

# MARKETING STRATEGIES FOR TOURISM INDUSTRY IN BANGLADESH: EMPHASIZE ON NICHE MARKET STRATEGY FOR ATTRACTING FOREIGN TOURISTS

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## ABSTRACT

Bangladesh has bright prospects of tourism in future. She possesses tourism potentials all over the country. But, Bangladesh tourism is facing so many problems including marketing strategy. By applying niche market strategies she can earn more foreign currency because Bangladesh is blessed with four key tourism products: Beaches, Forest, Hills and islands, Historical place and Archaeological Sites that are mostly pleasing to many tourists. This paper is focusing the present strengths and weaknesses of tourism industry in Bangladesh and the ways to implement niche market strategy. Findings indicate that four iconic products can play significant role in the total earnings in this sector. Finally, this paper suggests how niche market strategy will help the policy maker to differentiate the tourists market and customize their service to achieve strategic marketing objectives and solve present downward earnings.

**Keywords:** Marketing Strategy, Niche Market strategy, Iconic products.

## **INTRODUCTION:**

Today's tourism industry has become one of the most important factors in GDP contribution in worldwide. It plays a significant role in socio-economic development of a country. Most of the tourists prefer to visit in different destinations for different reasons (e.g. For Business, Study, Attend international conferences, Vacations and holidays, Treatment, Meet with family members and friends, to see events like world cup, Olympic etc.). It is recognized that most of the developing countries now generate economic benefits through its tourism industry. In past, the government may have been reluctant to invest for tourism development, but in this modern age the situation has changed. Now government concentrates on not only tourism but also hospitality management like hotels, motels, restaurants, transportation, security and entertainment etc. Bangladesh as a developing country is moving towards facing challenges of globalization. It has beautiful sights and historical places which are able to grow attention to international tourists. But this industry failed to grow properly because of lack of sustainable and effective tourism marketing strategies and reluctant attitude of different governments to develop this industry. Many foreigners have negative perception toward our country. They feel Bangladesh is a country of poverty, beggars, floods and political unrest (Hossain, 1999). Besides, ministry of civil aviation and tourism, Bangladesh Parjaton Corporation (Govt. Tourism Organization) and other private tour operators did not apply marketing concept and strategies properly to reach their tourist product to target consumers (tourists).

Bangladesh, as a vacation destination, has many facets and strengths. She is endowed with almost all the natural potentials that attract tourist (Shahid, 2004). These include: Among the beaches, Cox's Bazaar, the longest unbroken clean and sandy beach in the world; Kuakata sea beach is known as sunrise and sunset; Sundarbans, the home of the majestic Royal Bengal tigers, Rangamati, known as the heart of the panoramic lake district; Sylhet, known as the land of twelve spiritual Awuilia which fascinating hills and tea gardens; Chittagong, the largest port city of the country and known as the city of shrines; Above all, reverie beauty, colourful tribal culture and simple village life are the main factors for attracting visitors (Hasan S.R., 2005). Though Bangladesh has lot of attractive destinations but there are some weaknesses: poor infrastructure, unstable political situation, image crisis etc. Besides, fund allocation on tourism is not sufficient; niche marketing strategy would be profitable strategy for Bangladesh. These kind of attractions are need to be explored by the niche marketing strategies and need to formulate and implement tourism marketing strategic plan either by the Bangladesh Parjaton Corporation (public sector) or the public-private sectors both .

## **OBJECTIVES:**

The research objectives of this study are:

1. To analyze the marketing strategies adopted by Bangladesh Parjaton Corporation.
2. To identify and analyze the niche markets for getting competitive advantage as an international destination.
3. To suggest recommendations for the development of key tourism products in Bangladesh.

## **CONCEPTUAL FRAMEWORK:**

### **MARKETING STRATEGY:**

Marketing strategy is the outcome of a firm's segmentation, targeting and positioning choices (STP process) at the level of the Strategic Business Unit (Webster, 2005). This philosophy is supported by marketing textbooks (for example, Kotler, 2003), where this process is enforced as the core of marketing strategy. In other words, the main concept of marketing strategy involve the tasks of identifying and choosing the target segments in where the actual and potential customers are living and desired to purchase the product. In higher level, there are three marketing strategy, market segmentation, targeting and positioning in reaching minds of the target customers and offer them suitable products/ services that will serve customers special interests. The term "segmentation" appears to have been originally introduced by Smith (1956). According to Kotler (2000), market segmentation means dividing the whole market into different parts on the basis of various variables. Target Marketing involves breaking a market into segments and then concentrating marketing efforts on one or a few key segments. According to Kotler et al. (2003), positioning is the way the product is defined by tourists on important attributes; it is the place the product occupies in tourists' mind relative to competing products.

### **NICHE MARKET STRATEGY:**

Niche marketing has been used synonymously with “market segmentation”, “target marketing”, “micromarketing” “regional marketing”, “focused marketing” and “concentrated marketing” (Dalgic and Leeuw, 1994; Linneman and Stanton, 1992). It is, however, none of these and all of these. From an overall firm strategy perspective, a niche market strategy is defined as “an emphasis on a particular need, or geographic, demographic or product segment” (Teplensky *et al.*, 1993). Kotler (2003) states that niche markets are usually constructed by dividing a segment into sub-segments and that the key issue in niche marketing is specialization. Shani and Chalasani (1992) differentiate between market segmentation and niche marketing. They characterize market segmentation as a top-down approach. A literature search by Kara and Kaynak (1997) came to the conclusion that niche marketing takes market segmentation one step further in terms of creating a distinct group of customers.

### **METHODOLOGY:**

To achieve the objectives of the study mainly the secondary information has been used for conducting this research. Secondary information has been collected from annual reports, website of ministry of civil aviation and tourism and Bangladesh Parjaton Corporation, publications of world trade organizations, different journals and research papers. After collecting information researchers analyze the future prospects of nice market strategy for the development of tourism industry in Bangladesh.

### **FINDINGS AND ANALYSIS:**

#### **MARKET SEGMENTATION:**

Market segmentation strategy plays an important role in the success of tourism marketing objectives. A tourist market may be identified corresponding to each tourist product. In that sense, we can define market is a set of actual and potential buyers of each product. There are five segmenting variables: Geographic, Demographic, Geo-demographic, Psychographic and Behavioral (Kotler et al.2002). Bangladesh Parjaton Corporation (BPC) formulates the policy to regulate the tourism industry. To segmenting the target market it emphasize on two variables that are (i) Demographic segmentation and (ii) Psychographic segmentation. Demographic segmentation are usually large because in that segment tourist product can attract a limited number of groups and age provides the biggest range of options for defining a large number of groups. Psychographic segmentation provides us depth information of tourists. By this segmentation we understand about tourists’ personal interests, motivations, aspirations and emotions etc.

(i) Demographic segmentation for international tourists:

- Ethnic identity and nationality: Most of the tourists coming from Europe, South Asia, USA, Gulf Cooperation Council Countries, East Asia and the Pacific Rim, USA, England, Australia and New Zealand and others.
- Age: Tourists groups are usually young and middle age people; sometimes families with children and even retired people are coming too visited at different locations.
- Family life cycle: Some Bangali UK and USA immigrants like to visit Bangladesh with their children to familiar about culture and its heritage.
- Sex: Men and women both equally like to visit Bangladesh.
- Religion: Muslims, Buddhists’ and Christian pilgrims are interested in their concerned religious sites in Bangladesh.

(ii)Psychographic segmentation for international tourists:

Actually demographic segmentation cope is vast and easy to understand but the variables of psychographic segmentation is so depth that is needed to explore. The living pattern, day to day activities and the entertainment item consumed by the tourists is most important. For psychographic segmentation customers special interests, hobby, opinions, and attitudes towards different types of vacations is important. Therefore, BPC is trying to segmenting the market on the basis of tourists’ psychographic characteristics but not

success. If they could differentiate among these segments, they would be able to select appropriate segments and develop as well as implement marketing strategy for each selected target group.

### TARGET MARKETING:

Target marketing involves evaluate each market segment attractiveness and selecting one or more segments to enter. In that phase BPC concentrate its marketing effort on Beaches, Hills & islands, Forest & Jungle, Historical places, Archaeological Sites and other.

### MARKET POSITIONING:

According to kotler et al. (2003), positioning is the way the product is defined by tourists on important attributes; it is the place the product occupies in tourists' mind relative to competing products. It is difficult to promote specific tourists product when that product have several attractiveness. That's why BPC promote bundle of tourist's product for the tourists. According to data of MoCAT, BPC consider four major tourist's products which have attractiveness and demand and added competitive advantage to Bangladesh. Those products, won good positioning in the tourists mind in the Europe, South Asia, East Asia and the Pacific Rim, USA, England, Australia and New Zealand and the products are as following:

1. Beaches
  2. Forest, Hills and islands
  3. Historical place
  4. Archaeological Sites
1. **Niche Market for Beaches:** The Beaches product assortment includes Patenga, Parki, Cox's Bazar, Teknaf, Saint martin island and Kuakata. Among these Cox's bazaar, Teknaf and Saint martin attract more local and foreign tourists. The tourists who want to stay relax, rescue from mental problem, physical fitness for body disorders and visit for open air are included in this target group.
  2. **Niche Market for Forest, Hills and Islands (Eco-tourism):** Hills and Islands includes Sundarban (the home of the majestic Royal Bengal tigers), Rangamati (the lake district), Kaptai (the lake town), Bandarban (the roof of Bangladesh) and Khagrachhari (the hilltop town). Tourists who are looking for natures and different cultures of different tribes' people are included in this target group. These sites covered tourists eco-tourism needs. So Bangladesh eco-tourism met the interest of target group.
  3. **Niche Market for Historical place:** Mostly attracted historical place includes National Museum, Central shahid Minar, Curzon Hall, Martyred Intellectual Memorial, Baldha Garden, Subrawardy Uddayan, World war II Cemetery, Old high Court Building, Nator-Rajbari etc. Bangladesh has rich history about its heritage. Tourists who want enrich their knowledge about history are included in this target group.
  4. **Niche Market for Archaeological Sites:** Mostly attracted archaeological sites are Mainamati, Paharpur, Shait Gombuge Mosque, Kantajis Temple, Lalbagh Fort, Sonargaon, Ahsan Manzil etc. Tourists (researchers and students) who want enrich their knowledge about archaeology are included in this target group. This product met the interest of target group.

### RECOMMENDATIONS AND CONCLUSION:

Bangladesh is a developing country and it has lots of tourist's products but all products are not attracting foreign tourists. So Bangladesh needs to concentrate to develop Iconic products rather than to increase the number of offers. The following recommendations will help to the authority to develop its four Iconic Products: **Firstly**, for beaches authority should establish more hotels, motels and security. Authority can encourage local people to participate for their own economic benefit. Local authority should upgrade the infrastructure of beach sites. **Secondly**, for eco-tourism authority should protect the green environment and forest also. Local authority should initiative to involve tribal's in the process of eco-tourism. **Thirdly**, for historical place authority should promote its historical places and marketing these places through promotional mix. It is so important to preserve historical places. **Finally**, for archaeological sites authority should develop communication (transportation) facilities to reach these sites and establish standard hotel and restaurants nearest to sites. It is necessary to train up the human resource of different sites office to guide the foreign tourists properly. It is important to offering the key products to niche markets in different way in

compare to competing countries. By taking proper niche marketing strategy Bangladesh can increase the receipts and number of tourists. Niche market strategy can be useful because most of the foreign tourists have interest to visit the above mentioned sites and willing to stay few days and spend money for their enjoyment. By applying this strategy BPC can differentiate its tourist's product for different target groups (need basis) and protect its downward earnings.

Finally, the findings of this research will help the policy maker to implement niche market strategy to serve the target sub groups of international tourists. By using skilled private tour operators it can attract more foreign tourists to visit its four key products Beaches, Eco-tourism, Historical place and Archaeological sites in addition to promotional program, establish tourist office in abroad and updated websites.

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