

3. Marketing Strategy

3.0 Marketing Strategy

ATI believes that the goal of business is to create and keep customers. Its marketing strategy will reflect this goal as it builds its reputation in the Woodville area.

3.1 Mission

Adventure Travel International (ATI) is a travel agency that specializes in adventure travel. We provide consulting and custom travel arrangements and packages. ATI's mission is to become the foremost provider of adventure travel to the people of the Pacific Northwest.

3.2 Marketing Objectives

- ▶ Achieve an annual growth rate of at least 10%.
- ▶ Promote adventure activities through strategic alliances with health clubs, local athletic organizations, and retailers.
- ▶ By the end of year three, achieve 15% of sales through the Internet.
- ▶ Become the market leader of adventure travel in the Woodville area.

3.3 Financial Objectives

- ▶ Generate sales of approximately \$550,000 in year one and increase sales 10% annually.
- ▶ Capture and maintain a gross margin of 18-20%.
- ▶ Achieve positive net worth by year two.

3.4 Target Marketing

ATI will target the following groups: Couples and individual adventure travelers, Group adventure travelers: Corporate adventure travelers. The major purchasers that fit ATI's target market are located in urban areas within these states: California, Florida, Georgia

3.5 Positioning

For individual and corporate clients who wish to participate in adventure travel, ATI is the premier adventure travel agency in the Woodville area. ATI's experience with and enthusiasm for adventure travel is displayed in the exceptional service, value, and advice it provides for the customer.

3.6 Strategy Pyramids

STRATEGY 1: Develop brand recognition through the use of effective advertising, marketing communications and promotion.

Tactic: Develop a marketing mix designed to target the Woodville market.

- ▶ Program: Print and electronic advertising campaign, using specialty publications and local radio as primary media.
- ▶ Program: Use strategic alliances to conduct promotions and giveaways.

Tactic: Expand brand recognition to the national market through increased industry participation and WWW presence.

- ▶ Program: Utilize the networking benefits of industry associations, trade shows, and publications.
- ▶ Program: Develop and promote ATI's website. The availability of information and the ability to schedule and purchase online will be beneficial to the customer and ATI.

STRATEGY 2: Increase revenues and reduce costs by establishing repeat and corporate customers.

Tactic: Customer satisfaction program.

- ▶ Program: Focus ATI's efforts on customization of adventure travel and utilization of its core

competencies. ATI would rather recommend that a potential customer purchase elsewhere than provide a trip outside of its expertise.

- ▶ Program: Post purchase and post trip follow-up. Research indicates that the communication between the firm and the customer after the sale positively influences repeat purchase.

Tactic: Corporate account acquisition.

- ▶ Program: The corporate sales program will depend upon specialized literature and personal promotion. Corporate accounts generate recurring revenue and will help diversify ATI's sources of income.
- ▶ Program: Corporate giveaway promotion. Trips will be awarded as prizes and will be promoted via local radio.

3.7 Marketing Mix

ATI will employ a wide range of advertising communications and promotion to achieve its marketing goals. Research on the demographics of ATI's target market suggest that the most effective communications will come through advertising in several specialty publications and via local radio. In addition, direct interaction or promotion at health clubs, shopping malls, sporting events, etc. will be part of ATI's marketing mix.

3.7.1 Services and Service Marketing

ATI will sell standard travel agency goods and services including airfare and travel packages. Additional services will include assistance with passports, providing access to top-of-the-line equipment and supplies, and a superior offering that includes access to better than average terrain and activities, accommodations, and entertainment. The value added of ATI's offering is its knowledge and expertise, competitive rates, and specialty focus on adventure travel, which will translate into increased assurance and satisfaction for the customer.

3.7.2 Pricing

Much of ATI's pricing is determined by market standards. ATI will attempt to maintain margins of 10% on all airline travel. ATI will make every effort to maintain a competitive pricing policy. However, as ATI builds its reputation as the premier provider of adventure travel, it expects to earn the ability to charge a premium for its services.

3.7.3 Promotion

During ATI's first year of operation, it will hold a grand opening and will organize and sponsor several athletic events. Events will include, among others, an off-road triathlon, 10k race and 5k fun run, and a mountain-bike race. ATI will provide various travel packages and other items as prizes. All ATI employees belong to local athletic clubs and will, through interaction with other members, promote ATI's services. During the grand opening and other events, ATI will provide literature with information about trips and activities. Negotiations with area health clubs have begun and additional promotion will likely occur through these strategic alliances. Specialty rather than large national publications will serve as media vehicles for ATI advertising. Local radio stations will also be used. Personal selling will also occur, though phone solicitation will be limited. ATI plans to occasionally station sales personnel in locations around Woodville, such as shopping malls. ATI's goal is to develop personal familiarity between its employees and the community.