

CASE STUDY: Word-of-mouth... is a Secret Weapon.

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The Problem: Struggling Tour Operator

To: Peter Delmar
Subject: Marketing/Sales Problem
Importance: High

Hi Peter,

I am a regular reader of the "It's my Business" and I find it very helpful. I am a registered Tour Operator in Port Elizabeth, Eastern Cape. I have read the article in last Sunday's edition about the entrepreneur **who did not receive any customers after opening their business**. I have exactly the same problem. I tried local newsletters, I have a website and I issued out brochures, all to no avail. Basically my business is mainly about Township tours, Shebeen Tours, Game tours, Educational tours and transfers. All done by a professional tourist guide. My target market is mainly the luxury coaches that travel through PE to Cape Town and other big cities and transfers for the local B&B's and hotels. I am desperate and need your help. How do I go about overcoming my problem? Any advice will be appreciated.

Yours faithfully

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The Solution: Word-of-Mouth (WOM)

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Reply to struggling Tour Business: Ian Rheeder, Chartered Marketer (SA), and strategy facilitator.

This is not a charming statistic, but 90% of new businesses in South Africa fail in the first 18 months! This should be mentioned to make entrepreneurs aware of the importance of practically applying solid marketing fundamentals. We live in a hyper-competitive world, which means that there are many companies vying for the same customer's wallet. You can have a great strategy; however, if your competitor's strategy is just marginally better than yours, you're toast! Here's my advice to compete in your Tour Market.

1. **Split your target market into 'local' & 'international' segments:** Why? Because different folk think radically differently about township, shebeen, safari and educational tours. For instance, inbound tourists may be totally sceptical about safety, and will resist anything offered to them *without strong verbal and written endorsement* from the local bus driver, tour operators, travel agents (local & overseas) and fellow tourists. What I'm saying here is, word-of-mouth marketing (WOMM) is your secret weapon. You cannot 'buy' WOM...it's something that just happens from an initial small group of tourists, who then spread their tour experience like a virus. On a limited budget, you should also seriously consider only targeting a small niche market, i.e. German and French tourists only, and then specialise your staff to blow their pin-stripe socks off.

2. **Word-of-mouth:** The novice thinks that 'marketing' is all about above-the-line advertising, i.e. radio, TV & print. However, allow me to let you in on a secret, a leading tour operator invests 80 percent of their effort on below-the-line marketing in the form of Direct Marketing. They spend most of their energy (and budget) getting bus drivers, hotels, bed and breakfast outlets, travel agents and tour operators to 'push' their business. Let's call these stakeholders your "WOMM Target Segment". You cannot buy WOM but you can create WOM by deliberate design. This is the ultimate type of 'advertising'. Using their 'word', the delighted tourists and tour operators then spread the good experience, and the rest is history. Spreading WOM using e-mail, called viral marketing, is of course the most powerful form of WOMM.

This below-the-line Direct Marketing is a system of marketing where organizations communicate directly with targeted customers to generate a response, vote or purchase. It's also referred to as database marketing, and is exceptionally powerful when used with Public Relations, i.e. tour operators and journalists from Johannesburg and Cape Town are given a free 'fam-trip' (familiarization trip). Personal Selling is vital, i.e. your Sales Consultant does presentations at "Travel" luncheons, which tour operators attend. Your Sales Consultant then presents, networks, and books the fam-trips.

3. **Is there a need for your product/service?** Do you fully understand your target markets segments? What are your competitors offering? Does your WOM Target Segment love your offer so much that they **ONLY** push your offer? Remember, tourists have very tight schedules and are forced to cherry-pick the best offers, which are normally recommended by your "WOMM Target Segment".

4. **Your Marketing Mix:** Have you got the perfect balance between great *product* at the right *price*? Are your staff as experienced as the tour operator who is currently getting most of the business? What is the tour leader doing that you're not? A website and brochures are not a replacement for good direct selling skills! You may need to replace your 'marketing' team with strong direct marketers, or build new selling skills.

5. **Research:** I suggest you formally research the tour operators and your staff for exciting ideas. Consider researching your local corporate/business segment to immerse their staff into a totally different environment for a team-building event. They in turn will then become obsessed with endorsing and pushing your business for you! You must manage your relationship with these WOMM stakeholders, and offer them incentives to sell for you.

End

