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A marketing framework to increase sales during the off peak season: the case of travel agencies in mauritius

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ABSTRACT

The purpose of this paper is to investigate the effectiveness of marketing mix strategies used by travel agencies in Mauritius during off peak seasons, in order to determine how to stimulate demand for international travel services and thus maximise the organisation's revenue. This study explores the impact of off peak season on marketing mix strategies of travel agencies in Mauritius. The researcher adopted a quantitative research method. The target population comprised of 91 licensed travel agencies in Mauritius and the factor analysis carried out in the survey enabled the identification of latent factors that could affect the performance of travel agencies. The results of the findings led to the development of a marketing framework that travel agencies could consider in order to maximize their profitability during low seasons.

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1. Introduction

According to the Tourism Satellite Account (2010:1), the travel and tourism industry has been a key factor in the development of Mauritius during the past decades. It is now a major business from which Mauritius benefits. According to Biederman (2008:33), travel and tourism is one of the world's most important industries in terms of economic growth, but is notable for its peculiarities as well. Indeed, travel and tourism cannot be adequately understood without an appreciation of its unique qualities. These would include the notion of perishability, the industry's adaptability to revenue management, its sensitivity to the business cycle, severe seasonality problems, often intense competition, high rates of taxation, and susceptibility to terrorism.

Biederman (2008:35) argued that the output of firms engaged in travel and tourism services is perishable in nature. The tourism products have a short shelf life and once the day of sale passes, it is forever lost. In comparison to other industries, travel and tourism tend to be slim. As a result, the prospects of lost revenue from unsold perishable products are bigger. Thus innovative strategies are required to maximize revenue.

Biederman (2008:38) also argued that seasonality is another factor that plays a significant role in travel and tourism. It has frequently been viewed as a major problem for the tourism industry and has been held responsible for creating a number of difficulties for businesses. He further added that the downside of variations in seasonal demand resulted in the consequent need to generate a full year's revenue within short peak seasons while servicing fixed costs over a twelve month period. Biederman (2008:38) also added that maintaining the supply chain on the basis of a short operating season was also problematic, namely: at times, airlines and cruise companies are reluctant to maintain commitment to highly seasonal operations.

Middleton, Fyall, Morgon, and Ranchhold (2009:420) stated that another more common perspective adopted is that

seasonality presents a business challenge. For some organisations, it could be the time where they could benefit from their experience and expertise in marketing strategies to develop a competitive edge over the competitors. Pease, Rowe and Cooper (2007:341) stated that in the past, travel agents served as both information providers and booking providers for a large number of travellers. In the 1990's travel agencies emerged as one of the top three information sources used by tourists for overseas travel, as well as the means to arrange travel to destinations that people had not previously visited. However, Pease, et al. (2007:341) argue that the role of the travel agents need to change in the future – from the traditional role of a clerk, to a salesperson and ultimately to a travel councilor. Pease, et al. (2007:341) suggested that if travel agents were to survive in the future, they needed to adopt radical changes to the way they do business. In addition, travel agents have to use more aggressive marketing techniques.

2. Statement of the Problem

Baum and Lundtorp (2001) have argued that seasonality is a major business challenge that has to be managed by tourism organisations. In particular, they argue that seasonal variation in demand is a reality for most tourism destinations. The purpose of this study is to investigate the effectiveness of marketing mix strategies used by travel agencies in Mauritius during the off peak season in order to determine how to stimulate demand for international travel services and thus maximise the organisation's revenue.

3. Aim of Study

The aim of this paper is to investigate the impact of off season on marketing mix strategies used by travel agencies in Mauritius.

4. Research Objectives

The objectives of the study are:

- To evaluate effectiveness of strategies used by travel agencies to influence demand in low season;

- To rank the strategies used according to their effectiveness; and
- To develop a marketing framework for travel agencies in off peak season.

The following hypothesis was tested:

- H_0 : ‘Effectiveness of strategies’ are independent of ‘Number of years of existence of company’;
- H_0 : ‘Effectiveness of strategies’ are independent of ‘Number of employees in company’; and
- H_0 : ‘Effectiveness of strategies’ is independent of ‘Nature of businesses’.

5. Literature Review

This section reviews the literature on the marketing mix strategies during the low season, the seasonality of Mauritian demand for travel products and the effectiveness of marketing strategies.

5.1 Marketing Mix Strategies during Low Season

A marketing strategy is defined by Pride, Hughes and Kapoor (2010:345) as a plan that will enable an organisation to make use of its resources and advantages to meet its objectives. In addition, a marketing strategy consists of the selection and analysis of a target market and the creation and maintenance of an appropriate marketing mix. Sethi (2005:89) argued that there are four principal strategies for managing seasonality: changing the product-mix, market diversification, differential pricing and encouragement/facilitation by the state.

According to Honkanen (2006:134), responses to seasonality are mostly linked with the supply side. This implies that lower cost of supplies could reduce the costs of establishing and operating tourist facilities. This can be achieved by improved labour productivity that could contribute to lower operating costs or easier access to and lower cost of finance could facilitate greater investment in and growth of the tourism industry. Goulding and Hay (2001), cited in Honkanen (2006:134), divided the supply side responses to business responses and public sector policy measures, as shown in Table 1. For the purpose of the study, only Group 1 was considered. This group tries to increase the number of tourists during low season using different methods.

Table 1: Marketing mix strategy

business responses	public sector policy measures
<p>GROUP 1 To boost off-season demand Seasonal pricing Market diversification Product diversification Promotional activity</p>	<p>GROUP 2 To boost off-season tourism Fiscal incentives Labour force incentives (training initiatives) Stagger school holidays Business support services (marketing services, financial advice) Participation in seasonal extensions (public attractions)</p>
<p>GROUP 3 Acceptance of seasonality Offer reduced capacity Full seasonal closure Temporary seasonal closure</p>	<p>GROUP 4 Acceptance of seasonality Environmental regeneration initiatives Focus business support on high season initiatives Support off-season community initiatives (for example, local arts festivals)</p>

Source: Honkanen (2006:134).

The following types of marketing strategies are used to stimulate demand.

• Pricing Decisions

Middleton, Fyall, Morgon and Ranchhold (2009:140) argued that price denotes the published or negotiated terms of the exchange transaction for a product between producers aiming to achieve predetermine sales volume and revenue objectives, and prospective customers seeking to maximise their perceptions of value for money in the choices they make between alternative products. They added that while pricing decisions do not cost anything in advance of sales, they obviously determine the level of revenue achievable, through various pricing strategies.

• Discrimination Pricing

Lancaster and Reynolds (2005:147) argued that where markets are easily segmented, companies can charge different prices to each segment, even though the product on offer is basically the same. This is referred to as price discrimination or differential pricing strategy. Sometimes, only minor modifications to a product can allow a discriminatory price to be charged.

Discriminatory prices based on time are popular with manufacturers and service industries experiencing seasonal demand. The travel industry regularly offers cheaper prices during low season. The objective is to attract customers who might not have considered a particular holiday, if it had not been for the fact that it was offered at an attractive price.

• Product Decisions

The formulation of the tourism product is a crucial aspect of the marketing mix with product-related decisions being central to all marketing mix-related decisions. Gilbert (1990:20) cited by Cooper and Hall (2008:27) defined the tourism product as an amalgam of different goods and services offered as an activity experience to the tourist.

• Offering of Travel Agents

An important aspect of the research is to determine the offering of the travel agents. According to Page (2009:327), travel agents offer a convenient place to purchase travel products. They provide a source of information as well as a point of sale, via booking agents. According to Biederman (2008:335), travel agents are valuable distributors of the travel and tourism products. Their main function is to act as a real-time intermediary between customers and suppliers, the latter being airlines, hotels, rental car companies, cruise lines, and trains.

• Product and service diversification

Kotler and Keller (2006:381) defined the product mix as the set of all products and items a particular seller offers for sale. Blanke and Chiesa (2007:48), in the 2007 report in Travel and Tourism competitiveness, pointed out that it is important to ensure a range of tourism products that helps diversify a country’s tourism product mix so as to reduce seasonality and increase yields. According to Kotler and Keller (2006:378), when the physical product cannot be easily differentiated, the key to competitive success lie in adding valued services and improving their quality. According to the Medlik (2003:170), most travel agents also normally provided ancillary services, such as obtaining passports and visas, traveller’s cheques, currencies and travel insurance. The ancillary services can help travel agents attract customers by offering extra convenience.

• Communication Mix

According to Khan (2005:134), promotion is the most important and visible of the variables. Promotion is the mix of

various communication activities which tourist firms or national tourist organisations carry out with a view to motivate or influence those target customers on whom their product sale depends. As applied to service industries like tourism, the most important function of marketing is to bring about an awareness of the product and its benefits in the minds of both current as well as potential customers.

• **Advertising**

Khan (2005:135) defined advertising as a paid form of non-personal communication about an organisation’s product or service communicated through a message. Advertising has several inherent advantages, the most important being a wide coverage, frequent appeal and accessibility.

• **Public Relations**

According to Khan (2005:145), in tourism, public relations involve measures designed to create and improve the image for the tourist product, create a more favourable climate for its advertising and sales support activities. Khan (2005:147) identified various communication techniques used, including press releases, films, slides, booklets, brochures, newsletters and radio or TV scripts.

• **Sales Promotion**

Khan (2005:153) pointed out that in the field of tourism, sales promotion is considered to be all those promotional activities designed to transmit to the public and to the travel trade specific and detailed information on aspects like transport, accommodation prices, attractions etc. concerning the tourist services to be promoted in the tourist markets. There are two main areas in the sales support techniques: printed material and special offers. Printed material includes brochure, folder, direct mail material or display material.

• **Direct Marketing**

Kotler and Keller (2006:604) defined direct marketing as the use of consumer-direct channels to reach and deliver goods and services to customers without using a marketing middlemen. The channels include direct mail, catalogues, telemarketing, interactive TV, web sites and mobile devices. According to Kotler and Keller (2006:604), through direct marketing, organisations can customise their messages and develop a continuous relationship with their customers.

• **Personal Selling**

Fyall and Garrod (2005:120) defined personal selling as the verbal communication between one or more prospective purchases and a salesperson for the purpose of making a sale. It involves personal interaction which can be very costly. However, personal selling can be very beneficial when attempting to build relationships in the trade.

• **Events**

According to Saget (2006:45), events can be the best marketing tool a company can use and if improperly planned, can cause no more harm than good. Saget (2006:46) added that events enable companies to have an interaction, a dialogue and a relationship with a prospect, customer, partner, or whomever it is that can be identified as the target audience.

Shah and D’Souza (2009:37) argued that event marketing creates excitement and builds brand association with a particular cause. It also brings a dedicated audience in a clutter-free environment. However, promotion through event is very expensive and reaches a small audience which is not measurable. It has been argued by various authors that marketing is an effective way of stimulating demand during low season. Travel agencies make use of the marketing mix concept

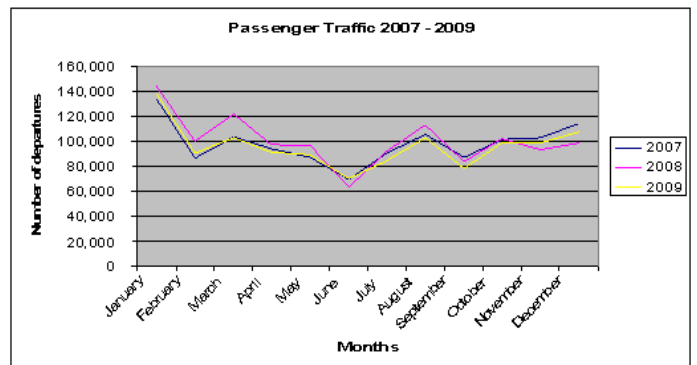
to develop the ideal blend of actions that can satisfy the needs of the target market and meet the organisational objectives. Furthermore, during the low seasons, there are some strategies that have been recognised by authors as most successful at generating responses of target markets during low seasons.

5.2 Seasonality of Mauritian Demand for Travel Products

According to Biederman (2008:41), seasonality is a prevalent characteristic of the travel and tourism industry. It is marked by sharp variations in demand depending on the time of year. Butler (2001), cited in Baum and Lundtorp (2001:1), defines seasonality in tourism as: “a temporal imbalance in the phenomenon of tourism, which may be expressed in terms of dimensions of such elements as number of visitors, expenditure of visitors, traffic on highways and other forms of transportation.

From 2007 to 2009, as depicted in Figure 1, the demand for travel services was unstable. This alludes to that demand for travel services in Mauritius as being seasonal. There was a decrease in the number of passengers leaving Mauritius between mid of January to mid of February, April to June and mid of August to October. These periods, according to the tourism industry, are considered as the off peak or low seasons. Therefore, the study focussed on those off peak periods and analysed the responses of the travel agencies during those periods.

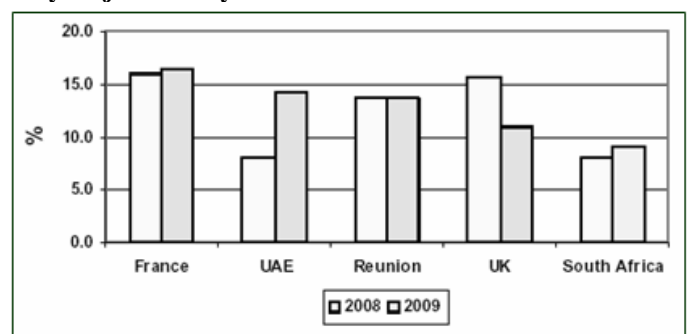
Figure 1: Passenger traffic by month between 2007 and 2009



Source: Central Statistical office of Mauritius (2009:1).

Figure 2 shows the most popular tourist destinations of Mauritian travellers. The most popular destinations for Mauritian residents include: France, United Kingdom, United Arab Emirates, Reunion and South Africa. By determining the popular destinations of Mauritian travellers, the travel agencies may be able to sell popular tourist packages to them.

Figure 2: Percentage distribution of Mauritian departures by major country of disembarkation for 2008 and 2009



Source: Central Statistical office of Mauritius (2009:2).

Travel agencies must be able to predict the most popular destinations for Mauritian travellers. In so doing, they will be

able offer products that will appeal to them during low season. This study also considers those conditions in order assess the effectiveness of strategies and formulate recommendations.

5.3 Marketing Mix and Travel Agencies

This section describes the 4 P's and their relevance to travel agencies.

5.3.1 Price

Kotler, Bowen and Makens (2007:14) argue that price refers to the amount of money charged for good and/or services. Furthermore, Jobber (2007:22) adds that the price of a product is what the company gets back in return for all the efforts put into manufacturing and marketing the products. Thus, the fastest and most effective way for a company to realize its maximum profit is to get its pricing right (Bearden, Ingram and LaForge, 2004:69).

According to Alexander (2001:443) when travel agents sell a travel product to a customer, they will charge a percentage of the sales price as an agency commission. Generally, the commissions are between 10% and 20% of the sales price. However, different travel agencies have different pricings for the same air itinerary. Thus when suppliers demand high pricing charges, travel agents reciprocate by charging their customers a higher price in order to continue enjoying good commission rates. As such, competitive pressures in terms of pricing are affecting travel agencies, particularly about reducing agency commissions (Gee, Makens and Choy, 1997:63).

5.3.2 Promotion

Promotion is the element in an organisation's marketing mix that serves to inform, persuade and remind the market and/or the organisation of a product, in the hope of influencing the recipients' feelings, beliefs or behaviour (Stanton, Etzel and Walker, 2007:124). The promotional elements comprise a mix of tools available for marketers. Commonly known as the promotional mix, it includes elements such as advertising, personal selling, sales promotion, public relations and direct marketing (Kerin, Hartley and Rudelius, 2004:43). In this present day, the travel industry faces stiff competition as many travel agencies are aggressively promoting their products and services in an attempt to create customer awareness as well as attract them to purchase as much and as often as possible. In view of this, travel agents offer a range of promotions such as discount airlines ticket, hotels, cruises and car rentals, free gifts and a free tour guide.

5.3.3 Place

Place is defined by Neil (1984:7) as a channel, distribution or intermediary. Actually, it is the mechanism of goods and services that facilitates the flow of goods and services from the manufacturers and service providers to the end users. The concept of place is to make the right goods and services available in the right quantities and at the right locations when customers need them (Neil, 1984:7).

The decision of a proper distribution channel involves numerous interrelated variables that must integrate wholly into the total marketing mix. Due to the fact that time and money are required to set up an efficient channel and since it is difficult to change these channels once they are set up, decisions pertaining to place are critical to the success of a firm (Peter and Donnelly, 2008:13). Stevens (1985:73) argues that experienced management, well-trained employees, adequate financing, aggressive sales and marketing are all essential attributes of a successful travel agent. However, no single factor (except staff) has as much influence in an agency's survival and growth as its place.

5.3.4 Product

Drummond and Ensor (2005:96) describe a product as anything that can be offered to the market for attention, acquisition or consumption including physical objects, services, personalities, organisations and desires. Products can be classified into two major categories, that is, tangible and intangible. A tangible product is a merchandize that can be touched, such as a book, chair, television, and so on. In contrast, intangible products or services are elements of products which have unobservable product attributes and can be measured in terms of delivery, credit and warranty (McColl-Kennedy and Kiel, 2000:48).

As the travel industry becomes increasingly competitive, travel agents need to concentrate on product aspects that include hotel and resort accommodation, and transportation facilities in order to gain a competitive edge. As more and more customers place great emphasis on these aspects, their influence on customers' overall satisfaction and decision-making is higher as compared with other sectors (Albayrak, Caber and Aksoy, 2010:143).

5.4 Effectiveness of Marketing Mix Strategies

This section enables a better understanding of the effectiveness of marketing mix strategies.

5.4.1 Effectiveness

According to Jain (2005:603), effectiveness is a measure of whether or not organisational objectives are accomplished. Organisational effectiveness, also referred to as organisational success or growth, is defined and conceptualised in different ways. There is no unanimity though among the different approaches.

5.4.2 Effectiveness of Marketing Mix

Drummond and Ensor (2005:111) argued that a proper application of the concept is essential to ensure effectiveness of the marketing mix. The use of the marketing mix should be used in an optimum way.

5.4.3 Factors Influencing Effectiveness of Marketing Mix

Drummond and Ensor (2005:112) identified three factors which are deemed to create an effective marketing mix. These factors are provided in Figure 3 below.

Figure 3: Effective marketing mix



5.4.3.1 Competitive Advantage

According to Drummond and Ensor (2005:112), a competitive advantage is the generation of distinctive competencies relative to the competition. The key is to create an advantage, which creates customer value and is sustainable. Porter (1980), cited in Drummond and Ensor (2005:112), argues that there are two fundamental routes to competitive advantage:

Table 2: Frequency of use of marketing strategies

Marketing strategies	Very frequently	Frequently	Occasionally	Rarely	Never	Weighted Mean
New products	15	24	33	5	2	3.57
Additional ancillary services	11	18	38	6	6	3.28
Seasonal discounts	29	24	24	0	2	3.99
Advertising	12	23	39	2	3	3.49
Public Relations (sponsorship, media, conferences)	2	1	9	28	38	1.73
Sales promotion (coupons, discount)	1	0	4	29	45	1.52
Events (trade fairs, exhibitions)	1	1	4	20	53	1.44
Direct marketing (postal mails, e-mails, phone calls, SMS)	3	8	39	6	22	2.54
Personal selling (face-to-face contact)	10	24	28	2	15	3.15

Table 3: Outcomes of marketing strategies

Marketing strategies	Excellent	Good	Average	Poor	Very poor	Weighted Mean
New products	19	31	28	0	1	3.85
Seasonal discounts	35	24	19	0	1	4.16
Promotional strategies	26	25	26	0	1	3.96

Cost leadership - pursuing the lowest possible operating cost within an industry; and

Differentiation - creating a unique product offering which is seen by consumers as differentiated from competitors.

5.4.3.2 Meeting Customer Expectations

Drummond and Ensor (2005:112) also pointed out that expectations are vital to marketing success. Organisations need to understand how customers evaluate rival product. The aim is to score higher than competitors in the areas of greatest value to the consumer. To be able to meet the expectations of the target market, it is that essential the organisations identify the factors affecting changes in demand for tourism products. This will help to determine whether the strategies employed by travel agents are sustainable.

5.4.3.3 Integration of Mix

According to Humphreys (199:151) some of the major problems faced by travel agents are customers who blame their agents for dissatisfaction with their travel products. These problems are a consequence of the lack of understanding about and planning of the marketing mix, namely "the four Ps": product, price, place and promotion (Kotler, Ang, Leong and Tan, 2003: 32) and subsequently, how each "P" influences customer decision-making. The concept of 4Ps is an input component of the customer decision-making model. This model operates on the premise that external influences serve as a valuable source of information about particular products, thus influencing customers' product-related values, attitudes and behaviors (Schiffman and Kanuk, 2007:55). In view of this, it is, therefore, crucial for travel agents to improve their marketing mix in order to attract customers as well as fulfill their needs and meet their expectations.

6. Research Methodology

For this study, a single approach has been used to meet the research objectives. The study adopted a quantitative research method, namely; survey method. In order to meet the research objectives, exploratory approach has been selected as it enabled the identification of the strategies used by travel agencies during low season. Furthermore, through analysis of data collected, it was possible to have a better understanding of the factors influencing the effectiveness of marketing mix strategies of Travel agencies in Mauritius during low season. For this study,

the target population comprised of 91 licensed travel agencies in Mauritius. A pilot study was conducted among 12 travel agents before commencement of the actual study. A Cronbach Alpha test was conducted, measuring 0.837, implying a high reliability. A KMO of value of 0.696, which was greater than 0.50, confirmed the adequacy of the sample. As for the Bartlett's test of Sphericity, the Sig. value of 0.000, which is less than 0.05 (the default significance level for SPSS) indicated that data was valid for this research and that the data was amenable to more in-depth analysis. Amendments were made to the questionnaire and the instrument was administered to the participants. As the target population is relatively small, a census was performed.

7. Discussion of Results

The rationale behind this study was to evaluate the effectiveness of strategies used by travel agencies to influence demand in the off peak season; rank the strategies used according to their effectiveness and develop a marketing model for travel agencies in the off peak season. Both descriptive and inferential statistics was used to analyse the data to determine the objectives.

7.1 Marketing Mix Strategies used by Travel Agencies to Increase Demand in Low Season

The 'frequency-of-use' index or score in Table 2 shows travel agencies preferred using seasonal discounts (3.99), new products (3.57), advertising (3.40), additional ancillary services (3.28) and personal selling (3.15) most frequently. Quite a few agencies also used direct marketing (2.54) whilst the remaining strategies were relatively unpopular with means below 2.00. Through analysis of data collected, it has been noticed that pricing, promotion and product diversification were the most popular marketing mix strategies that are used by travel agencies during low season. The results obtained matches the argument brought forward by Honkanen (2006:136) as regards to business responses during low season.

Furthermore, it was noticed that seasonal discounts was the most widely used strategy. This might be explained by the fact that most of the travel agencies target the leisure market which is known to be more price sensitive. A reduction in price will automatically reflect an increase in demand.

In addition, advertising and personal selling were the most widely used promotional techniques. Public relations, sales

promotion, events and direct marketing were quite unpopular. This might be explained by the fact that many travel agencies in Mauritius have limited financial resources and technical know-how to carry out these types of promotional campaign.

7.2 Effectiveness of Strategies used by Travel Agencies to Influence Demand in Low Season in Terms of Outcomes

Table 3 indicates that the most effective strategy was ‘Seasonal discounts’ (4.16) followed by ‘Promotions’ (3.96). ‘New products’ was the least effective of all with a mean of 3.85. Nevertheless, it should be noted that all three means are relatively close to 4.00, indicating that they are all effective, in a sense, as they seem to attract approximately the same amount of customers.

The results obtained show that that product diversification, seasonal pricing and promotional strategies are all considered as being effective at attracting customers during low seasons. However, it was noticed that seasonal discounts were considered as being the most effective strategy to attract tourists during low season. This explains the fact that it is the most widely used marketing mix strategy during low season.

The analysis of the data collected confirmed the argument of Drummond and Ensor (2005:112); implying that Mauritian travel agencies are successful at developing a competitive advantage though the cost leadership strategy. They sell the cheapest individual or package products to distinguish themselves from their rivals. They are also able to meet the expectations of the Mauritian travellers who have a relatively low standard of living as compared to other international leisure travellers. They tend to look for the cheapest travel option for their holidays.

7.3 Ranking of the Strategies According to their Effectiveness

Table 4: Ranking of marketing strategies

Marketing strategies	Assigned rankings			Mean
	1	2	3	
New products	12	16	61	2.55
Seasonal discounts	38	39	2	1.54
Promotional strategies	28	34	16	1.85

It is observed from Table 4 that ‘Seasonal discounts’ (1.54) worked out a lot better according to the agencies. ‘Promotional strategies’ (1.85) came in second position whilst ‘New products’ (2.55) still did not attract customers as the other two strategies did. The ranking of strategy effectiveness also confirmed that travel agencies agreed to the fact that seasonal discounts were the best strategy to be implemented to attract customers during low season. It also confirmed that introduction of new products was not the best strategy to be adopted during low season. This contradicts the argument of Blanke and Chiesa (2007:48) and Honkanen (2006:134), whereby a range of tourism products would help to reduce seasonality.

It could be explained by the fact that a product diversification strategy does not meet the expectations of the Mauritian market. The largest share of the Mauritian travellers seeks familiar travel products. As referred to the Central statistical office (2009:2), most of them travel to France, United Arab Emirates, Reunion, United Kingdom and South Africa.

7.4 Chi-Squared Test of Independence

The Chi-squared test of independence, being non-parametric, has been considered to be the most appropriate here since all the variables involved have been measured on an ordinal or nominal scale.

7.4.1 Hypothesis 1:

H_0 : ‘Effectiveness of strategies’ are independent of ‘Number of years of existence of company’

Table 5: Crosstabulation between years of existence and effectiveness of strategies

		Effectiveness of strategies				Total
		Excellent	Good	Average	Very poor	
No. of years of existence of company	Less than 5	8	4	21	0	33
	6 - 10	9	6	15	0	30
	11 - 15	27	19	7	0	53
	16 - 20	18	23	13	0	54
	More than 20	18	28	17	3	66
Total		80	80	73	3	236

Chi-Square statistic value of 44.889 with a corresponding *p*-value of 0.0000, was obtained for the correlation. Since $p < 0.05$, it indicates that ‘Effectiveness of strategies’ is dependent on ‘Number of years of existence of company’.

Table 5 shows a pattern which reveals that companies with longer existence do a lot better than new companies, indicating that there is a relationship between the years of existence of travel agencies and the effectiveness of strategies. This could allude to their experience guiding them as to which type of marketing mix is to be used to maximize performance. As a result, they are more able to integrate the strategies and have a competitive advantage over rivals. Therefore, experience is another critical factor that could be added to the model of Drummond and Ensor (2005:12).

7.4.2 Hypothesis 2:

H_0 : ‘Effectiveness of strategies’ are independent of ‘Number of employees in company’

Table 6: Crosstabulation: Effectiveness of strategies are independent of number of employees in company

		Effectiveness of strategies				Total
		Excellent	Good	Average	Very poor	
No. of employees	Less than 5	16	19	34	0	69
	6 - 10	23	25	14	3	65
	11 - 15	25	24	20	0	69
	16 - 20	8	7	0	0	15
	More than 20	8	5	5	0	18
Total		80	80	73	3	236

The Chi-Square statistic value obtained was 28.944 – huge enough to indicate that that ‘Effectiveness of strategies’ is dependent on ‘Number of employees in company’. The *p*-value of 0.0040 confirms this association. Table 6 shows that the difference lies in the second and third rows below ‘Excellent’ and ‘Good’. Four unusually high lead one to conclude that companies with 6–15 employees used the most effective marketing mix strategies. This could suggest that the optimal number of employees in a travel agency should lie between 6 and 15 in order to maximize performance.

The results indicated that the effectiveness of strategies was dependent on the number of employees in the company. It further indicated that the optimal number is between 6 and 15 employee. These results indicated that the human resources are an essential asset to the success of the organisation. With the right number of employees, the travel agency will be able to

maximize its effectiveness without adding unnecessary costs to the organisations' expenditures.

7.4.3 Hypothesis 3:

H_0 : 'Effectiveness of strategies' is independent of 'Nature of businesses'

Table 7: Crosstabulation: Effectiveness of strategies' is independent of nature of businesses

Nature of businesses		Effectiveness of strategies					Total
		Excellent	Good	Average	Poor	Very poor	
Leisure	Yes	77	80	70	0	3	230
Business	Yes	39	40	20	0	3	102
Other	Yes	0	0	3	0	0	3
Total		116	120	93	0	6	335

A Chi-Square statistic value of 4.945, with a corresponding p-value of 0.1759, confirms that 'Effectiveness of strategies' is independent of 'Nature of businesses'. Table 7 does not show any marked difference (proportionwise) in effectiveness in strategies for 'Leisure' and 'Business'. It is to be noted that the 'Other' category had a total of only 3 so that it did not influence the test result significantly.

The results of the survey also indicated that there were no relationship between the nature of businesses and the effectiveness in strategies for Leisure' and 'Business'. These results could be explained by the fact that there are no travel agencies which are specialized in the business market only. They all target different markets to maximize their profit. Therefore, the strategies are not specific to a particular market segment.

7.5 Factor Analysis

The main purpose of this factor analysis was to identify any possible underlying factors (marketing mix strategies) that could affect the performance of travel agencies in terms of sales or number of customers. Certain responses from the questionnaire were thus subjected to a factor analysis in SPSS. Factor analysis was carried out in order to verify whether these variables (statements) were, in fact, independent or whether could they be grouped under some latent constructs.

Running factor analysis in SPSS 17.0 (principal components analysis), with Varimax rotation, revealed that there actually existed three latent factors. Table 8 below confirms that 3 components had Eigen values of at least ranging from 1.188 to 3.042. This means that the variables (questions or statements) that underwent factor analysis could be grouped under three headings.

Table 8: Total variance explained

Component	Initial Eigenvalues		
	Total	% of Variance	Cumulative %
1	3.042	33.795	33.795
2	1.900	21.110	54.905
3	1.188	13.197	68.102
4	.762	8.471	76.573
5	.671	7.456	84.029
6	.546	6.065	90.094
7	.398	4.425	94.520
8	.306	3.403	97.923
9	.187	2.077	100.000

Extraction Method: Principal Component Analysis.

The rotated factor matrix in Table 9 below shows the various factor loadings of each variable with respect to the three identified latent factors. The variables (statements) have been placed in decreasing order of loadings (bold) with respect to each identified latent factor (component).

Table 9: Rotated component matrix

	Component		
	1	2	3
Additional ancillary services	.848	.121	.102
New products	.840	.013	.253
Seasonal discounts	.665	.065	.107
Advertising	.652	.213	.143
Sales promotion (coupons, discount)	.098	.904	.088
Public Relations (sponsorship, media, conferences)	.218	.829	.060
Events (trade fairs, exhibitions)	.045	.650	.535
Personal selling (face-to-face contact)	.021	.023	.831
Direct marketing (postal mails, e-mails, phone calls, SMS)	.014	.194	.808

The naming of factors was somewhat straightforward and grouping has been carried out factor-wise as well as variable-wise until appropriate names have been found for each latent factor.

Factor 1: Products & Services

Additional ancillary services, New products, Seasonal discounts and Advertising

Factor 2: Promotion

Sales promotion, Public relations and Events

Factor 3: Personal Selling and Direct Marketing

Personal selling and Direct marketing The Factor analysis also enabled the identification marketing mix strategies that could affect the performance of travel agencies in terms of sales or number of customers. These factors that were grouped appeared to be strategies that influence the effectiveness of travel agencies during low season.

In the light of the above findings, recommendations are proposed to travel agencies as to which marketing mix strategies they may use during off-season in order to maximize performance and sales.

7.7 Findings from Primary Data

The results showed that that product diversification, seasonal pricing and promotional strategies were all considered by Mauritian travel agencies as being effective at attracting customers during low seasons. However, it was noticed that seasonal discounts were considered as being the most effective strategy to attract tourists during low season.

The ranking of strategy effectiveness also confirmed that travel agencies agreed to the fact that seasonal discounts were the best strategy to be implemented to attract customers during low season. It also confirmed that introduction of new products was not the best strategy to be adopted during low season. The results indicated that there is a relationship between the years of existence of travel agencies and the effectiveness of strategies. The organisations with more years have more experience are better able integrate the strategies and have a competitive advantage over rivals.

The results also showed that the effectiveness of strategies was dependent on the number of employees in the company. The optimal number of employees appeared to be between 6 and 15 employee. Furthermore, it was found that there is no relationship between the nature of businesses and the effectiveness in strategies for Leisure' and 'Business'. Therefore, the strategies are not specific to a particular market segment.

8. Conclusion

The research study enabled the researcher to analyse the impact of off season on the marketing decisions of Mauritian travel agencies. The survey findings indicated that the seasonal

discounts were a very popular strategy that was widely used by travel agencies during low season. Furthermore, only some of the promotional strategies are used frequently while others are ignored. This similarity in business responses indicates that all the travel agencies adopt a same strategy during low season.

Several deductions could be raised out of those findings. Firstly, those findings could indicate that the travel agencies all agree upon the fact that that pricing is the only best strategy that could influence demand in Mauritius during low season. Through their experience, they have been able to sort out the right mix of pricing and promotional strategies that work best.

However, the findings could also reveal the very reactive nature of the travel agencies. They simply find temporary solutions to overcome constraints of the decreasing demand. No thorough planning is done to adopt a long term strategy that would enable Mauritian travel agencies to develop a sustainable competitive advantage. They could motivate potential travellers to travel during periods they have not planned for because they are being offered a product they cannot refuse to purchase. At the same time, the results could be explained by the fact that a majority of Mauritian travel agencies are small businesses with limited resources. They have limited financial resources and cannot invest in expensive marketing mix strategies. Also, they also have few employees. Those employees might be more busy performing daily operations rather than finding the best strategy that could generate more profits. Their objective behind their marketing decisions is to ensure their survival in a highly competitive market.

The absence of technical knowledge could also be one of the reasons behind selection of marketing mix strategies during low season. The majority of travel agencies in Mauritius might not have marketing experts that could make research on the needs of their target market and devise the best marketing mix strategies to meet their needs and at the same time adopt a competitive strategy. A differentiated marketing mix approach could have enabled the travel agencies to distinguish themselves from their competitors and enabled them to develop a competitive advantage. Some travel agencies might have specialized in innovations while others in distribution.

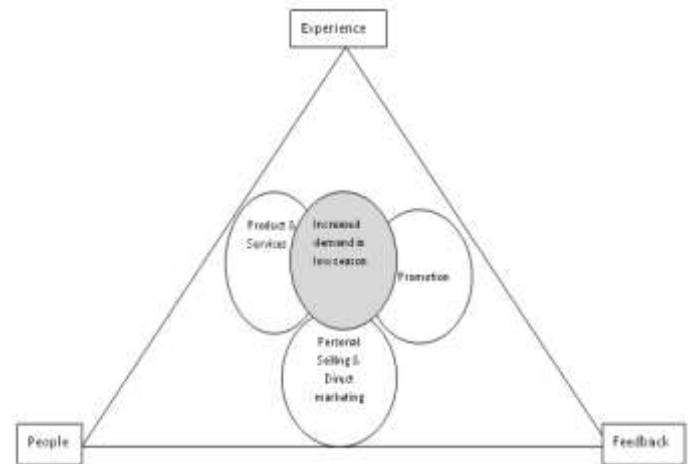
• Marketing Framework Evidenced

Based on analysis of data collected, guidelines are provided to travel agencies. This framework could be considered by Mauritian travel agencies in order to maximize their sales during low seasons. Three strategies, which when integrated can gain optimal advantage, are proposed that could be implemented by Mauritian travel agencies during low season. The study also identified three critical conditions for these strategies to be successful.

• Products and Services

One approach could be to sell new or adapted products and additional ancillary services at a perceived lower price accompanied with valued added services and benefits. This approach would extend the travel agent's offering, attract more customers and increase brand equity. Creative advertising campaigns involving consumer experiences and even consumer generated advertisements, needs to communicate effectively the new offering and services to develop the audience's interest in products and motivate them to purchase that product. Partnering with various strategic companies and creating lucrative product bundles and services is encouraged. Travel agencies are encouraged to create unique packages and special offers for the various segments of the markets.

Figure 4: Framework to increase demand during low season



In order to maximise sales during low season, travel agencies should integrate the various marketing mix strategies below, as per market situation.

• Promotion

To maximize effectiveness of that strategy, it could be done during an event, such as a tourism fair, major conferences and indabas. It could also be done in combination with public relation techniques such as press releases, films, sporting events or radio scripts. As a result, the target market will be motivated to purchase tourism products through incentives such as special offers. Sponsorships and partnering with major suppliers at events is encouraged, as discounted rates can be negotiated. The agencies should be careful not to offer too many discounts which in the long-term will erode the brand equity. Thus, various other promotional tools that will encourage future purchase and create awareness about the product and the travel agency's service delivery should be pursued.

• Personal Selling and Direct marketing

This strategy involves a personal approach directed to the customer database of the travel agencies. The existing and potential customers should be informed about the travel agencies' products, services and general company information and initiatives via the website and permission-based email and SMS marketing. Travel agency should create customer engagement via social networking sites and an interactive website platform. Customers should be encouraged to share their experiences, off travelling advice, suggestions of improvement and ideas of new products and services. Key account management techniques should be employed to ensure personal selling is effective. The sales personnel need to work with the customers to create holiday/travel packages based on their specific needs and ensure most of the "leg work" is covered by the company as an added on service.

In order for these three strategies to succeed, three conditions need to be met which will drive this framework:

• Condition 1 - People

It is essential that the travel agencies have enough qualified staff to perform effectively and efficiently their duties. The research indicated that the optimal number of employees should be between 6 and 15, based on the size of the agency. Continuous on-going training and communication is paramount. A holistic and flat management approach is encouraged. Management of the agencies need to instil passion, dedication, teamwork and open communication among the staff to achieve the "one goal" of the agency. Through good customer service, they will satisfy or even exceed customers' expectations thus

developing customer loyalty ultimately leading to positive word-of-mouth about the organisations and their products.

• Condition 2 - Experience

The travel agencies should value experience as an asset, where the employees that have worked for the company for 6 months or more, should share their expertise with new comers and coach them on the best practiced techniques they employ. Also, experience brought by employees from other agencies should be leveraged and built upon.

• Condition 3 - Feedback

The travel agencies should also keep record of the organisation's profitability and performance during the low season, in line with activities performed. A product-life cycle with regards to promotions and initiatives in relation to pricing and returns should be performed. This information would provide them with feedbacks on the suitability and sustainability of their strategy and enable them to build up on previous errors or successes to meet the future challenges in a more proactive way. Henceforth, the integrated marketing communications mix must be adapted and implemented. Cross-functional brainstorming/feedback sessions should be created to ensure knowledge is transferred and used effectively. Travel agencies should create marketing intelligence information systems and constantly research and scan the market for changes in the economy, consumer demand and needs and wants.

9. Area for Future Research

The study, which was based on a small sample, focused on only one side of the research topic. As such, various aspects of the problem have not been considered. A triangulation approach should investigate the needs of the target market and their responses to the marketing mix strategy. This would enlighten other important issues to consider during low season.

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