

# The Perception of Marketing Mix of TICA by Convention Providers in Bangkok

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## Abstract.

Convention is one of the most important sectors within the business travel and also one of the fastest growing segments in world tourism. Thailand is recognized as one of the region's finest and best-equipped venues in Southeast Asia. This research is aimed to study the perception of marketing mix of TICA (Thailand Incentive and Convention Association) by the convention providers in Bangkok. This research studies the perception of convention providers towards TICA in marketing mix, which are product, price, promotion and distribution. Three hundred and eighty four questionnaires were distributed to the staff of convention hotels and convention centers in Bangkok. The respondents were asked to mark the TICA in eight aspects of marketing mix separately. From data analysis, the researcher found that there is a significant difference between convention hotels and convention centers in their perception of four aspects of marketing mix of the TICA in Bangkok.

## Introduction

### A. Statement of the problem

According to Abbey and Link (1994), the convention and meetings business is an element of the tourism industry that is one of the highest growth-oriented sectors of tourism. The convention business has the potential to bring significant economic and social benefits to every country.

As the competition among destinations to host conventions intensifies, destination managers face numerous marketing challenges in creating positive destination images. Accordingly, the role of a convention and visitor bureau (CVB), the primary destination marketing organization of a destination, has become more important.

The perception of the mix of Thailand CVB by convention provider perspectives such as hotels and convention centers can bring information about destination marketing and the role of Thailand CVB.

This research attempts to get some information about the marketing performance of CVB through a good understanding of the role of Thailand CVB and a perception of the marketing mix of CVB by convention providers.

### B. Introduction of the study

#### a. Overview of Convention and Visitor Bureaus

CVB is primarily the destination marketing organization which links the different providers together to promote and sell the host destination. It plays the central role in marketing for their geographic areas to meeting and convention planners, the travel trade, individuals, and other related groups. The key role of CVB is therefore a leading team for "destination marketing". One of the key organizations which contribute much to the destination marketing of Thailand is the Thailand Incentive and Convention Association.

#### b. Thailand Incentive and Convention Association (TICA)

The Thailand Incentive and Convention Association (TICA) is a non-profit organization established in 1984 jointly by the government (the Tourism Authority of Thailand and Thai

Airways International) and the private sector. TICA's function is to aid the growth of Thailand as a preferred destination for meetings, incentives, conventions and exhibitions.

## **Conclusion**

### *A. Conclusion – Different convention providers' perception towards the four dimensions of marketing mix in Bangkok*

According to the means of the 4Ps of the marketing mix, the four means of TICA marked by convention centers were higher than that marked by hotels. It means that convention centers were more satisfied with TICA than with hotels. In other words, convention centers focused on the TICA more than hotels. For the researcher, the reason for that was the business difference. The convention centers attempt to focus on the convention and exhibition markets which, to some degree, relied on the TICA directly. On the other hand, hotels have different target markets. Besides the business travelers, for example, hotels have other target markets such as families and coach groups which have little relation with the convention business.

### *B. In product aspect*

From the hotel perspective, they thought that TICA didn't have the MICE product knowledge and TICA didn't develop the product mix for the target market. In contrast with hotels, convention centers thought that TICA had the MICE product knowledge and TICA developed the product mix for the target market. In the researcher's opinion, the reason for the difference is influenced by the different range of the product. In general, hotels have wider range of product than convention centers.

### *C. In price aspect*

Both hotels and convention centers ranked the price aspect at a very low level. Because TICA is an industrial organization which means it has no right to decide the price. TICA just can control some elements of pricing through regulation, advice and through partnership with the private sector. From this we knew that TICA had little influence on the price to the target market.

### *D. In promotion aspect*

According to the means of promotion aspect of TICA, hotels and convention centers both gave the same ranking of collateral material at a high level, which means the brochures, information handouts, and so on produced by the TICA satisfied both hotels and convention centers. And the hotels and convention centers gave the same perception to publicity and PR at a middle level. There were no differences in collateral material and publicity and PR mix of TICA evaluated by the hotels and convention centers. The most different perception in promotion was sales promotion. Hotels gave a higher mark to the sales promotion of TICA than convention centers. The reason for the difference was that as a marketing tool sales promotion as used by TICA to hotels is more suitable than to convention centers. The result of this aspect showed that TICA had understood the characteristic of sales promotion. The last one is advertising. Both hotels and convention centers gave this aspect a low ranking. As a marketing tool, in general, advertising spent more money than any other tool and this wasn't the most effective way to contact the target markets. The characteristic of the convention industry decided that the advertising mix of TICA did not satisfy the convention providers.

### *E. In place aspect*

Hotels had a more positive perception on distribution than convention centers. The reason for the difference of the ranking between hotels and convention centers was the different channels contacting the target markets between hotels and convention centers. Large hotels usually use

electronic distribution such as the CRS (computer reservation system) as their main distribution mode. So convention hotels relied on electronic distribution more than convention centers.

## **Recommendations**

### *A. Recommendation for product aspects*

First, the CVB should have a full understanding of the convention market, the provision of the standards and quality of accommodation, facilities, and services to meet the convention traveler's requirements, and facilities attractive to the convention travelers. They should identify strengths and weakness in the current product mix about their image or attractions, their facilities, accommodation supply etc, and their accessibility.

Next, once the CVB has chosen to target one or more of the particular segments, it must then position their product accordingly. Product positioning involves the development of an appropriate marketing orientation, or service and marketing mix, to occupy a specific place in the mind of the customers within the market segments targeted (Morrison 1998).

Thirdly, product positioning is tied closely with product differentiation. The CVB should strive not only to meet the needs of select target market segments, but also to appear "different" from their competitors in positioning strategies. The different convention tourists and different convention providers have different needs and wants, this study could help CVB to adjust their management and marketing according to the different needs and wants.

### *B. Recommendation for price aspects*

The marketers should not forget that the price mixes vary at different stages of the product life cycle. While adopting a particular strategy, the marketers have a number of alternatives, such as, to lead the field by keeping prices down, to adopt a strategy of niche marketing by differentiating the product from the market leaders to select a particular segment and to select a particular segment to which the marketers aim their appeal.

However, CVBs can become a voice for their members when government action impacts on the price competitiveness of the city. And they can control elements of pricing through regulation, advice and through partnership with the private sector. CVBs can provide guidelines by suggesting minimum prices to protect small suppliers from fierce competition and maximum prices to protect consumers from overcharging. CVB should formulate partnerships with principals and train them on the importance of maintaining a fairly standardized pricing structure and policy.

### *C. Recommendation for promotional aspects*

Promotion aspects were the focus of the marketing mix of CVB. First, convention travel promotion should necessarily aim at different groups: the people traveling and the purchase decision makers.

Second, collateral materials are produced for both promotional and informational purposes. It should be developed for the specific market segment targeted and it should highlight and promote the benefits of the product that are important to the specific customer segment. However, given this specific benefit positioning, it is also important for the marketer to realize the importance of the general "branding" identity of the product or facility.

Third, advertising should also target the specific market segment. In the convention industry, CVB should target the meeting and conference organizer or decision maker, with a particular communication message addressing perceived customer benefits. CVB also should understand the correct communication medium to use, and choose the right magazine through which to reach these important decision makers.

Next, publicity and public relations play a significant role in the marketing activities of many destination marketing organizations. CVB should use public relations to generate news stories, articles and publicity in order to develop the awareness of consumers and persuade them to

purchase their products. Hosting a journalist or a celebrity in the destination can generate more interest than any other forms of promotion because consumers are more passive receivers than with advertising.

The final part of the promotion involves the use of sales promotions. Sale promotion can also be effectively used to stimulate trial purchases. In the convention industry, they are frequently used to bring in business during the off-periods. Sales promotion involves the development of creative ideas aimed at producing business, or creating a customer, in support of the total marketing effort. Sales promotion must be in tune with overall objectives and must complement other elements of the marketing mix.

#### *D.Recommendation for distribution aspects*

First, the CVB must determine the best means of selling its product and services to the determined target market. The distribution strategy adopted must be effective in reaching the market and be full integrated with the other elements of the marketing mix. The main distribution tasks are to communicate information to the relevant people and to provide the necessary travel arrangements with easy purchase facilities. A key element is to identify the important people in the convention travel decision-making process. It's especially important to target the different decision-makers according to the different requirements of different convention providers.

Second, the availability of information on the Internet and the emergence of electronic intermediaries revolutionized distribution and destination marketing. Electronic distribution offers opportunities for closer interaction and co-operation at the local level. Destination Management Systems is an easy way for visitors to obtain information about different aspects of the area. CVB should start to tailor their web site to meeting planners (Russell, 1996). It will make it quicker and easier for the meeting planner to access the information and be able to bring more convention visitors into the area.

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