

AGGS TOURS & TRAVELS: A CASE STUDY

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Agnes Peter, Managing Director of the AGGS Tours & Travels a small company in the business of organizing safaris and tours to various destinations in TANZANIA. The headquarters for this company is in the vibrant city of Dar es salaam and major offices in major cities and tourism destinations of Mwanza, Arusha, Kilimanjaro and Iringa and employing more than 50 permanent employees several others working on temporary terms. She had come to the conclusion that her business needs to be categorized basing on tourism circuits of the country. The northern circuit covers regions such as Mwanza, Arusha and Kilimanjaro while the southern circuit covers regions such as Mbeya, Iringa and Ruvuma. However, the company is facing serious problems in determining the requirements of the customers and demand for the company offerings. The problem could be attributed partially by the fact that no staff in the organization can claim to have marketing experience especially in the service sector. Experience in the business could be another reason as the company has been incorporated back in the year 2012. This is to say; the company has two years of operations facing the above stipulated challenges.

The company depends so much on foreign tourists as this group of tourists' accounts for 85% of the total business with majority of tourists coming from Europe and America. Domestic tourism could be simple and best to serve as the culture of the people a big chunk of the country is similar with minor differences. However, the issue

here is the willingness of the majority to go for holidays. In other words, the domestic market is not attractive while the external market is highly competitive with more than 550 tour operators registered in the country. The business is heavily competitive and Miss Agnes has realized most recently that, the key success factor to this business is to have a better knowledge of customers' expectations. She is thinking of recruiting people with a good knowledge of marketing of tourism products or hires a consultant to train employees on the same. She realized also that, successfully tour operators have proper networks with customers outside the country. The following conversations between company's salesperson and a customer (family) wanting to go for holiday prompted Miss Agnes to think twice whether she has the right people in the organization or not.

Customer: Good morning, I'm looking for the group package for my family as we have travelled all the way from England with the purpose of spending 14 days enjoying the tropical weather of Africa.

Salesperson: I think we can help here. We have a wide range of tourism services as you can see for ourselves in the brochures and posters. We normally take our customers for mountain trekking, sites seeing, and camping, hunting and visiting national parks. What exactly you have planned for the holiday?

Customer: well! My wife has just come to see lions in their natural environment and my kids want to see the big five of the African animals. Lion, elephant, rhino,

buffalo and leopards, can it be possible to get that kind of services plus but not limited to accommodation in some budget hotels?

Salesperson: yeah! It is possible but you need to dig down into your pocket because staying in the hotels for 14 days for 4 people plus other services would cost you dearly. Moreover, it is not a guarantee to see all of the big five, especially the lions due to the season we are in.

Salesperson: have checked with other service providers as to how you gonna pay for the services you have asked?

Customer: that is why we are here sir?

Salesperson: Don't worry; you said you want a family package at reasonable prices. Here we have these arrangements for family members. If you read the brochures and posters I have given to you, you will find out that the cheapest I could give to you is 1,200 USD per person for the entire period. What a deal? This is the value for money given the time you gonna spend with us and the complication of meeting your requirements.

Customer's wife: I bet it is the most expensive arrangement in the country and probably we can get the cheapest deal elsewhere.

Salesperson: Not as much as you think. The price of \$ 1200 per person is good value given the range of services you have asked.

Questions

1. What choice criteria were important to the customer?
2. Did the salesperson understand what was important to the customers? If not, why not?
Did the salesperson make any other mistakes? Why do you think the salesperson chose that arrangement?
3. You are the salesperson in the second tour operator they are about to visit. Based on your knowledge of buyer behaviour, plan how you would conduct the sales interview.

Customer's wife: I have seen advertisements in the newspapers that some service providers can offer the arrangements for a lot less than that.

Salesperson: Yes, but do they have customized services than that we are giving to the customers. Remember, in the tourism value chain, my company offers almost every service and we are not outsourcing. In this case the level of satisfaction is highly guaranteed?

Customer's wife: I have no idea but they look fairly good for us given the fact that we came for site seeing and watch big five in their natural environment. Can you adjust the price to be looks like the other service providers?

Salesperson: No madam, the arrangement I am giving has 10% discount in it and our prices are fixed by the management and we do not have any mandate to negotiate.

Customer: Actually, my budget is quite small and I don't think we are ready for the expensive arrangement yet, perhaps when our income grows a little we will be ready. Anyway, thank you for your time.

The family left and decided to visit another tour operator in a nearby street to give themselves one last chance to negotiate their way.