***Marketing Plan of Promoting Rural Tourism for Fliggy OTA Platform***

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**1. Background**

The tourism market entered the ice age at the beginning of 2020. With the widespread of the epidemic covid-19 around the world, many countries or regions have adopted various measures to block countries and close borders. Affected by the epidemic situation, traffic was restricted, most of attractions were closed, large-scale cultural activities were cancelled and the number of domestic and foreign tourists decreased sharply. This has made online travel agencies (OTA), which originally planned to show their potential growth in the new year, have to shrink business scopes.

Because of great variation in policies released by different countries, travelers' willingness to travel abroad decreases. International orders including outbound travel, international flights, high-star hotels and other businesses are difficult to recover considering people’s concern.

**2. Business Description**

**2.1 Services Introduction**

After fighting with covid-19 and staying at home for about three months and returning to a normal life, many Chinese intend to resume their traveling plans. Uncertain foreign policies and continuous reduced international air routes have made tourists cancel outbound tourism, which will certainly boost demand in self-driving tour to rural areas. According to data from Analysys, the search and booking for Labour Day tours in May on various OTA platforms shows a rapid rise. Taking Fliggy as an example, more than 70% of tourists on the platform said they would choose to travel by car during the Golden Week. To address these critical demands and build market-leading capabilities, our vision is to help Fliggy, an online travel agency, to develop rural tourism projects.

**2.2 Company Overview**

Fliggy, an online travel agency, including websites and mobile app. The predecessor of Fliggy was Alitrip. With the expansion of the business and the demand goals transfer, on October 27, 2016, Alibaba Group upgraded its travel brand "Alitrip" to a new brand "Fliggy". Fliggy stands for “Fantastic, Leading, Inspiring, Gusty, Gifted, and Young”.

The purpose of Fliggy is to provide platform customers with simple, convenient and cost-effective travel services, mainly providing domestic and foreign discounted air tickets, other transportation ticketing, online booking services for hotels; provides multiple tourist routes including domestic and outbound tours, and provides one-stop services such as mobile phone cards, overseas Wi-Fi, visas, car rentals and many other reservations. It covered 100,000+ hotels reservations, 100,000+ domestic and outbound tourist routes and 6000+ domestic and foreign attraction tickets. In fiscal 2019, Fliggy contributed 18.7% of total transaction amount of OTA platform in China, 3rd place in online market.

Backed by Alibaba's affiliated companies, Fliggy also has massive user data and resources. Through data analysis and recommendation algorithms, it provides users with personalized travel choices, allows users to find their own matching travel methods, and also creates digital marketing tools for merchants, and provides online platforms to create a true travel ecology Constantly discover new needs, new modes. By creating personalized travel recommendations to let users know their most suitable travel methods and placing a convenience order. By integrating resources, Fliggy connects tourism product suppliers with consumers resources to help merchants and the travel industry to provide better service to customers’ journey.

Additional information about Fliggy may be found at: <https://www.fliggy.com/>

**3. Environmental Analysis**

**3.1 Competitive Analysis**

Ctrip is the most competitive rival of Fliggy in tourism industry of China. Founded in 1999, Ctrip has long been in the top three of online tourism market, always occupying more than 35% of the market share. Hence, Ctrip was selected for this competitive analysis.

Ctrip builds a complete service and content tourism platform, including tickets ordering, travel customization, Journey Shoot guide, customer service, community Q&A, etc. Core functions are homogenized with Fliggy, therefore, distinctive features of Ctrip are from 2 aspects: Clear distinction between ordering service and content section and travel community based on users’ interests.

Firstly, Ctrip emphasize operation of content modules. The travel photography, travel notes, and article sections import travel schemes from other platforms. Q&A function connects users, allowing users to share and exchange opinions. While Fliggy does not have this feature. Ctrip's content quality and number of users are currently higher than those of Fliggy.

Secondly, Ctrip provides a section called “Interest Circles” on their website. The category is really detailed with various types of travel methods for users to choose. Entering favorite circles, and communicating with other users could improve user stickiness and user experience.

**3.2 Porter’s five forces**

Established competitors: There is fierce competition between OTA like Ctrip, Qunar, etc. The disadvantage of Fliggy is that most of its competitors started up earlier, already having a lot of offline resources and user accumulation. At the same time, with the vigorous development of China's tourism industry and the rapid rise of the online tourism industry, Fliggy will face a situation where competitors will only increase.

Influential customers: There are more individual customers on the OTA platform, so buyers are less likely to purchase in large quantities or amounts, and it is not easy to bargain. Because of wide range of options for hotels, air tickets and other services, people can choose service that suit them. In addition, due to the provision of discounted air tickets, buyers make more profit, so the bargain margin is small, and the bargaining power from consumers will be weak accordingly.

Powerful suppliers: For Fliggy, main suppliers include four major fields: electronic equipment suppliers, airlines, hotels and travel agencies. As an information providing website, mainly delivers information consulting and advance booking services, Fliggy is equivalent to an intermediate. Shortage of suppliers’ information provision, Fliggy will no longer exist. In other words, suppliers’ capabilities of bargaining enhanced.

Emerging competitors: So far, there are 134 countries and regions in the world that have established long-term cooperation with Fliggy. With more than 280,000 hotels, and 5,000 airlines, their ticket reservations service has covered lots of international and domestic routes. The physical support from offline travel agencies has provided consumers with standard services and improve Fliggy’s competitiveness in OTA industry, so Fliggy is in low invasion risk.

Substitute product or service offerings: Traditional offline travel agencies are attractive to customers who purchase "air ticket + hotel" portfolio. While, Fliggy has certain user accumulation from Ali products. At this level, the threat from alternatives become small. On the other hand, although Fliggy provides wide range of tourism business, but if Fliggy wants to be invincible when compared with its alternatives, it is necessary to attract customers with delivering excellent customer service.

**3.3 SWOT Analysis**

1. Strength

Fliggy is an online travel product owned by Ali Group. It naturally inherits the industry advantages of Alibaba's great ecosystem, that can serve hundreds of millions of consumers in all walks of life in China, from e-commerce to entertainment, local services and travel. Consumer preference insights gained from its many consumer-facing platforms, plus the use of AI, can make it create unique “golden profile” for each consumer, providing targeted products and service recommendations to different categories of consumers. What is more, the synergy effect of Alibaba products including: Alipay, Sesame Credit, Ant Huabei, make Fliggy possess resource that other tourism platforms lacking to compete with. Based on the above advantages, both users and merchants are willing to choose the Fliggy as their travel agency.

1. Weaknesses

Fliggy has only developed in recent years, and it will take time to catch up with other mature travel platforms such as Ctrip, Qunar etc. Moreover, as Taobao, another Alibaba application, uses big-data analysis to establish varied prices for same product or service based on different consumers, Fliggy is also being skeptical of price fraud. At this time, what the OAT platform needs to do is to actively absorb the opinions and suggestions from all parties, further improve the product upgrade work to achieve refined operations, and at the same time re-establish a good brand image through various promotion and discount policies.

1. Opportunities

As the main users of Fliggy are the younger generation, who are greatly rely on Internet resource, this is an opportunity for Fliggy. Fliggy must firmly grasp the young people and convert them into their loyal users. Young people as the main players in the tourism market have contributed most of their spending power. Fliggy must fully grasp the young consumer group, focus on personalization and diversification to meet the differentiated needs of young consumers, and provide young consumers with as many travel methods as possible during the travel process.

1. Threatens

Because the Fliggy travel platform is relatively young and the market share isn’t fairly large enough, the gap with the old travel platforms such as Qunar and Ctrip is still relatively large, which is regarded as a threat. According to China Online Travel and Vacation Industry Research Report of 2019 released by iResearch Consulting Group, Ctrip's monthly activity users are still leading in year 2019. The second place is Qunar. Therefore, Fliggy still lags behind Ctrip and Qunar, and should actively attract new users not only from Ali apps to increase its market share.

**4.** **Marketing Objectives**

The purpose of this marketing plan for Fliggy is to:

▪ Popularize and cultivate the rural tourism market  
▪ Working on precision marketing targeting Fliggy’s loyal members

for further customer service.

According to the annual report of 2019 by Fliggy released, in 2019, Fliggy received 0.5 billion tourists from rural tourism; total revenue exceeded $20 billion, accounting for 16.2% of total domestic tourism revenue. Based on the above statistics, we expected a 40% more increase in the rural tourism’s revenue compared to previous year on Fliggy platform before the end of 2020.

To achieve these objectives, service providers must respond to the requirements and questions outlined in this document.

**5. Marketing Strategy**

For families and friends group, rural area is the idea place that best delivers on an relaxing experience because countryside connects you to the peaceful environment you most wish.

**5.1 Objects of Marketing**

Obviously, agritourism market to be targeted are families and friends.

With revolution of people's travel behavior in recent years, the original popular group tours have gradually changed into self-driving tours, mainly based on small groups and family groups. In this way, with location advantage, rural tourism is popular among family and friends at twenties and thirties because it is especially suitable for weekends which are short and intensely. After the quarantine, consumers who have been repressed for a long time will rebound in a short time after the end. For those who have lived in the city for more than months, their top choice will be tourism product like farm life experience, parent-child farms, etc.

The types of rural tourism products are: farm style (feel traditional atmosphere of "home", providing accommodation and farm activities); rural self-help style (self-catering accommodation in the renovated cottages); camping or resort hotels style (with shade sheds to serve tourists); backpacking hotel style; adventure etc. Activities in country land involves fishing, milking cows, bird watching, wine tasting, horse riding and so on. Different kinds of rural tourism products will certainly attract lots of travelers from cities where have closed for months.

Besides, family groups and friends have a large demand for various events: family day, birthday party, etc. Compared to other groups, these targeted travelers have steady income and a certain amount of savings in the bank. When the holiday has been planned, they have a condition where they are able to spend more money to ensure good accommodation in which to stay. According to this, the company should give holidaymakers the chance to holiday in quality accommodation with high-quality food, perfect location, great surroundings, good facilities, and various activities.

Features of purchasing in group with high frequency is conducive to rural tourism to steady consumers. According to a survey by the World Tourism Industry Association, family travel has become a hot spot in tourism today. Among them, 91% of family tourism mainly intend to have leisure and entertainment to get rid of stress and anxiety on weekdays. Consumers in small groups can enjoy independent travel arrangements, and independent professional guide services, making the trip more free, relaxing, and enjoyable.

In all, farm tourism is a travel mode that is suitable for minority groups especially for families and friends.

**5.2 Marketing Mix Strategies**

1. Products

The first is to highlight the advantages of the natural landscape of the countryside, and carry out unique rural tourism to meet the aesthetic needs of tourists. Enhance the attractiveness of rural tourism by highlighting the local ethnic characteristics, make tourists feel and experience unique rural tourism products. In this situation, rural tourism can also promote children-oriented tourism projects to increase small audience's awareness of nature. Rural tourism scenic spots based on traditional farming culture and folklore have great market demand.

1. Pricing

Establish a reasonable tourism price system. Through a coordination mechanism between tourism association and Fliggy platform, strengthen price supervision to prevent high-price alliances from harming consumers. On the other hand, the merchant can give discounts to the first 1000 customers who book a holiday, people who book a holiday 2 months in advance, or who book multiples.

1. Promotion

①. Opening flagship stores on Fliggy is like having a second official website, with displaying necessary contents such as scenic spots, accommodation and self-driving routes, etc. An online communication window is set up to answer customers' questions.

②. Use social media platforms like twitter. When one social media account has large number of followers, after regularly holding online activities, launching small prizes, it will successfully convert fans into tourism income. On the other hand, social networking application like Tik Tok has achieved an effective conversion from online to offline, saving great advertising costs, shortening the marketing cycle, and creating a truly appealing product.

③. Recommendations from vloggers with travel videos to share their experience, which can increase the popularity of scenic spots. Another significant marketing tool is word of mouth recommendations from relatives and friends, highly credible for rural tourism.

**6. Financial Analysis**

This year, with this promotion, Fliggy expects to sell rural tourism products for the second half of the year at $35 billion. The profit target in rural tourism part of 2020 is $60 million, increase sales by 28%.

To achieve this goal, this year's marketing budget in rural tourism will reach $10 billion, accounting for 17% of planned rural tourism sales, an increase of 60% over the previous year. Assuming with the budget, it will be allocated to these aspects (regardless personnel cost, investment in fixed asset and other fees):

1. Website Ads & Social media promotion

40% of total budget. Social media provides marketers with advanced audience targeting options and user click tracking, making it an ideal choice for corporate and brand promotion. Social networking sites have high user participation, which is the right choice to increase brand awareness in consideration of user age.

1. SMS & Email marketing

20% of total budget. Short message service is much more frequently used in china than email. It is also a simply and effective channels for retaining and nurturing consumers.

1. Traditional offline advertising like transit advertising

40% of total budget. Transit, with wide coverage, occupies the trajectory of most people's lives, and the information can be pushed to all kinds of people.

We must also see the marketing costs of competing products. Once our revenues are better than them in rural tourism section, marketing costs could decrease. Then the entire marketing spend will be more rational.

**7. Marketing Implementation**

Due to number of features and complexity, the promoting rural tourism project will be broken down into different phases covering market preparation and promotion (curation, transformation, operational and analytics). This plan is essentially focusing on phase 1 scope of work while a high-level overview of upcoming phases below to be planned.

The project phase 1,2,3 delivery target is listed below:

▪ Year 2020 by June to launch pilot of few selected locations

▪  Year 2020 third quarter by August to full launch for all platforms on Fliggy

▪ Year 2020 by November to provide on-gonging support and maintain the farm tourism market

Phase 1 essentially talking about to build standardization agritourism product to enable the appealing of consumers. Ultimately, the long-term goal is to enable Fliggy to do further targeted programs campaigns and attribute sales by channel, by person.

**8. Evaluation and Control**

The effectiveness of this marketing proposal will be evaluated according to the following listed rules:

1. Marketing performance could be measured by using search engine index or social media index as an auxiliary indicator.
2. Use changes in agritourism products sales on Fliggy platform as direct assessment indicators. If brand marketing activities of Fliggy do bring a lot of attention and discussion, but they may not bring a significant increase in sales at the same time. Travel products, require a certain amount of time to follow customers with their puzzle. Potential customers start to know or pay attention to related products, and need many times communication between the final order. Unlike low-price and fast-moving goods like food, that their sales growth is relatively obvious. With the help of big data from Alibaba, order fulfillment can be divided into a quantifiable process: each customer's order time is accurately tracked, and the type of service is selected. Analysis the information can predict further discover whether all promotions in agritourism marketing really drives sales growth.
3. Analysis of feedback and comments from clients in time are also a method to evaluate the promotion effect of marketing activities.
4. Business requirements risk

From the market demand, for example, due to the cold weather in the fourth quarter, most outdoor activities in rural tourism may be in low demand. In this case, tracking changes in consumer consumption preferences can launch new businesses.

1. Price risk

In operations, the company needs many ways to eliminate risks in finance, such as reducing costs, designing innovative points for products, providing space for lower price risks.

1. Credit risk

If the merchant fails to fulfill the promise as consumer expected, it is the most common risk that harm one’s reputation of customer service.

**9. Executive Summary**

Finally, to sum up, this marketing plan provides advice of focus on the rural tourism project that I am studying to a feasible solution deploy for Fliggy.

All in all, Covid-19 has hit the tourism industry, but it also highlights the strong demand and broad prospects of the rural tourism market and online travel products in front of the epidemic. In the face of opportunities, Fliggy needs to the optimization and upgrading in operation, efficiency, and experience.