ars Advertising	263.000	86 euro = 360 lei	3.000
Media Today	304.000	106 euro = 441 lei	2.880
Media Investment	323.000	89,6 euro = 374 lei	3.611
Media One	659.000 lei	312 lei	1.600
Ars Advertising	150.000	79 euro = 330 lei	1.896
Best - Optimedia	177.000	83 euro = 348 lei	2.100
Media Today	175.000	109 euro = 455 lei	1.600
Media Investment	185.000	114,6 euro = 478 lei	1.600

Source : www.paginademedias.ro

We state that the price for a rating point is the amount a customer pays for a commercial advertising which has a 1% rating. The level of audience (rating) is given by the number of people or households following,

in a timeframe, a TV or radio program.

Finally, the auction won by the two companies two companies was canceled

following a reauction to be resumed, as it was considered that the winning agencies provided a dumping price.

2.2. *The Ministry of Tourism launched a new auction* for a campaign within the "Tourist in Romania" program, which has an estimated budget of 400,000 euros.

According to specifications, the campaign, which will have two TV commercials will begin on December 2nd, will have a duration of 20 days and is meant to promote Romania's tourism offer - winter and Christmas in Maramures.

The commercials will run on the first two general TV channels with the largest audiences in September and on news channels with the largest audience. According to September ratings, Pro TV and Antena 1 are the stations with the largest audience for general viewing, and Reality TV has the largest audience in the news television segment. The budget will be divided as follows: 45% - Pro TV, 35% - Antena 1 and 20% Reality TV.

The target audience consists of people aged 18 to 65, urban and rural, middle-income and at least secondary education.

Calculations and allocations proposed in the specifications are:

Pro TV - more than 400 TRP (Target Rating Points)

Price of the specification: around 450 Euro / item

Prevailing market price: 400-500 Euro

Antena 1 - more than 370 TRP's

Price of the specification: approximately 320 Euros / point

Prevailing market price: 300-350 Euro

Reality TV - 580TRP minimum Links

Price of the specification: approximately 115 Euros / point

Prevailing market price: 100-200 Euro

2.3. *The "Tourist in Romania" campaign in out-door advertising* Campaign funded by the Ministry, will have a budget estimated at 100,000 euro, will take place between November 10th and December 20th and will have to cover a display area of approximately 5,000 sqm.

Division of the panels will be made as follows:

- 20% of the area will cover Bucharest;

- 80% will go to the rest of the country's national roads, highways, and cities.

This summer, the Minister of Tourism, called for billboard companies to disseminate free billboards for the "Tourist in Romania" campaign posters. Some companies have accepted. Euromed and Betacons, both part of Epa Media Group, have offered the Ministry 100 faces for free, 50 for the seaside and 50 in Bucharest.

Conclusions

The "Tourist in Romania" campaign, promoted via two media channels with strong impact on the population - television and outdoor - revealed methods of making offers and determining promotional budgets practiced by major players on

the Romanian market. Furthermore, the modern system for contracting promotion programs was underlined, based on rating points (TRP - Target Rating Points) or display surfaces for outdoor promotion.

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