



Prifysgol Cymru
Y Drindod Dewi Sant
University of Wales
Trinity Saint David

200
1822 - 2022

Welcome to Strategic Tourism, Events and Leisure Management (BMTP6016)

*Man Geni Addysg Uwch yng Nghymru
Where Higher Education Began in Wales*

www.uwtsd.ac.uk



Session Aims

- Understand the importance of strategic planning in the tourism industry.
- Identify and apply key strategy formulation tools in tourism.
- Analyse tourism scenarios using strategy formulation frameworks.
- Develop strategic recommendations for tourism organisations or destinations.



Assignment 1

Organisation Suggestions

- Marriott International
- Hilton Hotel
- Eventbrite
- Expedia Group
- Viator
- Reed Exhibitions
- Cvent
- Airbnb
- Trafalgar
- Ticketmaster

If unsure, please let me know! 😊

A top-down view of various travel and navigation items scattered on a green and white topographic map. The items include a pair of black-rimmed glasses, a silver compass, a black camera with a lens, a silver wristwatch with a metal link band, a brown leather wallet with a black airplane icon, and a black smartphone. A red string is also visible near the compass.

Introduction to Strategic Planning in Tourism

Why is strategic planning important in tourism/
events?

The importance of strategic planning in tourism and events

Clear Direction:

- It outlines the goals for the tourism or event business and guides everyone on how to reach them.

Resource Management:

- It ensures efficient use of time, money, and staff to avoid waste and maximise returns.

Risk Management:

- Planning ahead helps identify and manage potential risks, minimising negative impacts.

The importance of strategic planning in tourism and events

Market Understanding:

- Strategic planning helps businesses identify customer needs, leading to better experiences that attract more visitors.

Competitiveness:

- It keeps tourism and event businesses ahead of competitors by spotting unique opportunities and industry trends.



Strategic Planning in Tourism

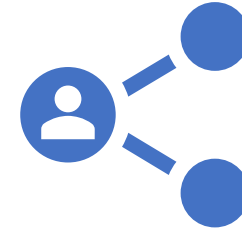
Strategic planning in tourism and events involves setting **clear goals** and **creating a plan** to achieve them.

It could focus on attracting more visitors, running successful events, and growing the business.

Its role in long-term success includes:

- **Set a Vision:** Helps businesses define their future goals and the path to get there.
- **Make Smart Decisions:** Guides effective use of resources like money and staff.
- **Adapt to Changes:** Keeps businesses flexible and ready for new trends and challenges.

To sustain competitive advantage, how can strategic planning ensure that the business stands out?



Offering Unique Experiences: It focuses on what makes the tourism or event business different from others.

Staying Ahead of Trends: It helps businesses identify new opportunities and stay updated on customer preferences.

Strategic planning is the key to building a strong, successful, and competitive tourism or event business that thrives in the long run.

Strategic Planning in Tourism: Barcelona 1992

In the early 1990s, Barcelona was not a major tourist destination, but the 1992 Olympics changed that through strategic planning:

- **Clear Goals:** The city aimed to boost long-term tourism and enhance its image.
- **Infrastructure Development:** Upgrades included new roads, improved public transport, and a famous beachfront.
- **Branding:** Barcelona was promoted as a vibrant cultural hub with rich history and beautiful architecture.
- **Sustainability:** After the Olympics, the city focused on improving tourist experiences while managing growth and avoiding overcrowding.





Barcelona'92

What was the Impact?

Strategic Planning in Tourism: Barcelona 1992

- Barcelona is now one of Europe's top tourist destinations, drawing millions of visitors annually.
- This growth has created jobs and boosted the local economy, thanks to strategic planning around the Olympics.
- This shows how foresight and planning can transform a city into a lasting tourist hotspot.

Overview of Strategy Formulation Tools

Key strategy formulation tools used in the tourism and events industry: PESTLE Analysis

- PESTLE Analysis is a tool that helps tourism and event businesses understand external factors affecting their success.
- By examining these factors, they can plan better and adapt to changes in the world.

PESTLE Analysis

Political factors play a crucial role in shaping operations, opportunities, and challenges.

- **Government Policies:** Rules like travel restrictions, promotion efforts, and safety standards influence how easily tourists can visit.
- **Political Stability:** A stable political climate attracts tourists, while unrest can deter them and harm a destination's image.
- **Travel Restrictions and Regulations:** Visa requirements and health regulations set by governments can either encourage or discourage tourist visits.

PESTLE Analysis

Economic factors are essential for understanding how the financial environment influences the tourism and events industry.

- **Economic Growth:** When a country's economy grows, people have more money to spend on travel, boosting tourism.
- **Inflation Rates:** High inflation makes travel more expensive, which can discourage tourists, while low inflation encourages travel spending.
- **Disposable Income:** Higher disposable income allows people to spend more on travel and entertainment, benefiting tourism.

PESTLE Analysis

Social factors refer to the cultural, demographic, and societal trends that influence the tourism and events industry.

- **Demographics:** Age, gender, income, and family structure influence travel preferences. Younger travellers often prefer budget options and adventures, while older travellers typically seek luxury and guided tours. Businesses should tailor their services to these differences.
- **Lifestyle Changes:** Evolving lifestyles lead to shifts in travel habits, with trends like wellness tourism and remote work influencing travel choices. Adapting to these trends can help businesses attract more customers.
- **Social Media Influence:** Social media significantly impacts travel decisions, with platforms like Instagram and Facebook offering inspiration and recommendations. Positive reviews and appealing photos can sway tourists' destinations and experiences.

PESTLE Analysis

Technological factors refer to the impact of technology on the tourism and events industry. These factors can shape how businesses operate, how customers interact with services, and how experiences are delivered.

- **Online Booking Systems:** Technology simplifies booking flights, accommodations, and activities online. Websites and apps enable users to compare prices, read reviews, and make reservations, improving the customer experience.
- **Social Media and Marketing:** Platforms like Instagram, Facebook, and Twitter are vital for tourism marketing. Businesses use them to share content, engage with customers, and promote services, with positive reviews influencing potential travellers.
- **Automation and Chatbots:** AI chatbots manage customer inquiries and bookings, providing instant support. This technology enhances efficiency, reduces wait times, and offers 24/7 assistance, improving the customer experience.

PESTLE Analysis

Legal factors are the laws and regulations impacting the tourism and events industry. They are essential for compliance, protecting businesses, and safeguarding consumers.

- **Health and Safety Regulations:** Laws ensure tourism businesses, like hotels and restaurants, provide safe environments for guests, preventing accidents and protecting everyone.
- **Employment Laws:** These laws govern employer-employee relationships, including hiring, working conditions, and wages. Adhering to labour laws is essential for fair treatment and a positive workplace in tourism.
- **Travel Regulations and Visa Requirements:** Different countries have specific rules for visas and entry. Travel companies and event organisers must understand and follow these regulations for smooth travel experiences.

PESTLE Analysis

Environmental factors are the ecological aspects affecting the tourism and events industry. They are increasingly important as businesses work to reduce their impact on the planet and adapt to changing conditions.

- **Climate Change:** Climate change leads to extreme weather events, which can disrupt travel and events, prompting travellers to seek more sustainable options.
- **Natural Disasters:** Destinations at risk for natural disasters, like earthquakes or hurricanes, may see a decline in tourism as travellers avoid these areas. Businesses need contingency plans for such situations.
- **Sustainability Practices:** There is growing demand for eco-friendly tourism. Travelers prefer sustainable options like green accommodations and responsible wildlife tourism, so businesses focusing on sustainability can attract environmentally-conscious customers.



Overview of Strategy Formulation Tools

Key strategy formulation tools used in the tourism industry:

Porter's Five Forces

Porter's Five Forces is a tool that helps tourism and events businesses understand competition and improve strategy by analysing five key factors:

1. **Competitive Rivalry:** Competition among existing businesses.
2. **Threat of New Entrants:** Ease of entry for new competitors.
3. **Threat of Substitutes:** Ease of switching to other products or services.
4. **Bargaining Power of Customers:** Customer influence on prices and service quality.
5. **Bargaining Power of Suppliers:** Supplier influence over costs and resource availability.

Competitive Rivalry

Competitive Rivalry is a key factor in Porter's Five Forces, assessing competition intensity in the tourism and events industry. High rivalry impacts pricing, service quality, and profitability.

- **Number of Competitors:** The tourism industry includes many players, such as hotels and airlines. More competitors increase competition, driving prices down and improving services.
- **Service Differentiation:** Companies often provide unique experiences, like eco-tours or luxury stays. This differentiation reduces rivalry by targeting specific customer preferences.
- **Customer Loyalty:** Loyal customers can lower competition. Frequent travellers may stick to a specific airline or hotel due to rewards or positive past experiences, making it harder for new entrants to attract them.

Threat of New Entrants

The threat of new entrants measures how likely new companies are to join the tourism and events industry, impacting market dynamics, pricing, and competition.

- **Barriers to Entry:** These obstacles, like high startup costs and established brand loyalty, make it difficult for new companies to enter the market.
- **Access to Distribution Channels:** Established businesses have strong relationships with distribution channels (like travel agencies), making it tough for newcomers to secure these partnerships.
- **Brand Loyalty:** Customers often stick to trusted brands, making it hard for new companies to attract them and limiting their chances of success.

Threat of Substitutes

The threat of new entrants indicates how likely new companies are to enter the tourism and events industry, affecting market dynamics and competition.

- **Barriers to Entry:** High startup costs, established brand loyalty, and regulatory requirements make it hard for new companies to enter.
- **Access to Distribution Channels:** Established businesses have strong ties to distribution channels (like travel agencies), which makes it challenging for newcomers.
- **Brand Loyalty:** Customers tend to stick with trusted brands, making it difficult for new companies to attract them.

Bargaining Power of Customer

The bargaining power of suppliers indicates how much influence suppliers have over prices and terms in the tourism and events industry. Understanding this helps companies manage supplier relationships effectively.

- **Number of Buyers:** If there are only a few large buyers for a product or service, they have more power. For example, if a company sells to just a few big retailers, those retailers can negotiate better prices.
- **Buyer Knowledge:** Informed buyers who understand products, market prices, and alternatives can negotiate effectively and pressure sellers.
- **Availability of Alternatives:** When many alternatives exist, buyers have more power and can easily switch to competitors if they're dissatisfied.

Bargaining Power of Suppliers

The bargaining power of suppliers is a key factor in Porter's Five Forces, reflecting how much influence suppliers have over prices and terms in the tourism and events industry. Understanding this helps companies manage supplier relationships.

- **Supplier Concentration:** Few suppliers (like hotel chains or airlines) can set higher prices and strict terms, impacting profitability.
- **Uniqueness of the Supplier's Product:** Unique products (like luxury hotels) give suppliers more power, forcing businesses to accept their terms.
- **Switching Costs:** Difficult or costly switching (due to long-term contracts or specialised training) increases supplier power, limiting business options.

Ansoff Matrix



Overview of Strategy Formulation Tools

Key strategy formulation tools used in the tourism and events industry:

The Ansoff Matrix

The Ansoff Matrix is a strategic planning tool for the tourism and events industry that helps businesses determine growth strategies by analysing current and new markets alongside existing and new products or services.

The four main growth strategies are:

1. Market Penetration: Existing products/services in existing markets.
2. Product Development: New products/services in existing markets.
3. Market Development: Existing products/services in new markets.
4. Diversification: New products/services in new markets.

Ansoff Matrix

questus marketing knowledge



The Ansoff Matrix

1. Market Penetration

(Selling more of what you already offer to the same people)

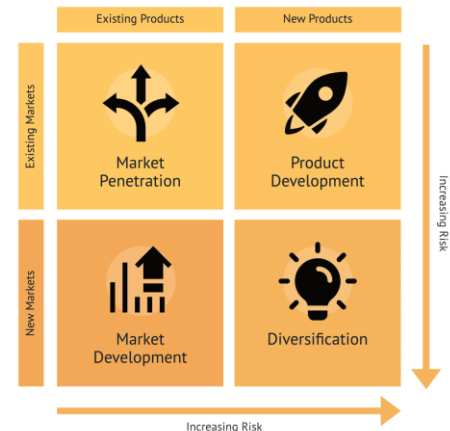
- Goal: Get more customers from your current market.

- Example:

A hotel offering special discounts or loyalty programs to attract more bookings from regular guests.

An event organiser might run more ads to get more people to attend the same kind of events.

What strategies can organisations implement to increase their market share?



The Ansoff Matrix

2. Product Development

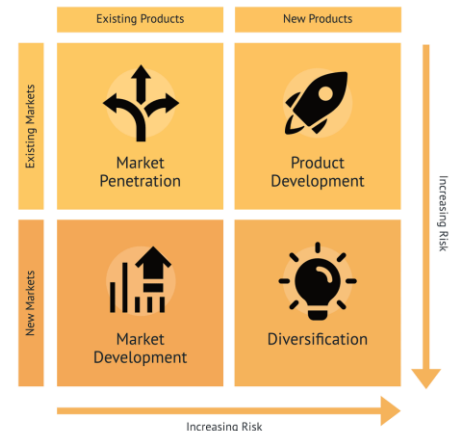
(Offering something new to your current customers)

- Goal: Create new products or services for the people you already serve.
- Example:

A tour company adding new types of tours, like adventure tours or food tours, for the same customers.

An event planner might introduce new activities or themes to their existing events.

What could an events or tourism organisation implement within this strategy?



The Ansoff Matrix

3. Market Development

(Taking what you already offer to new customers)

- Goal: Sell your existing products or services to new markets or regions.
- Example:
A hotel chain expanding into new cities or countries with the same style of hotels.
An event company might take an event they've been running locally and start offering it in other cities.

What can organisations offer to gain new customers?

The Ansoff Matrix

4. Diversification

(Offering something new to new customers)

- Goal: Create new products or services and sell them to a completely new market.
- Example:

A hotel chain starting a new type of business, like opening restaurants or spas in different locations.

An event company might create a completely new kind of event for a different audience, like moving from corporate events to music festivals.

What can organisations do to diversify their offering?

Application of the Formulation Tools

Activity:

1. Choose an organisation of your choice (You can use the organisation you have chosen for Assignment 1).
2. Using the Ansoff Matrix, select one of the strategies and apply it to your chosen organisation.

The four main growth strategies include;

- Market Penetration (Existing Products/Services + Existing Markets)
- Product Development (New Products/Services + Existing Markets)
- Market Development (Existing Products/Services + New Markets)
- Diversification (New Products/Services + New Markets)

Scott's (Basic) Example

Market Penetration:

- Increase marketing efforts for existing tours or events to attract more customers.

Product Development:

- Introduce new themed tours (e.g., culinary tours) for existing markets

Market Development:

- Expand services to new regions (e.g., offer tours in a different country).

Diversification:

- Create new experiences like adventure retreats in a new market (e.g., eco-tours in a different region).

Developing Strategic Recommendations

The process of converting analysis into actionable strategies

Converting analysis into actionable strategies means using insights from tools like PESTLE, the Ansoff Matrix, and Porter's Five Forces to create clear steps for growth in your tourism or event business.

1. Review Your Analysis:

Examine insights like market trends and competition.

Example: If a PESTLE analysis shows rising interest in eco-friendly travel or Porter's analysis highlights strong competition, use these findings to inform your strategies.

Developing Strategic Recommendations

2. Set Clear Goals:

Define specific, measurable, and realistic goals based on your analysis.

Example: If demand for sustainability is rising, aim to increase eco-friendly tour offerings by 20% in the next year.

3. Identify Strategic Options:

Brainstorm ways to achieve your goals based on your analysis.

Example: If competition is high, consider offering unique services like personalised tour packages or partnering with local businesses to stand out.

Developing Strategic Recommendations

4. Prioritise Actions:

Focus on the most impactful strategies instead of trying to do everything at once.

Example: If eco-tourism demand is high, prioritize eco-friendly initiatives like reducing carbon footprints before entering new markets.

5. Create an Action Plan:

Break each strategy into specific steps, assign tasks, set timelines, and allocate resources to ensure the plan is realistic.

Example: For eco-friendly tours, steps could include finding eco-certified hotels, training staff on sustainability, and marketing to eco-conscious travellers.

Developing Strategic Recommendations

6. Implement and Monitor:

Execute your plan and regularly check progress. Adjust if something isn't working or if new opportunities arise.

Example: If an eco-tour isn't getting enough bookings, revisit your marketing or adjust the price to attract more interest.

7. Evaluate Success:

After taking action, assess if you've met your goals. Learn from the results and refine your strategies as needed.

Example: After implementing the eco-tour strategy, check if bookings and satisfaction have increased, and adjust based on feedback.

Developing Strategic Recommendations

Based on your the Ansoff Matrix you developed earlier, come up with 2 strategic recommendations for each section.

Example:

- For 'Market Penetration', I identified increasing marketing efforts for existing tourism or events to attract more customers. My strategic recommendations are as followed;
 1. Customer Referral Program: Implement a referral program where current customers can earn discounts or rewards for bringing in new customers. This encourages word-of-mouth marketing and increases bookings.
 2. Partnerships with Local Businesses: Collaborate with local hotels, restaurants, and attractions to create package deals. This can attract more visitors who are looking for comprehensive travel experiences.

Do the same for Product Development, Market Development and Diversification.

Summary and Reflection

In today's session, we covered the following:

- We gained an understanding on the importance of strategic planning in the tourism industry.
- We identified and apply key strategy formulation tools in tourism.
- We analysed tourism scenarios using strategy formulation frameworks.
- We developed strategic recommendations for tourism organisations or destinations.



**ANY
QUESTIONS?**





No session!

Thank you for your time!

If you have any questions, please
contact me via Teams or email
(scott.james@uwtsd.ac.uk).

See you next week!