

Violeta-Andreea ANDREIANA
Getu a Camelia STOICA
“Valahia” University, Targoviste

STRATEGIC MARKETING ALTERNATIVES AT AGRO- TOURISM GUEST HOUSE LEVEL

Case study

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Abstract

During the last years, tourists started to turn away from the mass tourism and consider the alternative one. Therefore, various forms of tourism were born, among which the rural tourism, to be regarded from two perspectives: it contributes to local and regional development and brings benefits to tourism by creating a new, higher quality holiday concept. This requires the participation of local authorities in the preparing of area development strategies, involving the inhabitants and local traders.

By following up the dramatic condition of the Romanian tourism, the insufficient development of the rural tourism and the low involvement degree of the local authorities, we proposed an assessment and recommended strategic marketing alternatives for the improvement of the current condition of the agro tourism guest houses.

This article offers strategic alternatives to the agro-tourism guest houses for the purpose of developing, reorganising and penetrating markets that are difficult to reach under the current conditions, using the marketing mix. Thus, we prepared development opportunities based on the product, price, distribution and advertising policies, solutions that are crucial for the improvement of the image, increment of the competition advantage and creation of guest house added value.

1. PRODUCT POLICY

The touristic product is defined as a combination of material elements and services or it is even identified with the touristic offer, although it is obvious that a touristic offer may generate several touristic products (Nistorenu P., Ghere M., 2010, p. 23).

Besides material and physiological needs, the modern consumer also manifests social, aesthetic, psychological, etc. requirements. Thus, we may deem the touristic product to include a series of services and material assets, where the first are predominant, but which only reunited ensure the unitary character of the offer. (Balaure V., C toiu I., Veghe C., 2005, p.269).

The provision of a quality touristic product requires the valorisation of the touristic patrimony, by combining natural and anthropic factors, the general infrastructure, depending on the economic development of the destination area, and the touristic infrastructure (transportation facilities, accommodation, food service, health facilities etc.), as well as properly skilled personnel (Balaure V., C toiu I., Veghe C., 2005, p. 344).

We propose the following development opportunities for the agro-tourism guest houses, by using the product policy:

a. Optimisation of the offer

The touristic offer includes service packages; properly managed, the offer may

entail significant advantages to the guest house. In order to obtain one, the following activities are required:

- Increased attention to the environment by:
- Advising tourists to protect the natural environment;
- Trips and climbing;
- Organising outdoor leisure activities;
- Training tourists in environmental aspects and informing them on the benefits of a clean environment etc.
- Combining several forms of tourism, e.g.: cultural tourism, fishing tourism, agro-tourism, mountain tourism, religious tourism, adventure tourism etc.
- Turning from passive to participative holidays;
- Greater segmentation of the market;
- Offering a quiet area, free of noise and traffic, close to nature, to the traditional way of life;
- Creating contacts with the locals and compensating for the depersonalisation of the city;
- Professionalism to satisfy the quality exigencies of the tourists;
- Trading of culinary products manufactured internally or locally, e.g.: honey, herbs, hand-made products etc.;
- Accommodation in optimal conditions;
- Training of peasants in the sale of the touristic product;
- Knowing the tourists' expectations and preferences and adjusting the offer to the touristic demand;
- Involvement in locality development activities;
- Offering a service package to include services such as: transportation, accommodation, entertainment etc.;

- Involvement of tourists (whenever weather allows walking) in activities such as: collective games, reading, karaoke, tasting of typical products, painting, exhibitions, furniture restoration, pottery, etc.
- Encouraging tourists to outdoor strolling, adventure sports, horseback riding, agricultural and zoo-technical activities, backpacking, etc.

b. Differentiating touristic services by quality

Quality is a distinctive feature of the touristic hospitality as well as of all the additional services offered. In order to stand out from the competition, the agro-tourism guest houses must:

- Train their personnel in order to increase quality;
- Improve quality standards to favour the relation with the tourists;
- The increment of the tourists' satisfaction degree involves the increment of the guest house quality level;
- Drafting of a consolidated and well organised tourist quality plan;
- Training of one person to deal with the full quality management;
- Creating a quality assurance trademark, a guest house image to entail the tourists' confidence;
- Implementing certain quality technical systems, to start with the diagnosis of the current condition and fixing some indexes for a continuous improvement strategy;
- Reflecting quality at price level, e.g.: increased quality at high prices.

c. Offering the touristic product to actual and potential clients

In order to propose a destination to tourists a plan needs to be drafted for the marketing of the touristic offer, which must include:

- Product, price, distribution and advertising strategies;
- Offer availability and a reduced time for the purchase of the offer;
- Advertising of the rural destination;
- Protection of the quality offer;
- Advertising of certain activities to encourage tourists to social change, to responsibility and compliance with a rural behaviour code;
- Personalisation of holidays according to market niches;
- Harmonisation of the environment, local community and the tourist;
- drafting of a marketing strategy;
- attractiveness of the touristic services;
- price adjustment to the market requirements and establishing the price according to season, free days, min-holidays, special events, legal holidays, etc.;
- creating a bond to facilitate the transfer of information from the guest house manager to the tourist.

2. PRICE POLICY

In the tourism field, the marketing mix is deemed to have a different structure than the traditional mix. Therefore, the tourism marketing mix consists in the following variables (T n sescu D., 1999, p. 79):

- variables similar to the traditional marketing mix: price and advertising;
- variables modified according to the traditional mix: product and distribution;
- variables specific to touristic services: ambiance, servicing personnel.

In the drafting and promotion of the price policy, many of the concepts applied to the material assets are used for services as

well. Due to the particularity of the services, the price of the services, the cost is on a secondary position within the mix (Olteanu V., Cetin I., 1994, p. 88).

The price is defined as an expression, financial most of the time, of the value attributed by the consumer within the exchange. Besides the money, this also involves time, energy and inconveniences. From the consumer's point of view, the price stands as what he/she is willing to pay for an asset or a service; the amount he/she is willing to pay depends on the value attributed by the consumer to the product.

The price is the main focus of the marketing specialists, being a fundamental variable of the touristic sector. The setting of the price is difficult because:

- the intangibility of the services leads to the personalisation of the offer, which entails the increment of the price during the stay;
- the inseparability (the production and consumption are simultaneous) leads to the association of the price with the quality;
- a low demand level means profit loss in a certain period, which entails the increment of offer prices during the season;
- the impossibility to establish a demand according to week days and weekends;
- proper management of the demand and of the accommodation capacity;
- the increment of quality indexes entails the increment of the prices;
- establishing the demand according to the economic recession, weather conditions, natural disasters, terrorism, etc.

When purchasing a touristic product, the tourist takes into account: the time spent searching for relevant information (magazines, fairs, friends, web pages, etc.), the speed and affability of the service, the proximity of the destination, the check-in

and check-out hours, the time and conditions required to reach the destination, the environmental conditions, the pollution level, safety, etc. All these stand as tourist's costs to spend a holiday in the rural area.

In the establishment of prices, the agro-tourism guest houses adopt a series of price strategies to reach their business targets. These are (adjusted after Henche B.G., 2004, pp. 160-166):

a) differential price strategies, i.e.:

- fixed and variable prices according to the group of tourists, number of accommodation nights, room type, number of booked rooms, room facilities, etc.
- discounts based on quality; a discount is offered for the booking of several rooms, for more accommodation nights and to reward the tourists' loyalty;
- random deductions or offers to attract new clients;
- periodic discounts during the extra-season to attract tourists and reduce losses;
- discounts for a second market for the benefit of the tourists complying with certain conditions, e.g.: discounts for groups, students, camps or according to age.

b) competitive strategies involve the setting of prices according to the competition, considering the higher or lower benefits assured to the tourist;

c) psychological price strategies, i.e.:

- **high price strategy.** The price is usually associated to quality; if the price is high, quality is high;
- **rounded-up price strategy.** The non-rounding-up of a price gives a feeling of a lower price;
- **strategy of the value perceived by the tourist,** which considers the value attributed to the client's satisfaction to accommodate in a certain location, to have lunch in a

certain area or to carry out certain leisure activities.

d) Price strategies for product lines consider the setting up of the service package price, which is usually lower than the amount of the prices per each offered service;

e) Strategies for launching new products, i.e. :

- **Market prospecting strategies** involve the fixing of a high price upon the launching of the offer, lowering the price sequentially to attract more market segments;
- **Penetration strategies** frequently used in rural areas.

3. DISTRIBUTION POLICY

To distribute the products of a company means to provide them at the right place, in sufficient quantity, in the form required by the market, at the right time, accompanied by the services required for the sale, consumption and, if the case may be, their maintenance (Ristea A.L., Franc V. I., T n sescu D., Toma, A., Topi a, M., 2002, p. 383).

The main distribution function is to ease the tourist's access to the information related to the required location as well as to booking facility. The offer availability increases or reduces the number of alternatives related to the used distribution channels.

The distribution involves the use of time, place, situation and possession (adjusted from Henche B. G, 2004, p. 168), i.e.:

- the time utility means providing touristic services the moment the tourist requires them, which may be confronted with insufficient accommodation area (overbooking);
- the place utility depends on the place of use of touristic services, on the geographic area etc.;
- the situation utility considers all the transformations intended for the presentation of the touristic

services, e.g.: demand for additional products (transportation, leisure, cultural activities, etc.);

- the possession utility enforces the right of possession of certain documents that grant the tourist the possibility to stay and the access to the services offered by the guest house.

In order to obtain the competition advantage, the agro-tourism guest houses dispose of certain **opportunities related to the distribution policy:**

- association of guest houses to enrich the touristic package;
- changing the season behaviour of the demand by involving all the actors/participants of the traditional channels;
- increasing the efficiency of the channel, with a focus on the internet;
- easing the tourist's access to information;
- promoting the internet as service purchasing means not only as informational means.

4. ADVERTISING POLICY

In Romania, the agro-tourism is still an emergent sector; the current targets of the advertising policy envisaging:

- the use of various presentation forms of the agro-tourism guest houses with and informational content as complete as possible: location, access ways, prices, rates;
- the creation, in the entire tourism network, of a personal trademark image of the agro-tourism guest houses to individualise them from the other forms of rural and industrial tourism;
- the creation of a continuous flow of information with product and capital suppliers, with the public authorities;
- the creation of a system to communicate with international

organisations and rural tourism agencies.

In the agro-tourism guest houses communication is essential as the field is a rather wide one, and the territorial dispersion of the activity turns the communication process into the very expensive component of the marketing strategy. The arrival of guests and their reception in company-efficient conditions depend on the communication quality. The communication is a process that needs to be proficiently controlled. The issuer of the communication message, the future host, needs to know the audience, the clients, and the potential guests very well and needs to foresee the response they expect.

The guest houses need to choose the best way to communicate their message according to the company's specific activities and offers. The communication of messages is not sufficient. The issuer must check-up its reception, the general feeling it created and must organise a response collection, review and interpretation system.

The communication within each guest house is highly important. The host must be aware of the service offer it provides.

In relation to the **advertising**, the agro-tourism guest houses may benefit from the following **opportunities**:

- initiation of advertising campaigns to increase the fame of the guest house and of its offers, as well as the use of various channels to communicate with the potential tourists, e.g.: "word-to-mouth" communication (between friends, relatives, acquaintances, co-workers, etc.), printed materials (leaflets, catalogues), public relations (coverages, high-quality photos, etc.), cooperation with local businesses;
- training of skilled personnel for the advertising on the spot, to influence the tourist's purchase behaviour and the use, on the web page as well as inside the location of the posters

and banners intended to attract clients,

- printing of publications such as leaflets, maps, tourist guides, tourist plans and routes;
- advertising by public relations, to establish the mutual trust between the guest house and the potential clients. The public relations may promote the guest house by referring to the region, to the location, to the leisure and gastronomic activities, organisation of events, etc.;
- participation in tourist fairs to reach certain targets such as: promotion of the offers and facilitation of their market access, intensive advertising of certain products, advertising of internal gastronomic products, etc.

Conclusions

The rural tourism and the agro-tourism are promising alternatives of the future tourism as they may entail a local economic development with a predominantly agricultural and forestry specific, favourable to attracting and maintaining the population in the relevant areas, to agricultural boosting in unfavourable regions from the natural resources, social and cultural development point of view.

Recommendations

- the establishment of various types of activities in the rural areas must allow the obtaining of better results, as well as value the resources as well as possible, protect the environment and prevent its degradation;
- employment of skilled personnel who will always bring forward new ideas on how to attract and maintain clients;
- organisation of trips around the guest house, with expenses borne by the guest house;
- creation of more parks and playgrounds (parks for children and adults);

- special attention must be given to each client as of his/her entering the guest house until check-out and afterwards, by keeping in touch by telephone or e-mail;
- the presence inside the guest house of billiards, bowling halls, the restaurant must be well equipped and fit-out;
- including in the service package offers designed for loyal clients or for a longer stay;
- proper advertising and assessment of the foreseeable results, which ensure the success;
- efforts to direct national and international investments towards the areas favourable for the development of the rural tourism, which, by a proper advertising are liable to attract a series of investments;
- re-launching and integration in the national and even international touristic circuit of certain less-known areas and localities but having a valuable potential;
- valorisation of the touristic patrimony, by combining natural and anthropic factors, the general infrastructure, depending on the economic development of the destination area, and the touristic infrastructure (transportation facilities, accommodation, food service, health facilities etc.), as well as properly skilled personnel;

- proper communication and advertising of the image by short training programmes (education) of the personnel for an efficient response to the consumer, turning to local television posts to attract new categories of clients;
- sponsorships in order to promote the image of the guest house;
- appointment of a manager with economic training, preferably in marketing, to deal with the creation of a favourable image of the guest house, with attracting clients by offering additional services such as free refreshments or the arrangement of a mini bar with a cocktail bartender.

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