

Marketing Mix: A Comparative Analysis of Two Tour Operators in Sabah, Malaysia

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Abstract: *The purpose of this research paper was to compare the marketing mix adopted by two tour operators in Sabah, Malaysia. The marketing mix was defined as the mixture of controllable marketing variables that both tour operators used to pursue the sought level of sales in the tourism and hospitality market. It aimed to provide a better understanding of the four P's (product, price, promotion, and place) in the marketing mix and how they are used in the context of two tour packages. The two tour operators selected for this research paper were Discovery Tours and Wildlife Tours. Findings indicated that few differences exist in the marketing mix of the two tour operators; their product, price, place, and promotions are rather similar. Their target markets include both local and overseas and both emphasize adventure and recreation. No differentiation according to age and socioeconomic status is made as both tour operators maintain that their products and services are safe for customers of all ages and income levels. In general, Wildlife Tours offers more printed information and a better package with a reasonable price for its product, which is the trip to Turtle Islands. To popularize their product as a nature's paradise, they should constantly revise their itineraries to make their package more attractive and affordable, while keeping the carrying capacity optimal. To generate environmental awareness and attract eco-conscious tourists, they should highlight conservation of natural resources in their brochures and websites. They should also mention the age groups, safety measures, and proper use of the natural resources. Both tour agencies should practise market segmentation to attract a particular group of consumers, for instance, during the school holidays, they could offer a special package to high school students and teachers. Finally, they should arrange special trips for older persons, the physically challenged, and charity groups.*

Keywords: *marketing mix, tour operators in Sabah, tourism and hospitality*

I. Introduction

Dekker (2015) stated that product is the first consideration of the marketing mix of a tour and activity provider; hence, it should offer a specific tour or activity that is in popular demand. Additionally, it should be a high-quality tour and an authentic experience in order to exceed customers' expectations. Place is the second consideration in the marketing mix since a tour and activity provider has to make its product available for booking on a wide variety of platforms. Nowadays, many travellers prefer to book online for their reservations; hence, a tour and activity provider should have a mobile-friendly website to promote its products and services. Price is the third consideration; a tour and activity provider needs to price its tours and activities according to demand and value. It does not need to give away its product in order to attract customers, but it should offer them a valuable and worthwhile experience. Promotion is the fourth consideration; a tour and activity provider should utilize a variety of advertising techniques and marketing campaigns to promote its business. Using social media is one of the most effective promotion strategies nowadays.

Dekker (2015) added that a tour and activity provider should adopt an extended marketing mix, one that is applicable to its own unique products and services. First, it should invest in the right employees because enthusiastic and entertaining guides can help attract more customers to the business, and will enhance the overall experience. Second, it should ensure that its tours run on schedule, and give the customers the promised experience. Since delivery of the final product is critical to attract previous and potential customers, a tour and activity provider should excel in its operations, for example, it should avoid long waiting times or making customers walk for too long. Third, it should give customers physical evidence of what they have paid for, for example, by ensuring that the vehicles, gear, and other things are in top condition so that customers will feel, see, and experience its tours and activities in a favourable manner.

The purpose of this research paper was to compare the marketing mix adopted by two tour operators in Sabah, Malaysia. Information for the research paper was obtained by conducting desk research, field research, and observations. Desk research included the use of brochures, pamphlets, and books, while field research involved interviewing staff members of the two tour operators and the public. Observations were carried out by the second author who visited the two tour operators.

The product, design, quality, range, and features of the tour operators were carefully examined. Prices were compared according to their pricelists, discounts, commissions, and surcharges. Places were compared according to their distribution channels, distribution methods, coverage, and location. Promotions were compared according to their techniques of advertisement, sales promotions, direct selling, and publicity.

II. Secondary findings

2.1 Product of Discovery Tours

Product refers to both tangible goods and intangible services (Kotler, 2001). A tourism product is perishable, non-standardized, fragile, and unpredictable. The core product selected for this research paper was a trip to Turtle Islands, Sabah. The augmented product included all other aspects of the trip, including staff and insurance. Both Discovery Tours and Wildlife Tours offer this core product and used various promotional techniques to attract consumers and satisfy their needs in order to maximize their sales revenue.

The trip to Turtle Islands offered by Discovery Tours (2015) consists of two days and one night. The product or tour description and itinerary under the title of *Sandakan Tour Packages* are as follows:

“The morning flight to Sandakan is followed by transfer to the jetty for a boat ride of approximately 1.5 hours to Selingan, one of the three islands that make up the Marine Turtle Conservation Park. Visit the hatchery and watch for turtles after nightfall to become part of the conservation programme that is carried out here. Accommodation is at the island’s resthouse. The main journey to Sandakan is made in time to catch the feeding of the orang utans at the Sepilok Orang Utan Rehabilitation Centre, where young utans are coached to enable them to return to their natural habitat.”

On the first day, tourists can take a morning flight from Kota Kinabalu to Sandakan, ensued by a boat-trip to Selingan Island. At Selingan, tourists can visit the turtle hatchery and watch for turtles after nightfall. They can stay overnight at the resthouse. On the second day, tourists will depart from Selingan to Sandakan. They will travel to the Sepilok Orang Utan Rehabilitation Centre where they can witness how young apes are trained to readjust to their natural habitat. After that, they will spend some time in Sandakan’s town area, including the central market and Chinese temple. They will be served lunch at a local hotel before returning to Kota Kinabalu on an evening flight.

Overall, Discovery Tours (2015) has packaged its product through two glossy travel brochures. Both brochures contain attractive headings and colourful photos capturing the interesting activities on Turtle Islands and the Orang Utan Rehabilitation Centre. Besides interesting information, they contain recommended items to bring on the trip.

2.2 Product of Wildlife Tours

The trip to Turtle Islands offered by Wildlife Tours (2015) consists of two days and two nights. The product or tour description and itinerary under the *Back to Nature* heading are as follows:

“To Turtle Islands. Start your back-to-nature tour from Sandakan with a taste of sun-drenched island beaches and sparkling blue seas. But this island is uniquely different. The only island in the world where sea turtles come every night of the year to lay their eggs in the sand. Witness this fascinating natural spectacle under the guidance of local experts dedicated to the creatures’ welfare. Spend the night on the island in simple chalet accommodation.”

On the first day, tourists from Sandakan are transferred to the jetty to board a boat to Selingan Island. When they reach Selingan, they can check in Libaran Island Lodge where they are subsequently served lunch. After lunch, they can select their own leisure, including snorkelling and swimming. After dinner, they can watch turtle laying eggs on the beach, transferring of the eggs to the nursery, and releasing of hatchlings to the sea. They will also stay overnight at the chalet.

On the second day, tourists are transferred by boat from Selingan to Libaran Island early in the morning. Upon arrival, they check in a chalet, after which they can choose their own leisure activities, such as snorkelling in the Sulu Sea, jungle trekking, river cruising through a mangrove forest, night fishing, or taking a stroll in a village. They will stay overnight at Libaran, where breakfast, lunch, and dinner are served.

On the third day, tourists are transferred from Libaran to Sandakan early in the morning. Upon arrival, they can make their own plans, such as joining an excursion to the Kinabatangan River or Sepilok Orang Utan Rehabilitation Centre.

Overall, Wildlife Tours (2015) has packaged its tours in one 15-page booklet as well as two colourful brochures. Both highlight the major tourist spots and activities in Turtle Islands and Sandakan.

III. Comparison of the marketing mix of two tour operators

3.1. Products offered by the tour operators

With regard to similarities in their products, both Discovery Tours (2015) and Wildlife Tours (2015) have highlighted the attractiveness of their product, which is Turtle Islands. In their brochure, they have

included brief descriptions of their itineraries, leisure activities, and modes of transport. Both tour operators have highlighted the major tourist spots in Turtle Islands, such as the turtle hatchery, stunning beaches, and comfortable accommodation.

However, products of the two tour operators differ in terms of duration and itinerary. Discovery Tours (2015) offers a relaxing holiday of two days and one night in Turtle Islands, while Wildlife Tours (2015) offers two days and two nights. Further, the itinerary of Discovery Tours (2015) includes visiting the turtle hatchery in Selingan, Sepilok Orang Utan Rehabilitation Centre, and the downtown area of Sandakan (central market and Chinese temple). In contrast, the itinerary of Wildlife Tours (2015) highlights visiting the turtle hatchery in Selingan, snorkelling, swimming, and other leisure activities.

Additionally, Wildlife Tours (2015) includes visiting Libaran Island snorkelling, jungle trekking, river cruising, night fishing, and village strolls. However, Discovery Tours (2015) does not have these activities in its brochures. Wildlife Tours (2015) introduces other products to tourists, such as joining other excursions after the trip to Turtle Islands. In contrast, Discovery Tours (2015) merely transfers its customers back to the hotel after completing the itinerary.

Discovery Tours (2015) includes the Orang Utan Rehabilitation Centre and downtown Sandakan in its Turtle Islands trip. However, Wildlife Tours (2015) offers a separate package for the Orang Utan Rehabilitation Centre and Sandakan. Nevertheless, it includes Libaran in its Turtle Islands trip, while Discovery Tours (2015) does not.

After looking at the design, quality, range, and features of both tour operators, it is concluded that Wildlife Tours (2015) offers a more desirable product.

3.2. Prices offered by the tour operators

Price is the value on what is exchanged, and is the only variable that can be adjusted to respond to change (Kotler, 2001). As the livelihood of the company, it is critical as it determines its profit margin. It provides an index to consumers regarding the product or service. Many consumers perceive that a more expensive product or service tends to have better quality although it may not be true. Many budget consumers prefer a product or service to be of reasonable cost and good quality. They will compare the prices charged by the various companies offering the same product or service.

Discovery Tours (2015) charges about RM 700 per person for a trip to Turtle Islands, including airfare. As mentioned above, the itinerary consists of the main tourist spots in Selingan and downtown Sandakan. Wildlife Tours (2015) charges about RM 800 per person for the trip to Turtle Islands, including airfare. The itinerary includes the main tourist spots in Selingan and Libaran.

Overall, Wildlife Tours (2015) offers a better product and better price because it includes more attractive tourist spots and activities. The price difference between the two tour operators is about RM 100; nevertheless, it is reasonable to spend a bit extra for a better package offered by Wildlife Tours (2015). In its itinerary, Wildlife Tours (2015) has included Libaran Island rather than downtown Sandakan as offered by Discovery Tours (2015). More tourists would prefer a trip to Libaran as they could explore downtown Sandakan by themselves, which is free of charge.

3.3. Places highlighted by the tour operators

With regard to place, both tour operators are compared according to distribution channels, methods of distribution, coverage, and location (Kotler, 2001). Place includes the location of all points of sale that provide prospective customers access to tourists products. Both tour operators focus on tourist spots that are highly accessible in terms of accommodation, transport, and other related services.

Both tour operators have branch offices in Kota Kinabalu, the capital city, and Sandakan, a large town. Their Kota Kinabalu offices are located in the same building that is highly accessible. Both tour operators have a site at a five-star hotel. Their proximity to the capital city enables potential consumers to compare products and prices with great convenience.

Since consumers en route to Turtle Islands have to travel to Sandakan first, both tour operators ensure that their Sandakan offices are easily accessible. Further, all branch offices of both tour operators are located in close proximity to inns, hotels, and the airport. Their addresses, phone numbers, fax numbers, and email addresses are clearly stated in their brochures.

In all their branch offices, both tour operators have provided detailed information concerning their products, accommodation, transportation, food, and other related services. They readily allow prospective customers to sample their brochures and recommend their products and services in an enthusiastic manner. They also provide useful details concerning room and board, transport, booking, and other services.

Discovery Tours (2015) provides detailed information of its own products and services only upon request. Its display rack contains brochures from hotels, airlines, and Sabah Tourism Promotion Corporation, but not its own products and services. Information about the Turtle Islands trip is not on display, but will be

provided by the staff. In contrast, Wildlife Tours (2015) displays all the products, pricelists, and other related services on its racks, so potential consumers can get all the necessary information about its Turtle Islands trip just by sampling the brochures on the racks, without asking the staff.

A comparison of the branch offices in Kota Kinabalu reveals that Wildlife Tours (2015) has a more attractive layout. Its office appears to be better equipped and more attractive than that of its competitor.

To distribute their products and reach out to consumers, both tour operators employ direct selling, tour operators, and intermediaries. The security guards in the building could readily provide information concerning the offices of both tour operators. Besides, prominent billboards and a directory at the ground floor also indicate their exact location. Finally, offices of both tour operators are located at the vicinity of a tourism college, tourism promotion board, post office, banks, and large shopping complex. Having an office near tourism-related institutions helps generate useful information concerning their products or services.

3.4. Promotions conducted by the tour operators

Both tour operators use such promotional techniques as personal selling, direct marketing, advertising, public relations, and sales promotion. The promotional techniques are used to boost sales, foster a favourable image of the tour operators, develop a long-term relationship with customers, and keep customers informed regarding their products and services (Kotler, 2001).

To promote their products and services both tour operators use personal selling in the form of invoices and personal communication. Their staff members are adequately trained on selling skills in order to attract customers.

Both tour operators advertise their products and services in local newspapers and travel magazines, which are either subscribed by or distributed free to airline systems, tour agencies, hotels, resorts, and international companies. Further, to capture the local and international markets, they advertise their products and services in trade fairs and exhibitions.

Both tour operators actively participate in conferences and exhibitions held in Malaysia and other countries where they show videos on their services and services. Further, they send travel agents to Europe and other countries to promote their packages.

Direct marketing is practised by both tour operators by mailing their brochures and special offers to previous and potential customers. Their tour operations relay information to previous and potential customers about new holidays. Because they have branch offices downtown, they can approach customers more directly to promote their products and services.

Both tour agencies have established favourable public relations with the local press and through the Internet. Whenever they have a trade fair or exhibition, their spokesperson will release information to the news media and post crucial information in the website. Further, feature stories of both tour operators have been published in the local newspapers and uploaded in the Internet. Occasionally, the tour operators invite the press to participate in their outings in order to give them first-hand experience in their products or services. Some of their staff members have also granted interviews to reporters and tourism students from the local colleges.

Finally, both tour operators use sales promotion to add value to their products and services. They occasionally use discount vouchers, price cuts, and free gifts to attract previous and potential customers.

IV. Conclusions

For the Turtle Islands trip, few differences exist in the marketing mix of the two tour operators. Their product, price, place, and promotions are rather similar. Their target markets include both local and overseas and both emphasize adventure and recreation. No differentiation according to age and socioeconomic status is made as both tour operators maintain that their products and services are safe for customers of all ages and income levels. In general, Wildlife Tours (2015) offers more printed information and a better package with a reasonable price for the trip to Turtle Islands. Additionally, many other tour operators offer an attractive package to Turtle Islands. As a consequence, both tour operators have to offer competitive prices in order to develop brand loyalty and attract new customers. To popularize Turtle Islands as nature's paradise, they should constantly revise their itineraries to make their package more attractive and affordable, while keeping the carrying capacity optimal.

V. Recommendations

Discovery Tours (2015) should produce a better booklet providing details of the interesting activities in Turtle Islands and other popular spots in Sabah, Malaysia. To compete against Wildlife Tours (2015), it should include a few more places in its Turtle Islands itinerary.

To generate environmental awareness and attract eco-conscious tourists, both tour operators should highlight conservation of natural resources in their brochures and websites. They should also mention the age groups, safety measures, and proper use of the natural resources in Turtle Islands.

Both tour agencies should practise market segmentation to attract a particular group of consumers to Turtle Islands. For instance, during the school holidays, they could offer a special package to high school students and teachers. Further, they should highlight the unique flora and fauna of Turtle Islands. Outdoor activities on Turtle Islands, such as snorkelling, wimming, and trekking should be promoted as part of physical education and nature studies for youths. They should also arrange special trips for older persons, the physically challenged, and charity groups.

Both tour operators should continue to participate in local and international trade fairs to promote the natural wonders of Sabah. Many local and international tourists are not aware of the existence of Turtle Islands, so they end up visiting other more famous places in Asia, such as Langkawi, Bali, and Phuket. With the current economic situation, it is expected that more people will visit Turtle Islands as the trip is much more affordable compared to other places; hence, both tour operators should take advantage of the current economic trend by promoting their products and services to both local and international consumers.

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