

Part Five

Marketing in the different sectors of the leisure industry



Introduction

In Part Five, the authors explore the role of marketing in eleven different sectors of leisure as follows:

Chapter 14	Visitor attractions
Chapter 15	Accommodation
Chapter 16	Tourist destinations
Chapter 17	Tour operation
Chapter 18	Transport
Chapter 19	Resorts
Chapter 20	Retail travel
Chapter 21	Arts and entertainment
Chapter 22	Recreation and sport
Chapter 23	Leisure shopping
Chapter 24	Restaurants and catering

The aim will be to identify the key factors which influence the practice of marketing in these sectors, and compare contrasting approaches to marketing between these sectors.

The main issues which will be covered to achieve these aims include:

- the marketing objectives of organisations within each sector;
- the marketing mix;
- the business environment;
- the nature of competition.

The sectors we will be considering do not represent every sector of leisure. However, they are the major ones and they do clearly illustrate the diversity of approaches to marketing that are found in leisure.

Visitor attractions

Key concepts

The main concepts covered in the chapter are:

- Types of attractions
- Differences between the marketing of attractions in the public, private and voluntary sectors
- The role of marketing consortia
- The marketing of attractions by other organisations.

Introduction

It is very difficult to generalise about the marketing of visitor attractions as it is such a heterogeneous field. This heterogeneity results from two main factors, namely the fact that there are four different types of attraction and the fact that attractions are owned and managed by three different sorts of organisation.

Types of attraction

The *four main types of attraction* are as follows:

- (i) Natural features in the landscape, such as beaches, caves, woodlands and rivers.
- (ii) Man-made phenomena which, while not designed to be visitor attractions, now function, at least in part, as attractions, including cathedrals and castles.
- (iii) Man-made phenomena that have been designed specifically to attract visitors and for whom the attraction of visitors is their sole function. This category includes theme parks, for example.
- (iv) Special events and festivals, which are neither physical or permanent but which attract visitors to a particular location at a specific time. These may be traditional such as the Passion Plays of Oberammergau or more modern creations designed to encourage tourists to visit places they might not otherwise visit.

In the case of the first two types of attraction, the usual marketing objective is not to increase the number of visitors, but rather to manage demand, so that the attraction is not damaged by overuse. On the other hand, with attractions in the third category, the main aim of marketing is to increase visitor numbers and revenue. As far as the last category of attractions are concerned, the aim can be either managing demand to prevent the event being ruined by too many visitors, or increasing attendance to maximise the economic benefit of tourism for the local economy. In this chapter we will focus on those two types of attraction, which seek to attract more customers.

However, as we noted earlier in the book, there is an increasingly 'grey area' in terms of the distinction between attractions and destinations. Some man-made attractions, such as Disneyland Paris and Futuroscope in France, while technically attractions, appear to have more in common with destinations than with most other attractions. In terms of the area they cover and their visitor numbers, and the fact that they have on-site accommodation, for example, they appear to be more like destinations. However, the fact that they are usually in single ownership, rather than multiple ownership, confirms that they are not like other destinations, as does the fact that they usually have a single core product or theme, unlike most destinations.

Ownership and marketing objectives

The three types of organisation which own and manage attractions, and have different motives and objectives, are as follows:

Public-sector bodies which tend to be particularly dominant in certain sectors of the attraction business, including museums, historic sites, galleries, theatres and leisure centres, for example. The marketing of public-sector attractions is unusual in that the aim is rarely to make a profit, but rather to break even or operate within a given deficit budget.

We can split public-sector bodies into two types, namely central government and national agencies on the one hand, and regional and local government on the other.

For national governments and agencies, their ownership of attractions often has the following two major objectives:

1. protecting the nation's heritage in terms of historic buildings and archaeological sites, for example;
2. using them to attract foreign tourists with the result that the national balance of payments is improved.

In the case of regional and local government, its objectives for operating attractions can often include:

- increasing the range of leisure facilities which are available to the local community;
- using museums to teach children about the history of their area;
- utilising them as a way of improving the image of the area with external audiences;
- using attractions as a catalyst for the further development of the local tourism industry.

Perhaps most significantly in recent years, there has been a growing trend towards the use of attractions to stimulate economic development and regeneration.

Private-sector companies are particularly important players in certain sectors of the attraction business such as theme parks and industrial tourism. Usually, their main aim is to generate a certain level of profit or achieve a given rate of return on investment. Some of these companies, such as the Tussauds Group in the UK, are transnational operators, owning and managing attractions in a number of countries. Tussauds not only owns

a number of leading attractions in the UK, such as Warwick Castle, Alton Towers and The London Eye, but also owns Heide Park in Germany. Likewise, the Lego Corporation of Denmark has developed new Legoland attractions at Windsor in the UK and in California, to add to its existing site in Denmark.

Many of these larger private attraction corporations have substantial financial resources for both product development and promotion. At the same time, the majority of private attraction operators are small- and medium-sized enterprises with much more limited budgets.

Voluntary-sector organisations play an important role in the attraction sector in some parts of Europe, such as the UK and France. Tourism is often not their core business or their main interest, rather it is used as a means to an end where the end can be conservation and community development, for example. Income generated from tourism is used by voluntary bodies to further their main work. Two examples of such bodies will illustrate their role in the attractions field:

1. The National Trust has more members than any other organisation in the UK, and celebrated its 100th year in 1995. Its main concern is with the conservation of Britain's built and natural environment. It uses its income from tourism to further this, and buying and maintaining buildings and landscapes. Its tourism-related revenue comes from entrance charges to the properties it owns, income from self-catering cottages which it lets to tourists, together with money from its catering and retailing operations.
2. The Ecomusées in France are usually run by voluntary-sector bodies set up under the Association of Law of 1901. One of the most impressive of these is that based at Puy-du-Fou in the Vendée region. However, Puy-du-Fou is not just an Ecomusée. It is also the site of, perhaps, Europe's largest theatrical spectacle.

Each summer, over a thousand local people, all volunteers, dress up to help re-enact scenes from local history for visitors, in a show called the Cinéscénie. These performances now attract hundreds of thousands of spectators. However, all the income from the event is used for the benefit of the local community. In the past this money has been used to provide grants for local students going to study elsewhere in France and to fund a local radio station, for example.

At the same time, the Cinéscénie has stimulated the local tourism industry and increased custom for local businesses. It has also funded the development of a heritage-based 'theme park' on the site.

There are a number of other interesting characteristics of the marketing of attractions which we will now consider.

The *attraction market* is interesting in a number of ways, notably:

- The distance people are prepared to travel to visit attractions. In some cases, attractions are the main motivation for people to travel thousands of kilometres away from their home, for example Disneyworld in Florida or Disneyland Paris in Europe. At the same time, some types of attractions such as local authority museums and most theatres appeal largely to a local audience.
- The frequency with which people visit attractions. Some people visit attractions regularly while others may rarely or never visit any attractions. Others may only visit one type of attraction.
- The motivation for visiting attractions can vary dramatically from the desire for excitement in the case of a 'white knuckle' theme park ride, to education in the case of museums, and to aesthetic pleasure at an opera performance – to give just three examples.

- The most relevant ways of segmenting the attraction market include education groups, coach parties, families and corporate users.
- The geography of demand is changing with a rapid growth in the markets in China, for example.

While little hard data exists, it also seems that there may be significant national differences in attraction-visiting behaviour in Europe.

Pricing is a very complex issue in the attraction field because of the following issues:

- Some attractions which are publicly owned make no charge for using them, even though they may be world famous and of the highest quality. Others will be subsidised so that they do not need to charge a true market price.
- Discounts are used in a variety of ways for marketing purposes, either to attract market segments which are thought to be especially desirable such as families, which tend to be relatively high spenders, and groups, because of their size. Likewise, discounts can be used to attract visitors at quiet times of the year. Attraction discounts can take two forms, namely 'added value' such as 'two admissions for the price of one' offers, or reduced price discounts such as 'fifty pence off', for example.
- Concessions, which are particularly offered by public- or voluntary-sector-owned attractions, for social reasons. The idea behind them is that they can allow 'disadvantaged' people to be able to afford to visit an attraction who might not be able to afford to visit if they had to pay the full price. These concessions are often targeted at unemployed people, the elderly, the disabled and students.
- The concept of value-for-money can be more important than the price which is charged. Consumers are often happy to pay a relatively high price if they feel they are getting good value in return, rather than paying a low price for a less impressive product. Hence the fact that, in Europe, the most expensive theme parks are also the ones which receive the most visitors such as Disneyland Paris.

Value for money in relation to attractions often seems to be based on the length of stay, the uniqueness of the attraction's product and the quality of on-site services and facilities. Some customers also believe that value for money means that the attraction charges an 'all-inclusive price' covering everything rather than those attractions where one pays on an item-by-item basis.

Distribution, in the formal sense of the term, is little developed in the attractions sector as many purchases are made, spontaneously, when people pass an attraction they think looks interesting. Indeed, as there is relatively little advance booking of attractions – except for theatres and sports events, for instance – there is little need for distribution channels. However, there are a few specialist agencies which specialise in attraction bookings. Probably the largest in Europe is that operated by the Keith Prowse organisation which offers tickets for a range of attractions in the USA as well as in the UK, France, Germany, the Netherlands and Scandinavia. Most of the attractions it deals with are theme parks with relatively high prices, so that the agency can generate a reasonable commission on selling their tickets.

Most attractions in Europe have limited budgets for *promotion*, so that for most of them television advertising is not a viable option. Most of their advertising tends to be in the printed media such as newspapers and magazines. Perhaps the most important promotional device for most attractions is their general brochure which is designed to encourage people to visit the attraction and to provide practical information to help them when they do visit. Relatively little use is made by most attractions of other types of promotions such

as direct face-to-face selling or sponsorship, for example. However, press and public relations are used by many attractions to gain free media coverage.

The degree of *competition* varies between different sectors of the attractions field in Europe. The theme park business, for example, is highly competitive, while in the case of local council-owned museums and leisure centres the council only operates these attractions in its own area. There is no overlap with other areas, so that one council does not operate in such attractions in areas covered by other councils.

In these cases, the only competition tends to be internal competition where the only museums in an area will belong to one council and the only real competition will therefore be between these museums which are owned by the one organisation. The competition for attractions is, however, not limited to other attractions. It can include any other use of leisure time or form of leisure spending, such as gardening or home entertainment systems.

Competition is also complicated in the attractions sector by the pricing issues we discussed earlier; in other words, state subsidies mean that the prices paid do not always reflect the value of the product. This could be seen as a form of unfair competition by commercially managed attractions.

Attractions are often *marketed by other organisations*, as well as themselves, where they are used as part of other people's products. Examples of this phenomenon include:

- Tour operators, for whom attractions represent excursion opportunities for their clients, which may be a reason why some people choose to take a particular package holiday. For instance, some tourists may be encouraged to take a holiday in Crete because they can visit the temple site at Knossos. Likewise, tour operators selling Denmark promote Legoland in their brochures, and tour operators with programmes featuring Russia do the same for the Hermitage Museum in St Petersburg and the 'White Night Festival' which takes place in June.
- Destination-marketing agencies at the national, regional and local levels. They use attractions to persuade visitors to make trips to their particular destination, rather than to another place. Thus, in its promotional campaigns in the UK market, Maison de la France, the French government national tourist office, uses Futuroscope and the many arts festivals in France, for instance. At the same time the promotional activity of many municipalities seem to be strongly based on major attractions which they have in their area, including the following, for example, Bilbao in Northern Spain with its Guggenheim Museum.

Marketing consortia are also important in some regions, with attractions joining together to promote each other on a cooperative basis. These consortia tend to be of two types, namely:

1. those made up of similar types of attractions such as stately homes or museums;
2. those which bring together attractions in a certain geographical area.

These consortia can vary considerably in terms of their activities. In some cases, attractions simply agree to display each other's brochures, while in others cases joint brochures are produced and joint advertising campaigns and sales promotions are organised.

Conclusion

As we have seen, attraction marketing is a complex, heterogeneous activity due to the nature of the attraction product and market and the ownership structure of attractions.

Attraction marketing is particularly important for tourism and hospitality marketing in general because it could be argued that attractions are the reason why most people travel for pleasure with their resulting need for all the other tourism and hospitality services.

Discussion points and essay questions

1. Discuss the different marketing objectives that are found in the attractions sector between the public, private and voluntary sectors.
2. Examine some of the most important characteristics of pricing, distribution and promotion in the attractions sector.
3. Select one attraction which you believe has been particularly successful at marketing itself and explain the reasons why you believe it has been so successful.

Exercise

From your local area choose an attraction from each of *two* of the following types of visitor attraction:

- museum
- theatre
- shopping centre
- theme park
- leisure complex.