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## Discussion on multi-variate model of tourism enterprise's network marketing

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### ABSTRACT

People's life increasingly depends on network with the development of internet, and as a product of continuous development of network information technology, network marketing conforms to the needs of social development. When network marketing being applied to the tourism industry, it confronts people with wholly new management organization, management mode, mode of transportation and technical means. Network marketing can not only create condition for the further development of enterprise, but also lay a solid foundation for gaining foothold in the fierce market competition. In order to better satisfy needs of different tourists, tourism industry of our country also adopts multi-variate model in network marketing, extending its development space on its original space and directly contributing to the progress and development of tourism enterprise. However, as network marketing can't be completed in a short period of time, tourism enterprise needs to make scientific and systematic development plan according to market needs. This paper devotes to studying cost advantage of tourism enterprise in implementing network marketing, conducting in-depth analysis on multi-variate model of tourism enterprise with the starting point of fast information acquisition and innovative communication mode, such as, set up modern marketing concept, update network marketing work of tourism enterprise, stimulate consumption by member consumption and corresponding strategy based on actual situations, so as to better promote the development of tourism industry.

### KEYWORDS

Tourism enterprise; Network marketing; Multi-variate model; Competition situation and strategy.



INTRODUCTION

People changes their pursuit from visual enjoyment to spiritual development as technology progresses and society develops, upon which lies the rapid development of tourism industry. Relevant data shows us that: tourism industry grows with the annual speed of 30%, in certain sense, it creates positive effect on promoting the development of national economy; widespread use of internet technology makes ordinary people become available to network technology, which generates influence their way of life and consumption. As an innovative embodiment of traditional tourism marketing mode, network marketing has features of wide coverage, low cost and convenience, and while increasing people’s understanding of tourism enterprises, it also displays them before the eyes of people around the world. Moreover, wonderful pictures accompanied by network market can increase visual enjoyment and stimulate people’s desire of purchase, which are the original intentions and purposes of tourism enterprises. The distribution of Top10 online booking enterprises is shown in Figure 1: CTRP takes the main part, while Qunar has been following up a victory with hot pursuit. And scale of online booking is increasingly becoming larger and larger, in Figure 1, transaction scale of Chinese online tourism market(from 2009 to 2016) is shown, which is expected to amount to RMB 408.0 billion by 2016-prospect of tourism enterprise’s network marketing is boundless. Operation mode of multi-variate model is mainly about bringing the role of network platform into full play, strengthening the relationship between enterprise and network platform; increasingly intensified competition of market leads to the escalating of tourism enterprise’s marketing mode of our country, upon this point, it become urgent to explore the multi-variate model of tourism enterprise’s network marketing.

TABLE 1 : 2013 online tourism enterprise ranking table

No.	Online Booking Enterprise	Percent (%)
1	CTRP	33.9
2	Qunar	22.1
3	12306	8.8
4	Taobao Travel	5.6
5	ELONG	5.0
6	Resource-sharing website(such as Caritas)	3.6
7	Hotel Travel Network	2.2
8	Airline Website	1.6
9	Mangocity	1.4
10	Tuniu Net	1.3



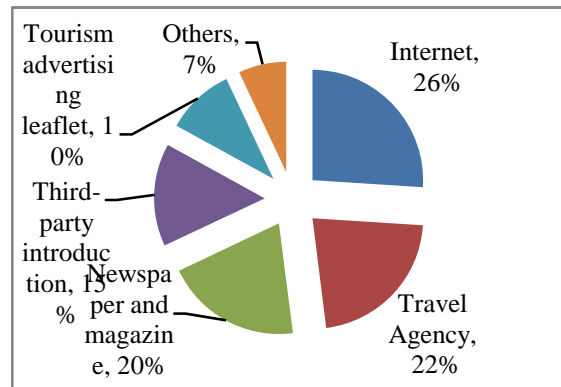
Figure 1 : Transaction Scale of Chinese Online Tourism Market (from 2009 to 2016)

## ANALYSIS OF TOURISM ENTERPRISE'S MARKET ADVANTAGE IN IMPLEMENTING NETWORK MARKETING

### Economic advantage of cost

Comparing to traditional marketing mode, network marketing of tourism enterprise reduces operating cost to a large extent, for instance: in terms of information cost, traditional tourism enterprises mostly conduct propaganda in forms of advertising, leaflet and so on, while network marketing makes it possible for large-scale transmission of information, which reduces expenses such as time & space cost and agency cost<sup>[1]</sup>. In addition, network marketing enable seller and buyer to make barrier free communication through network, which is direct trade from another point of view, reducing unnecessary expenses for both parities<sup>[2]</sup>.

What's clearly shown in Figure 2, profits acquired in multi-ways, is that, internet, i.e., network marketing, ranks the first. At the same time, tourism enterprise can conduct propagation on internet for improving well-knownness, which reduces advertising production, printing and other related expenses, while in respect of sales personnel, there is no need of employing professionals to do work of market research and sales, fundamentally reducing expense of personnel salary. Feature of wide coverage dictates that network marketing will have more broad market, contributing directly to the economic development of tourism enterprise. As learned from relevant data, customers all wish to have a deeper understanding of products and services provided by tourism enterprise, rather than browsing pictures on internet-for it will be convenient for them to make arrangement with their travel itinerary.



**Figure 2 : Profits acquired in multi-ways**

### Fast information-acquisition

**TABLE 2 : Tourism enterprise's network marketing of product and service**

Service type	Service content	Feature
Website mainly about collection, communication, search and navigation of tourism information	Introduce scenic spot, hotel, transportation & tourism route, travel tips, weather, environment, humane information and tourism impression etc	Currently take a large proportion
Website mainly about online sales of tourism product	Provide all kinds of offers and discounts of tourism and relevant products; search and booking of aviation, hotel, sightseeing boat and car rental	Lack of maneuverability
Website providing personalized service	Book ticket and hotel, view electronic map on website; go sightseeing and shopping in strange environment fully guided by website	Very few, mainly featured as self-travel and buffet price, being the leading form of tourism website's development in the future

As indicated in TABLE 2, tourism enterprise can display all information about product and service through network marketing, which can satisfy people's demands of different levels, and it not only brings convenience to customer, but also promotes the development of tourism enterprise's network marketing, being one of multi-variate model operating modes. Network, featuring sound, picture and word, has strong function, capable of creating a relatively real environment for customer, as well as spreading all sorts of tourism information in a more figurative, comprehensive and concrete way. While bringing convenience to customer, network marketing can promote the development of tourism enterprise, as is embodied in following aspects: search information of other tourism enterprise on internet; lay a solid foundation for more accurately analyzing market needs; create condition(s) for gaining a better foothold in the market competition; transform cross-boarder

trade to “zero-distance”-as network marketing is beyond geographical boundaries-promoting the development of tourism enterprise.

### Innovative communication mode

From relevant data, as indicated in Figure 3, customer can get needed information through multiple ways: ask network marketing personnel of tourism enterprise problem(s) which don't understand; understand different products and services according to one's own interest or hobby, making a relatively comprehensive evaluation of corresponding personnel's service attitude, while service personnel can make correction or adjustment according to information provided by customer. In the process of communicating with customer, service personnel can conduct systematic conversation on customer's wishes or needs, thus getting relatively correct information and laying a solid theoretical basis for developing next plan-this kind of communication mode can improve work efficiency, achieving the final objective of win-win situation between customer and tourism enterprise.

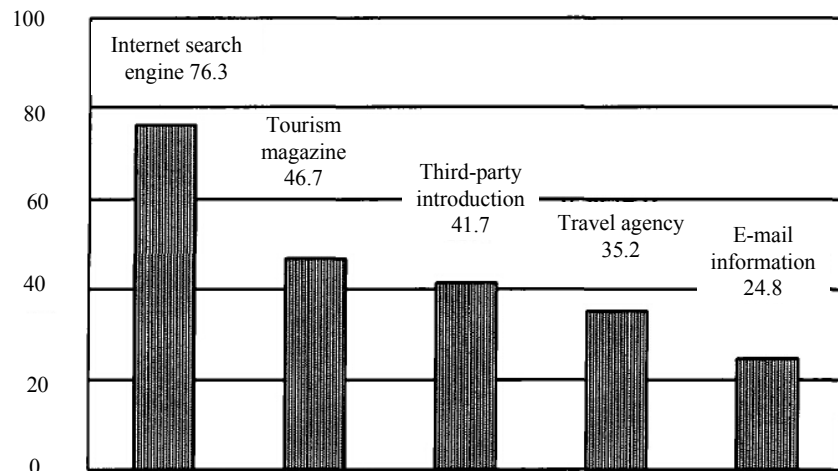


Figure 3 : Multi-way of acquiring tourism information

## HELP TOURISM ENTERPRISE REALIZE MULTI-VARIATE OPERATING MODE STRATEGY OF NETWORK MARKETING

### Set up modern marketing concept

As indicated in TABLE 3, in order to meet the needs of modern development, tourism enterprise has to set up modern marketing concept in conducting network marketing. Modern marketing is a subversive reform and innovation of traditional marketing management, which is a market economy oriented marketing strategy and whose ultimate objective is economic profit, and it takes customer needs as motive and target of enterprise's production. For this, enterprise has to make new adjustment and change of market layout under this wholly new marketing strategy, pay more attention to the supervision and management of production in corresponding management, clearly position itself and develop long-term production and operation planning, as well as continuously strengthen the innovation of personnel management and system, therefore, the basic task of tourism enterprise's networking is to make survey on and define desires, needs and interests of each target market, especially, have a clear positioning of tourism enterprise's brand, and distinguish competitor by different operating mode and way of publicity: display cultural connotation in respect of operating mode; innovative way of publicity which is new and appealing, which then can further attract customer and getting better sales effects. While on the other hand, tourism enterprise shall be capable of using multi-brand strategy, whose advantage lies on the fact that, it can establish unique brand advantage in every subdivided market environment: highlight product characteristics of main products; prevent the sales of other product(s) from being influenced by loss of certain product's advantage, so as to protect and improve customer's social welfare<sup>[4]</sup>. This is a more powerful way of simulating consumption comparing to competitor, and it can gradually satisfy needs of target market, in order that modern market concept can play its role on the basis of enterprise marketing.

In establishing modern marketing, tourism enterprise shall fully consider following four aspects of network marketing: one, enterprise must pay high attention to customer demands, treating which as a life-long goal; correct and study advice(s) proposed by customer in time, and formulate a series of measures, striving to make customer satisfied; two, keep the spirit of innovation at all times, especially, reward technical personnel of enterprise-mainly towards those who have made outstanding contributions, thus realizing innovation on the part of enterprise's management personnel and technical personnel, as well as make breakthrough(s) on enterprise management; three, enterprise must make detailed analysis of enterprise internal management, develop internal long-term plan and have internal control of talent; four, enterprise shall treat target market as the core of enterprise production and operation, especially, exploit and develop emerging market-mainly towards mass consumption, so as to further open the market and lay a good market foundation of enterprise's development in the future.

**TABLE 3 : Situation analysis of tourism industry's development**

Time	Mark	Service function
From 1996 to 1998	Founding of Huaxia Network and China Travel Information Network	Only provide basic travel information; the beginning of tourism's networking in our country
From 1998 to April of 2000	Introduction of venture capital, incipient tourism network marketing; large-scale business booking center is set up inside the company for dealing with booking from customer and contacting provider	Provide basic travel information, mainly featured as online booking and searching, with simple tourism network marketing
From April of 2000 to 2001	Preparatory establishment of national network of tourism network marketing, featuring online trading platform service	Further development of tourism network marketing; start of personalized service
Since 2002	Disappear of independent tourism website; seamless integration of traditional and online business, such as that of CYTS and CYTS Online	Gradual improvement of tourism network marketing; establishment of tourism information service network

### Updating of tourism enterprise's network marketing

Marketing organization is what's normally called enterprise marketing management organization, and it is a kind of obvious and effective management built towards all marketing activities, in another word, it's necessary to adopt multi-product strategy, i.e., win market share by means of diversification, and capable of conducting corresponding effective extension and expansion after determining main product(s). As early development work of main product(s) proceeds smoothly, timely promote relevant travel service under certain conditions, for it can create new economic growth point and new market(s) for enterprise, in order to realize integrated marketing organization of all marketing activities, as well as give systematic function to enterprise's marketing. According to research made in this paper, tourism enterprise needs to update and adjust internal marketing organizations in order that network marketing can better conform to the needs of social development: if what's emphasized is the importance of each marketing function, tourism enterprise shall choose functional organization; if tourism enterprise has branches on different regions and they are located at different places, then it's necessary to choose regional organization-conduct regional division towards each travel service and take targeted measures, so as to actively open market and occupy more market share, as well as remain invincible in fierce market competition.

### Operating mode of setting up branch company energizes tourism enterprise

Promote travel service by setting up branch company: comparing to adjustment of development plan according to enterprise's actual situation, operating mode of setting up branch company can directly put management technology into use, reducing more financial and spiritual burden. Especially, as market competition is currently so fierce, it's very difficult for tourism service industry to gain more development if lacking whole experience, while engaging in market competition in the form of setting up branch company, enterprise's threat in terms of production and management can be guaranteed, reducing risk of enterprise's production and operation as well. Moreover, enterprise can uphold and maintain its goodwill with branch company, as well as timely and effectively solve customer's problem of travel service. In confronting with fierce market competition, branch company set up by tourism enterprise exists in the form of organization, rather than as an individual existing, therefore, tourism enterprise will serve as the strong backing, and provide assistance if necessary, when branch company has problems, which, in certain sense, energizes network marketing of tourism enterprise. For a better implementation of points made above, it's necessary for branch company and tourism enterprise to conduct intimate cooperation. Branch company, who can own a large market for the sake of tourism enterprise, shall make suitable development plan on the basis of its actual situation, in addition, regarding the setting of network marketing personnel, tourism enterprise shall conduct systematic and professional training, so as to lay a solid foundation for providing uniformed service to customer.

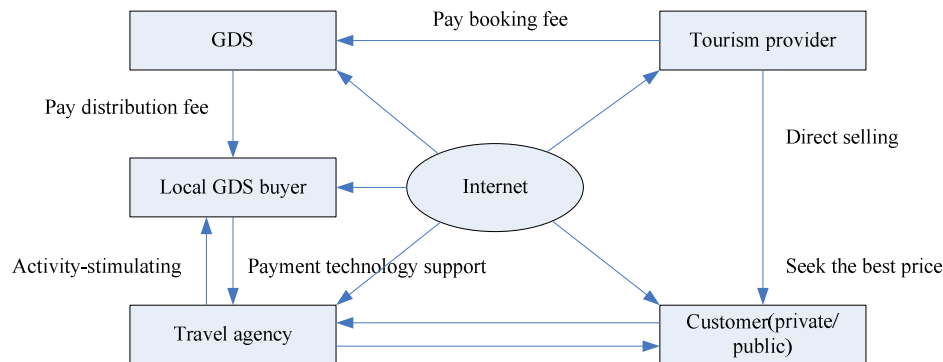
### Member consumption stimulates consumption

For tourism enterprise, network marketing is an emerging industry comparing to traditional tourism marketing. In order to better simulate consumption and generate effects on the development of tourism enterprise economy, from a long-term and whole perspective, member marketing will be the best choice of increasing income and improving reputation, as well as perfecting image, of enterprise, in a short period of time, at the same time, it can strengthen terminal promotion and integration of enterprise cultural connotation, especially with promotion of tourism products and services, which can be effectively combined with enterprise's cultural theme. In terms of promotion means, it's necessary that value of enterprise's cultural brand can be integrated with travel service provider, so that customer can have a comprehensive understanding of tourism enterprise's network marketing, as well as effectively stimulating consumption and occupying more market to a possible extent. In consideration of this point, tourism enterprise can upgrade consumer of family trips or multi-trips to member, then make systematic arrangement with member consumer information, so as to better tap potential consumption capacity and value of lifelong consumption of customer<sup>[6]</sup>, and maximizing customer value through mutual introduction of customers. In specific operation, it's necessary to make account of each sales' detailed information, especially favorite travel

service of members, for these information will help tourism enterprise adjust development plan, which in turn contributes to the economic development of tourism enterprise.

### Enjoy free travel service with certain amount of points

As indicated in Figure 4, whole process of tourism enterprise's network marketing and corresponding service chain, it is an epitome of competition in current tourism industry; tourism enterprise promotes member consumption, which is an embodiment of multi-variate model of tourism enterprise's network marketing, being an effective marketing mode and the inevitable trend of social development<sup>[7]</sup>. For example, if certain family chooses one tourism enterprise for multiple times, the tourism enterprise can let corresponding family enjoy free travel service when its consumption amounts to certain extent, which can effectively change the operating mode of tourism enterprise's network marketing, being an excellent market incentive mode, in addition, tourism enterprise can provide offers and discounts to all consumers, as well as give fully consideration to the following fact: on the birthday of consumer, discount or free offer can also be adopted if he/she has consumption desire, which mobilizes consumer consumption to a larger extent.



**Figure 4 : Whole process of tourism enterprise's network marketing and corresponding service chain**

## CONCLUSION

Taking competition situation of implementing network marketing for tourism enterprise as the starting point, the paper devotes to studying multi-variate model of tourism enterprise's network marketing; help tourism enterprises enjoy advantage in fierce market competition by energizing them through following ways, including: set up modern marketing concept; update network marketing work; set up branch company, stimulating consumption with member consumption and providing free travel service enjoyment when points amounting to a certain level, however, as society develops rapidly, it's still needed to formulate corresponding development plan according to different customer needs, and make more efforts on this road, so as to promote the development of tourism enterprise and provide customer with better service<sup>[8]</sup>.

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