



Small Nambas Village

Welcome to the third issue of T & H E-Newsletter.

One of the advantages of residing in Vanuatu is to have easy access to a living ancient culture.

This culture is found in the multiple islands of the archipelago. We are delighted to periodically visually highlight the intrinsic beauty of Vanuatu. This edition is dedicated to a village on the island of Malekula; the people of the Small Nambas Village whose hospitality and generosity of spirit I will cherish forever. Hope you enjoy the images.

We continue with our reports on **Branding** and **Sustainable Tourism** and a special insight into another global market: **The Emergence of Health and Spa Tourism**. We also have some **internet; marketing; value adding; service; and business tips**.

A distressing report on how we have mistreated our oceans, and what we can do about it. Also a different perspective on tourism by Alex Kerr of Newsweek which is in synch with comments received from the people of Malekula who informed me; **"If we don't have tourism, our young people will eventually forget all the traditions..."** However, due to file size, we have had to postpone our Travel Agent report to next month, as we endeavour to maintain our file size under one megabyte. As many of our subscribers have extremely slow download speed but heck, there is so much excellent material out there to improve our country and respective businesses, it's hard to resist!

Hope you enjoy this issue of Hospitality & Tourism E-Newsletter and always happy to hear from you.
John Nicholls

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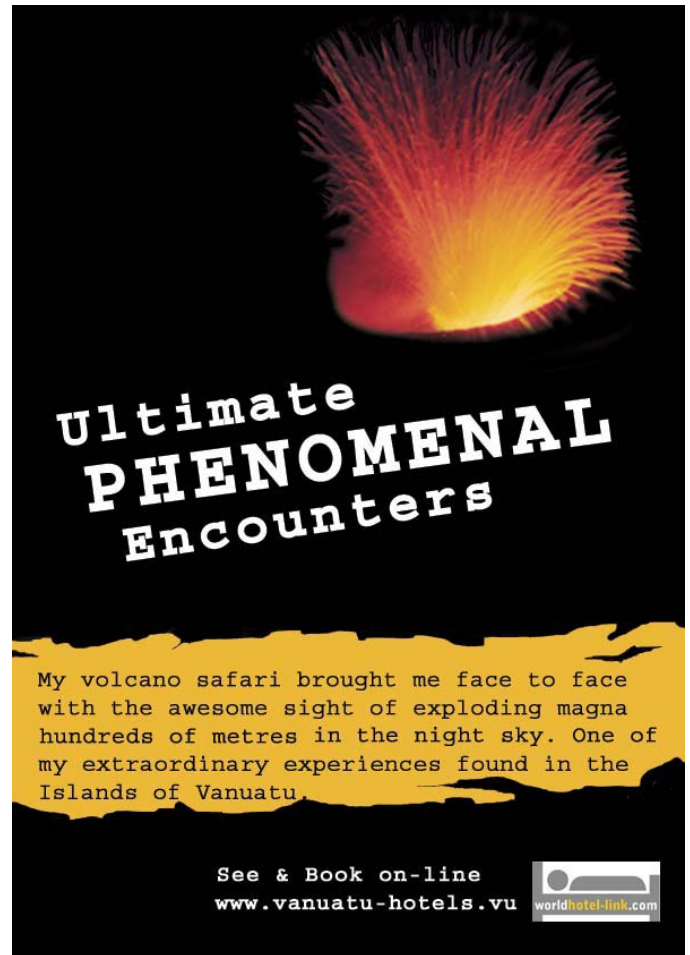
And more.....

"Good facilities and good service and sound environmental management = a quality destination."...Dr. Louise Twining-Ward

Branding: How to Successfully Brand


Distinctive and successful brands usually have the following qualities:

1. **They are differentiated from competing brands.** In an age of increased customer choice, over-supply and growing clutter and clamour in the market place, a differentiated brand (and the investment that is required to build and grow it) is necessary to survival and prosperity. The more that brands deliver against the expectations of what customers have of them, the deeper the trust; the longer the survival, the greater the value.
2. **They are both relevant and desirable to the target market.** They have a deep emotional resonance with their customers (rather than just vast recognition and awareness of name and logo). Great brands are usually perceived to have some involvement in the fabric of customers' lives by the consumers themselves.
3. **They enjoy public esteem** and have a 'legendary' status, perhaps having passed from generation to generation. There is constant investment in keeping them fresh without departing from the core values of the brand. Occasionally, their decline and revival contribute to the mythology of the brand. Examples include Perrier's perilous situation when benzene was discovered in the drink and it was recalled; Coco-Cola's near-disastrous attempt to change its flavour and its dramatic recovery of its position after mass protest; Apple's role in the creation of the PC market, then its decline, followed by its revival in the late 1990s with the innovative iMac designs.
4. **The very great brand can dominate and change the nature of an entire segment of the market.** Examples are IBM's domination of the information technology market for most of the second half of the 20th century; Kodak's domination of camera film processing; Disney's constant pushing back the frontiers of family entertainment since the 1930s.



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5. **At the more advanced levels the greatest brands ultimately become global brands, even if their origins are very national.** For example, Kodak, Coco-Cola, McDonalds, Sony, Disney, Microsoft, Rolls-Royce, BMW, Volkswagen, Gucci, Ferrari, the BBC, Mercedes, Nike, and Intel all began as domestic, national brand names and have now become global.

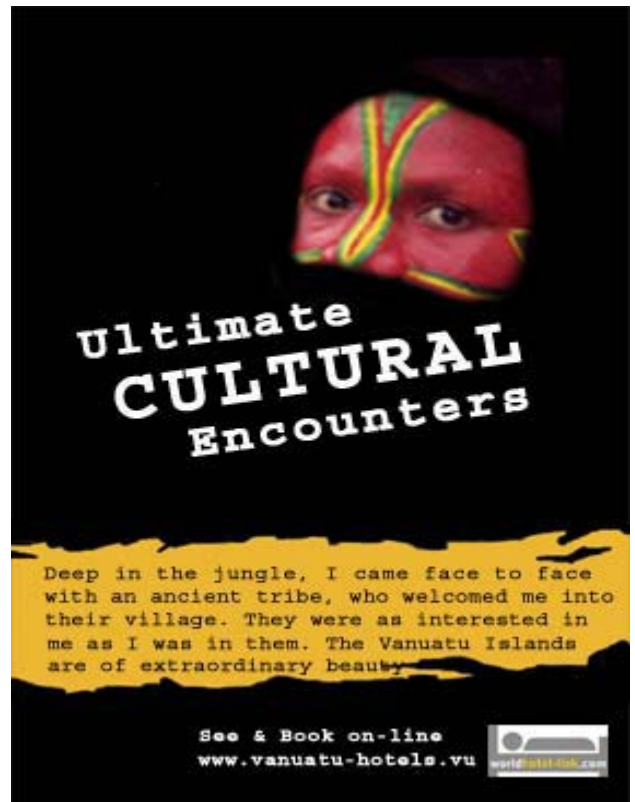
In addition to regular advertising activities, companies also use corporate sponsorship to increase brand awareness. Companies sponsor charity events, the arts, sporting events and venues as well as various tournaments. Corporate sponsorship provides a double dose of advertising and brand awareness. People attending the event become more aware of the corporate brand. In addition, as a corporate sponsor, a company will typically have access to special lounges or areas or may have a table at a dinner. This provides a good opportunity to bring existing or potential clients to these events and build a rapport that can also lead to more business.

Branding: (cont'd)

Harley-Davidson, an outstanding case of brand revitalization in its own right, used a novel approach to building their brand name. They developed a programme aimed at new riders. Participants in the programme spent time in the classroom as well as on the road learning about technical details. Bike safety was presented and there was even an opportunity to try on motorcycle gear, which was, of course, covered in Harley-Davidson logos. New riders who graduated from the class remembered the Harley-Davidson brand name, and the majority of those buying bikes bought Harleys. Starbucks, once a Seattle-based coffee company, has become a global brand, but without major spending on advertising.

Under Scott Bedbury's marketing leadership since 1995, the company has taken an **innovative and a collaborative approach to building its brand**. It negotiated an agreement with United Airlines to serve Starbucks on all United flights; it collaborated with Redhook Ale Brewery Inc. to introduce Double Black Stout, a malt beer flavoured with coffee; it created a joint venture with Pepsi Cola Co. to market Starbucks's Frappuccino drink in supermarkets; it joined with Dreyer's Grand Ice Cream to introduce six flavours of Starbucks Ice Cream. Starbucks coffee shops create a comfortable overall brand experience, and these have been opened across the world, from Seattle to Tokyo, expanding the Starbucks company to 1100 outlets with 22,000 employees and serving coffee to 4 million people each week on branded cups.

Other advantages of branding include obtaining legal protection for products and services. Branding also makes it easier to link advertising to other marketing communication programmes and it can reduce the overall cost of personal selling and persuasion. Finally, **a strong brand gives a foundation from which a country or a company can launch new products and services as extensions of the brand**.



The Rationale for Sustainable Tourism

The tourism industry cannot continue on the same path of the conventional, mass tourism model, which focuses only on quantitative expansion and growth, rather than on conservation and quality improvement. It is especially critical at this point in time that tourism become more sustainable for the following reasons:

- **Tourism numbers are growing.** Tourism is the largest industry in the world, and it continues to grow rapidly, especially in developing countries. With increasing numbers of tourists, tourism can have significant negative impacts on host destination, especially if it is not properly managed.
- **Tourism is expanding to new places and products.** Tourists are looking more and more for new destinations and products, and are more interested in natural and cultural attractions in rural and remote areas. These products and resources are quite fragile, especially those that have not been yet touched by the outside world. It is critical that tourism is managed properly in these areas to maintain the viability and quality of the product.

The Rationale for Sustainable Tourism (cont'd)

Tourism development, whether conventional mass tourism or sustainable tourism, can bring both positive and negative impacts on a destination and its people.

Some positive and negative impacts of tourism

Impacts	Positive	Negative
Economic	<ul style="list-style-type: none"> Increased income and employment Foreign exchange Business and economic development 	<ul style="list-style-type: none"> Increase in cost of living and land Leakages Dependency on one sector Risky investment
Environmental	<ul style="list-style-type: none"> Incentive for conservation Increased revenues for environmental management Incentive for revitalisation and beautification 	<ul style="list-style-type: none"> Overuse and destruction of natural resources Pollution and waste Conflicts over use of resources Congestion and overcrowding
Social	<ul style="list-style-type: none"> Improved quality of life Better infrastructure and facilities Local pride in destination Gender empowerment Increased understanding among people 	<ul style="list-style-type: none"> Competition between tourists and locals for services and infrastructure Sexual exploitation and drug abuse Increase in crime
Cultural	<ul style="list-style-type: none"> Cross-cultural exchange Preservation and revitalisation of culture Improved understanding of different people and cultures Educational experience 	<ul style="list-style-type: none"> Commercialisation and exploitation of culture Loss of cultural identity Cultural degradation

Marketing Tip: Value Adding

Value adding can be incorporated in the product by simply adding a new ingredient. Undisputed masters of this technique are the washing powder manufacturers who every year "discover" a new "Lemon x plus" ingredient and toss it into their formulae, then promise all sorts of washday wonders. Whether the average person believes these claims is another matter. After all, how much whiter can white be?

The point is, they are 'revitalizing' their product every year, if they were not, their consumer appeal would wain and market share decrease.

Do we, as individual tourism operators or collectively offer new exciting "ingredients" to our consumers or are we perceived year in, year out, as always offering pretty much the same? If we are to increase our appeal and market share of international tourism, then we have to be innovative. There is always a service, or a product we can improve upon or introduce.



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Internet Caution

ISCA Labs (www.iscalabs.com) which keeps track of viruses circulating around the internet has estimated that as many as 20,000 viruses are present online at any one time.

The survival time for a computer that has not been equipped with the latest updates (called patches) after connecting to the internet is 16 minutes. That means such a computer has only 16 minutes before someone tries to attack it (www.dshield.org) is one of the websites that keeps track of the latest (firewall) attacks.

"Value adding may not initiate a sale, but it may double your chances of closing it!" Anon.

The Emergence of Health & Spa Tourism

This month we take a close look at the "Wellbeing" market especially the emergence of Health and Spa Tourism.

Health Retreats and Spas are a rapidly growing sector of the tourism industry where there has been new interest in "new age" remedies and traditional remedial therapies. Consumer demand is driving the growth, people are searching for an escape from work related stress, and they are realising the long-term benefits of taking care of themselves.



Erakor Island Spa, Vanuatu

Market Insight

- Consumers are increasingly seeking the spa experiences as an alternative or complement to other leisure activities.
- Health Retreats and spas are sought largely by people who are in high stress positions of employment in the cities. Business travellers in particular appear to be dealing with more stress and jet lag and are booking hotels that offer full-fledged spa services.
- The core market for spas/health retreats are baby boomers who are very keen, and very willing, to spend on preventing those health conditions that are potentially going to stop them in their tracks – they demand preventative services. Younger professionals are also seeking preventative services for stress related/burn out conditions that are impacting them far too early in life.

- The majority of spa clients are female, married, and over age 50. 34 to 52-year-olds also make up a large part of the market, and men account for a quarter of spa users.
- There are an increasing number of men seeking spa therapy, especially massage.
- Group bookings have increased dramatically in recent years. Groups of friends (both female and male), couples, and families (mothers/daughters) are going to spas together.
- Business and corporations are taking employees to spas for relaxation and are offering spa gift certificates as perks.

Industry Trends

Product Trends. The Eastern/Asian influence continues to be very strong in the industry, influencing products, services and spa design. There is a strong trend towards "medical type" products and services. Food- and plant-based treatments have also gained widespread popularity.

Spas are responding to the increasing interest by males by gearing some services specifically to men.

Consumer Trends. Many people no longer see the spa as "pampering", but as a requisite to stay healthy and look good. These consumers want simplicity in their spa experiences and are returning to more traditional spa products. Consumers' limited free time means they have less time available to spend at the spa, and the industry is designing its offerings around this trend.

"Quality is how well a given product or service consistently meets the expectations of those who purchase it." ...Dr. Louise Twining-Ward

The Emergence of Health & Spa Tourism (cont'd)

Technology Trends. The industry's use of technology has advanced in the past two years. Spas have moved beyond the use of the Internet as a simple research or e-mail tool, and now report major investments in database management, integrated channel customer contact systems and marketing products/services online.



Type of Experience Sought

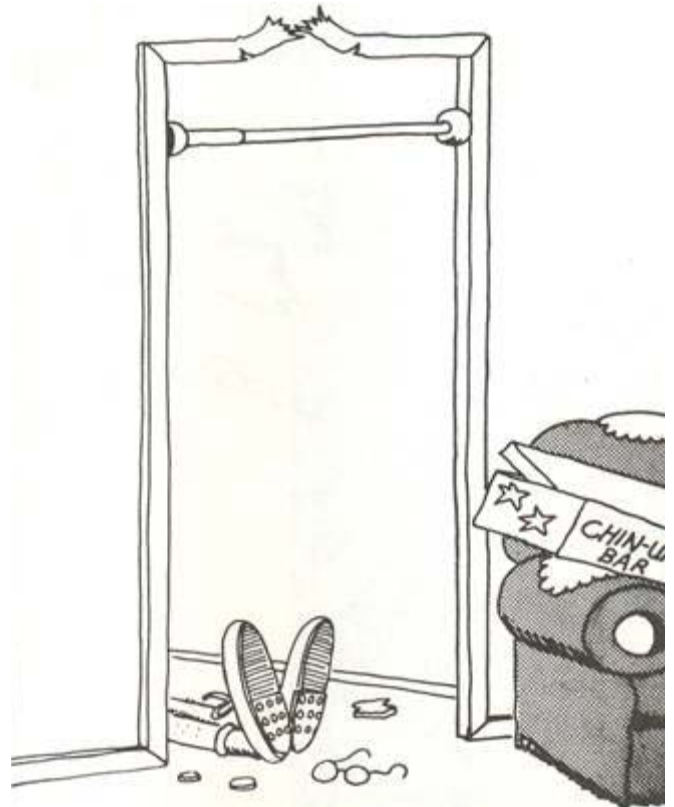
Relaxation is the primary reason respondents gave for visiting a spa according to 43 percent of day spa-goers and 61 percent of resort/destination/cruise spa-goers. Pampering and stress reduction followed respectively with weight loss, health reasons and exercise and fitness at the bottom of the list. The majority of clients are visiting spas to escape the news and forget about the real world for a while.

Treatments/Product Offerings

- Massages remain the most popular treatment and mind/body services are being requested frequently.
- Non-traditional products such as "Eastern" treatments and products with fitness components are gaining popularity.
- Traditional products – the 'tried and true' therapies like hydrotherapy and mud baths – continue to be highly popular.

- Keeping a healthy body and mind (holistic approach) and using natural and organic materials are a focus of new product and service offerings in spas.
- Services for couples such a dual massages and hydrotherapy are being requested more frequently.

Source: ISPA reports; HOTELS Magazine



Business Tip

Envision the growth of your business through acts of uncompromising kindness towards customers and business colleagues. Then imagine the benefits of being number one in your market and capturing mindshare!

"Most people resist change, and yet it's the only thing that brings progress."...Anon

Website Marketing

Building your Site's Link Popularity

What is Link Popularity?

Link Popularity refers to the number of links pointing to your site, from other sites on the web, in a matter of speaking. The Search Engines consider your site important and rank it higher if several other sites link to your site. But there are limitations to this theory.

Benefits of Building Link Popularity

Building Link Popularity is one of the most important and critical aspects of any effective Search Engine Optimization campaign today. The 'off-page' factors such as link popularity, PageRank and Anchor Text in incoming links play a major role in your site's ranking in the search engine results pages (SERP).

Search Engines consider your site more important if more links point to your site. Building link popularity improves the PageRank of your web pages. The higher the PageRank of your website, the higher its importance for search engines and higher it gets ranked in the search engine result pages. Search engines also take into account the PageRank of the pages that link to your site and its industry relevance to your own industry. Links from higher PageRank pages and industry relevant sites give your site a higher value.

Note: Search Engines need to 'learn' all the links you have created pointing to your site, in order to reward your website. Patience pays.

History behind Link Popularity and Google PageRank. Web, by its very nature is based on hyperlinks, where sites link to other prominent sites. If you take the logic that you would tend to link to sites that you consider important, in essence, you are casting a vote in favour of the sites that you link to. When hundreds or thousands of sites link to a site, it is logical to assume that such a site would be good and important.

“When a man with money meets a man with experience. The man with experience ends up with the money and the man with the money ends up with experience...”Anon

Taking this logic further, the Google founders, Sergey Brin and Larry Page formulated a Search Engine algorithm that shifted the ranking weight to off-page factors. They evolved a formula called PageRank (named after its founder Larry Page) where the algorithm would count the number of sites that link to a page and assign it an importance score on a scale of 1-10. The more the number of sites that link to a page, higher its PageRank.

Google's PageRank is important because it is one of the primary off-page factors that influences your page's ranking in the search engine result pages.

Source: Harjot Kaleka, SEO Copywriter at SEOrank.com, a leading Search Engine Optimization services company. She has a Masters degree in Mass Communications and Copywriting.

Read more from Google –

<http://www.google.com/technology/>

eCommerce and eMarketing

There is a lot of advice on how to use IT in your business; here are some of the better sites to use.

<http://www.e-businessguide.gov.au/> This is an online e-business guide provided by the Australian government to help small business use information technology.

Microsoft's Better Business Toolkit. One of the best things on this website is the ability to create an Action plan with good tips on how information technology can support your business.

<http://www.canadaone.com/tools/> This website by Canada One provides a range of online toolkits for small businesses including information packs on using information technology for own business, and other business application tools.

<http://www.myownbusiness.org/s9/index.html#4> eMarketing and Search Engine Marketing, lots of good tips and practical advice on eCommerce, online Marketing and Website development.

Source: SPTO – <http://www.PacificToolkit.org>

A message for all those who are heading towards the sea

Every year turtles, dugongs, coral, fish, invertebrates and other marine species die needlessly due to the carelessness of travellers and locals alike. Our beaches, mangroves and reefs are desecrated. How?

Rubbish! Tin cans will last 50 to 100 years. Aluminium cans 80 – 100 years, polluting beaches. The innocuous plastic six-pack packaging rings has 450 years to kill, the polystyrene cups and packaging will have a little longer; 500 years. The inescapable death trap is of course the discarded fishing line which will be around for 600 years.

What happens to these items and many others?

- Turtles mistake plastic bags and balloons for one of their favourite foods; jelly fish. When they do, they die a slow and painful death of gut blockage.
- Whales, sharks, and dolphins see garbage such as bait box straps and six-packs packaging rings as an item of curiosity and become tangled up or strangled to death as a result.
- Seabirds eat small plastic pellets and bits of styrofoam mistaking them for food such as small fish or squid, which can then cause the birds to die.
- Fish, turtles, and other marine animals can get entangled in derelict fishing gear such as gill nets; this gear can continue to catch fish many years after being lost or discarded.
- Marine animals that encounter nets and other fishing gear may drown, lose their ability to catch food, and be more susceptible to disease and predators.
- Seabirds that get covered in oil often die because when they try to clean themselves, they ingest some of the oil, which poisons their liver, kidneys, and intestinal tracts. The oil also destroys the insulating and waterproofing properties of their feathers.



- Oil can destroy seagrass beds, mangroves, corals, crustaceans (crabs and lobsters), molluscs (giant clams and trochus), and other reef organisms by smothering them and cutting off light and oxygen necessary for their survival.

How much garbage is out there?

While no one knows for certain, one figure indicates that over 450,000 garbage plastic bags were thrown overboard everyday by the world's ships in the 1980's. Walk along any Pacific island beach and you will see the results. It has become a major problem – our problem.

What can I do?

It is up to each person fishing to take the responsibility for making sure that the boat they are in does not pollute.

This can be done by making sure:

- ✓ Crew and passengers know that throwing trash overboard is wrong and against the law;
- ✓ Notices are displayed on board that explain how and where garbage should be disposed of;
- ✓ Plastic trash is separated from other garbage and disposed of properly, giving special attention to six-pack rings, bait bands and other garbage with the potential to strangle marine animals.

T & H E-Info is happy to provide free publicity in this newsletter for products or services which assist tourism operators to reduce their operating costs via sustainable environmental means.

So if you produce, use or simply know of such products or services, tell us.

Tourism: Good or Bad for Preservation?

Despite their bad reputation, tourists can also be one of the world's greatest forces for preservation.

Nobody much likes tourists. They have a reputation for being loud, rude and disruptive. They are blamed for everything from prostitution to environmental degradation. "They want to have a good time, they are not well informed and want a short 'wow' factor," says Xavier Font, professor of tourism management at Britain's Leeds Metropolitan University. "Many locals see tourists as stupid." Yet tourism may in fact be the true salvation of humankind's cultural heritage. After all, it's the main countervailing force to internationalization – that is, the global blah of TV, T shirts, tract housing, fast-food chains, business suits, malls and brand names. Internationalization has, in practice, been a process of everyone's coming to live and act the same; the Japanese gave up their kimonos because they were considered "unmodern," while Beijing destroyed its old city for the same reason. But tourists are looking for something old and something different – and they'll pay for it.



Small Nambas Village

The effect can be seen across the globe, rescuing traditional cities and cultures from the brink of extinction. Just five years ago the indigenous community of the Cayapas lived in little concrete houses with television sets, having moved from the banks of the Canadé River in northwestern Ecuador to settle alongside the highway. They had nearly all abandoned the traditional hand-woven garb of their ancestors, and instead donned Nikes. "That's what progress meant to them," says Pedro Armendáriz, a tourism and development-planning engineer based in Quito. "It meant wearing tennis shoes and jeans, and having a TV so all the women could watch their soap operas every day."



Small Nambas Village

Thanks to an influx of tourists, things have recently changed for the Cayapas. With visitors coming in search of community, or ethnic, tourism – to eat, work and often even live with the indigenous people – the Cayapas were embracing the nearly forgotten culture of their ancestors. Once again, they are wearing traditional clothes, building old-style homes and using traditional agricultural techniques. "They have become a sustainable community micro business, with a preservationist conscience, because they have understood that their indigenous roots are what interest tourists," says Armendáriz. "(it makes them) value their ancestral culture."

The situation is similar throughout Latin America, where interest in cultural and ecological tourism has been on the rise in recent years. Tourism to Guatemala, for example, with its Mayan heritage, lush rain forests and lakes surrounded by volcanoes, had doubled in the past decade to nearly 2 million foreign visitors a year. Their dollars have kept young indigenous women interested in learning the specialized craft of weaving on the Mayans' backstrap looms, says Alejandrina Silva, head of the Guatemalan Tourism Ministry's Cultural Heritage Office. "Indigenous artisanry forms an important part of the Guatemalan touristic product," she says. "If this were not the case, such crafts could die off and the younger generations would have to look for new trades that would allow them to survive."



Tourism: Good or Bad for Preservation? (cont'd)

Indeed, the souvenir trade – often maligned for promoting kitsch – can almost single-handedly keep fading cultures alive. In the Tatra National Park in Zakopane, in Southern Poland, the highlander tradition of making smoked sheep cheese – dying out among the younger generation – has earned a new lease on life thanks to tourists' desire for unforgettable souvenirs. Highlanders make the cheese, or *oscypek*, in their huts, forming it by hand and smoking it over a fire. Visitors feel free to chat with the locals as they watch, have a taste of the cheese and a glass of fresh goat's milk; most leave some money. They also snatch up the traditional clothing, wool hats, slippers and jackets – as well as sheep and goat cheese – on sale all over the city.

Whole cities owe their existence to tourism. After being designated World Heritage sites, Lijiang in southwestern China and Luang Prabang in Laos became meccas for tourists and, as a result, have managed to preserve their traditional feel. In Japan, tourism has sparked a new interest in Kyoto's old wooden *machiya* town houses, which were previously discarded as junk. Now real-estate agents specialize in finding and restoring *machiya*, and entrepreneurs fix them up as restaurants, boutiques or inns.

Of course the effects of tourism are not purely benign. Eventually tourism transforms old towns into something fundamentally different. Behind the facades of old houses in Lijiang, for example, you will find few original inhabitants today. They have been displaced by outside businessmen selling tourist trinkets. "The old places take on new clothes," Susan Fainstein, a professor at Columbia University and author of a book on tourism, "The City Builders," has said. "The real places are scurrying to remake themselves to match the expectations of what people think they should be." Over time, tourism itself becomes a town's *raison d'être*. Nevertheless, a trinket-selling Lijiang is better than no Lijiang at all, and in the context of modern China's uncontrolled and breakneck development, the survival of a town like this verges on the miraculous.

Tourism is not just about preserving old cultures; it can also influence modern ones. Catering to tourist whims provides a quick education for fledgling entrepreneurs, from the little boys in Angkor Wat pushing postcards, to the people who run small travel agencies, bed-and-breakfasts and coffee shops. Backpackers in particular, who have created their own cities-within-cities such as Khaosan Road in Bangkok, have sparked entrepreneurs to invent entirely new businesses, including herbal spas, meditation centres and home-stay programs.

For developed countries, tourism can help maintain a healthy competitive edge. Consider Japan, which until recently did not feel the need to court foreign travellers, and in the process nearly fell off the tourist map. The country ranks only 30th in the world as a tourist destination – about the same as Tunisia and Croatia. Without overseas visitors' clamoring for special services, hotels and inns rarely offer Internet access, ATM and mobile-phone networks won't link up with the rest of the world, and design and amenities at resorts lag behind world standards. Without tourists, modern culture fails to take the next step.

Of course, the biggest benefits of tourism may accrue to the tourists themselves. They go home having learned something about societies different from their own. And that, in the end, may do more good for the local cultures they visited than any amount of dollars. "When tourists from the Western world go to Third World countries, it increases the locals' pride in their own culture," says Ranjan Bandyopadhyay, a professor of tourism at Britain's Nottingham University. "Tourism is the avenue on which we can exchange our cultures and learn from each other. Tourism brings peace." Not to mention some really unforgettable smoked sheep-cheese souvenirs.

Article by: Alex Kerr, *Newsweek International*

Coral Reefs and Cruise Ships

The Challenge

Coral reefs are a popular attraction with tourists, especially cruise passengers. However, an increasing number of visitors could put the reefs at risk if these visits are not properly managed.

Although coral reefs cover only 0.2 percent of the ocean's area, they are an essential part of marine ecosystems, especially in the Caribbean and the South Pacific. By some estimates, coral reefs are home to as much as one-third of all marine fish species and thousands of other species. To humans, coral reefs represent crucial sources of income and natural resources through their role in tourism, fisheries, and as an important source of pharmaceutical compounds. As a vital source of fisheries, reefs yield as much as 6 million metric tons of fish annually. Approximately a quarter of the total worldwide fish production in developing countries comes from coral reefs. Reefs also provide critical protection to coastlines from storm damage, erosion and flooding by reducing wave action.

Coral reefs are threatened throughout the world's oceans. A recent analysis by the World Resources Institute (WRI), in collaboration with the International Center for Living Aquatic Resources Management (ICLARM) and the World Conservation Monitoring Centre (WCMC) estimated that 58 percent of the world's reefs are highly or moderately threatened by human activity. More than 60 percent of the coral reefs in the Caribbean region are under threat.

Threats to these reefs include marine resource extraction, such as **fishing and coral collection and harvesting**; water quality degradation; both land-based and ship-based pollution; over-exploitation; coastal development; ship anchors and unmanaged tourist activity.

Cruise ships can pose a direct threat to coral reefs by damaging them with their anchors or even accidentally hitting the reef with the ship's hull. A single cruise ship's anchor and chain can weigh as much as five tons (4.5 metric tons) and can damage up to 2,100 square feet (195 square metres) of ocean bottom at a single anchorage site on a calm day with no swell or current.

Many cruise ship shore excursions to Vanuatu include at least one visit to a coral reef. Small tour boats anchoring on or near the reefs can cause damage, while cruise passengers may harm the reefs by touching, walking and standing on the coral or breaking off pieces for souvenirs.

Response

Along with the invaluable biodiversity contained within and protected by coral reefs, they are also a chief attraction for cruise passengers. A diseased or damaged reef reduces the quality of a destination and thus the quality of the cruise line's product. As shore excursions, particularly to marine parks, become increasingly popular, cruise lines are realizing the value of maintaining and protecting coral reefs. Many have strict self regulations when operating near coral reefs. Others may not and it is up to traditional custom owners and the government authorities to police this.

Create Desire

People buy on emotion, not logic. But they need logic in order to rationalise their purchases. So, present logical reasons for the purchase, but sell on desire.

Marketing: The Cause of Profit

We sometimes get it wrong because we can't distinguish between **cause** and **effect**. So when we occasionally get it right, it's nothing more than a happy accident.

It's not just advertising that suffers because we confuse cause and effect. We do it in every aspect of our lives, almost every day.

The reason is simple enough: **Effects** are tangible. We see, hear, feel, taste or smell them. **Causes**, on the other hand, are usually hidden.

So we focus on the effects, then tell ourselves that, because the effects are no longer discernible, the problem no longer exists. It's like taking pain killers – once the pain is gone, we're convinced there's no longer a problem.

The trouble is pain is not a medical problem. It's just a *symptom* of an underlying cause that, if left untreated, may slowly kill us.

It's the same in business. Sales take a nose-dive, so we search frantically for something to 'cure' the 'problem'. But poor sales are not a business problem, any more than pain is a medical one. Poor sales are just a symptom of a deeper, unseen cause that must be diagnosed before we can hope to prescribe an effective cure.

Too often, though, our 'solution' is to place a hasty promotion that we hope will fix the problem. Just like running to the chemist for pain relief.

And we wonder why the problem keeps resurfacing!



Another Dilemma

A second cause of business confusion is our tendency to **describe rather than to define**.

We focus on **how** (describing the effects), and ignore **why** (defining the cause). What it means is this: if the secret of success in business is to always do the right things for the right reasons, how can we succeed if we don't know what those right reasons are? If we can't define those reasons, the logical answer is that, when we do manage to get things right, for the right reasons, it's by sheer coincidence (good luck!) not by deliberate design.

That's scary stuff! It suggests that most of us rely on luck rather than real control and the number of business failure or bare existence support that suggestion.

Isn't it time we started to pin down exactly what these things mean? To get to grips with the causes for a change? Because, if we can't define a problem, we can't fix it. Being able to describe the effects (or symptoms) is not a definition of the causes. We have to dig deeper, because cause and effect usually form a chain reaction: cause begets effect, which becomes cause for the next effect, which causes a subsequent effect. It's little wonder we get them confused.

Some business people can't tell the difference between marketing, selling, and advertising. Ask them to define marketing and they'll tell you about advertising. Or selling. So let's set the record straight with some basic business realities (including key definitions).

- Business is the exchange of resources and services for profit. So the purpose of business is to make profit. If you're not making a profit, there's a strong argument that you're not running a business at all – you're running a charity! Or subsidising an expensive lifestyle!
- You can only make a profit when you sell something for more than it cost you to buy, make or supply.

“Success is more often the result of hard work than talent” ...Anon

Marketing: The Cause of Profit (cont'd)

- You can't make a profit simply by investing or buying something. All investing or buying creates is a potential profit. Until you sell it, all you have is more investment, services, or products than you need and less money than you had. Hardly a profit!
- You can't sell it until the customer decides that they want the benefits promised by your product or service.
- If they don't need those benefits, they won't be satisfied, because you can only satisfy needs, not wants.
- Satisfied customers buy more and often tell other people to buy from you.
- Dissatisfied customers stop buying, and always tell other people not to buy from you!
- **Needs define markets.**
- **The art of successful marketing is to sell only what people need.**
- **The art of successful selling is to turn what people need into what they want.**
- Selling is the implementation of the marketing plan.
- **Advertising is the first of three components in the selling process.** It's also the highest-leverage selling activity. That means it produces the highest returns for the lowest input.
- Advertising that doesn't sell is not really advertising at all. At best, it's paid public relations (and not very effective, either). At worst, it can actually cost you market share.
- In free enterprise, the rewards are given only for results, never mere activity.
- **The ultimate result in business is to make a profit.**
- **The ultimate cause of profit is marketing.**
- Advertising without marketing is like putting a note in a bottle and casting it into the sea. The response (if any) will be nothing more than a whim of fate. You have no control over the result at all.

Extreme Service Tip

Guests are sunbaking by the pool, beach or just wandering in the grounds. Some are waiting for their taxis to arrive; others are at the tour desk or reception asking for instructions. Guests everywhere....all sitting ducks for a case of extreme service!

Resort staff, or better still, Resorts' management come out with trays of canapés. Guests arriving are bewildered; guests staying are deeply touched by the resort's generosity; guests checking out can't wait to tell their friends Return on investment: 1,000 to 1.

First things first!

Remember, if you can't define something, you can't control it. Business is no different. And, since advertising is an *effect* of a proper marketing plan, and a *cause* of subsequent sales, it's simply not possible to obtain predictable, controllable, profitable results from your advertising without those definitions and causes.

When we analyse a promotion, we therefore ask ourselves:

1. Will it generate Profit?
2. Is it satisfying the needs and wants of the market we want to attract; or are we unknowingly appealing and creating a new market?
3. Are we creating satisfied customers (customer for life) by rewarding loyalty to the destination or are we replacing this by an opportunistic price driven market which will be only looking to destinations that provide the best bargains at the risk of loss of traditional market share?
4. In the long term, where do we want our business or destination to be? A high yield return ratio to investment, with lower numbers of consumers, or a low yield return ratio to investment requiring a high number of consumers?

News Snippet

Research by the Fiji Visitors Bureau has found there are not enough Fijian activities to entertain tourists. The problem with Fijian activities was that it was hard to occupy a group for more than four nights, visitors wanted inspired activities where the experience must be memorable. There is a lack of meaningful cultural experience and there was a need for a greater variety to be offered.

“Good Business” Tips

Why Customers Don't Return

1. 1% die
2. 3% move away
3. 5% develop other friendships
4. 9% not happy with your price; lured to competition
5. 14% not happy with the product or service
6. 68% not happy with you or your staffs' attitude (ie., can have and do everything right but lose it from indifference)

Great Customer Service

1. Doing what you're paid to do
2. Offering the customer something without them having to ask (extreme service).
3. When a mistake happens handling it quickly without offering excuses.
4. Displaying an attitude of 'nothing's too much trouble.'

Protect Your Margin

1. Only 10% of customers are hyper price sensitive.
2. Discount an item not an entire purchase.
3. When told that, "You're too dear." Counter with, "Compared to?" Many customers will ask for a lower price without necessarily thinking that you're too dear!
4. Give-away product, not your margin. Discount an item by \$30 and you give away \$30. Give away \$30 of product which may only cost you \$15-\$20.
5. Sell-up. Customers like being invited to buy secondary items which compliment the purchase of a primary item.
6. Merchandise. Put together an offer eg., Free room upgrade or perhaps several secondary items that go with a primary item for a 'special price', (ie., local tours).

Management

1. High standards of customer service delivered by motivated staff is a symptom of good management.
2. If you don't train your staff, then don't blame your staff. (Managers get the staff they deserve)
3. There's no such thing as bad staff just bad managers.
4. Celebrate your staffs' successes. Give them a pat on the back for a job done well.
5. Always pay your staff on time.

What staff want most from their jobs in order of importance:

Firstly, interesting work

Secondly, recognition and appreciation of their efforts

Thirdly, good working conditions – includes good working relationships

Fourthly, having a sense of being “in on things” – knowing what's going on.

Lastly, higher wages.

Relationships

1. Remembering a persons name after the first introduction is the first step in developing a long-term relationship.
2. The relationship I have with others usually mirrors the relationship I have with myself.
3. If everyone is giving you the s...ts! Remember....everyone can't be wrong!
4. It takes emotional maturity to be hard on the problem while being soft (gentle and accepting) on the person. “I may not like what you do, but that does not mean that I don't like you.”
5. If all you do is celebrate my failures then the only thing I can do to not disappoint you is to do nothing. For those who don't make mistakes don't make anything!

Business Philosophies

- Look at the competition and think in opposites. In other words, stop competing and start creating. **Value-added service** is one great way to create rather than compete.
- Eliminate losers and losing philosophies from your business. Don't you ever let them come in contact with your customers.

“There is no such thing as it can't be done! It just has not been done yet”

Anon

How many passengers can be squeezed into economy class Airbus A380?.... A lot more than planned, it turns out.

No one could have guessed it would come to this: Airbus is reportedly pitching a standing-room-only (SRO) "seat" option to Asian carriers.

Passengers in the standing section would be propped against a padded backboard, held in place with a harness. (The SRO flights would only be on shorter routes.)

The Federal Aviation Administration does not specify that a passenger be in a sitting position for takeoffs and landings.

The requirements are only that passengers be secured. The aim would be to **get more than 850 passengers into a new Airbus A380, which was designed for 500 passengers.**

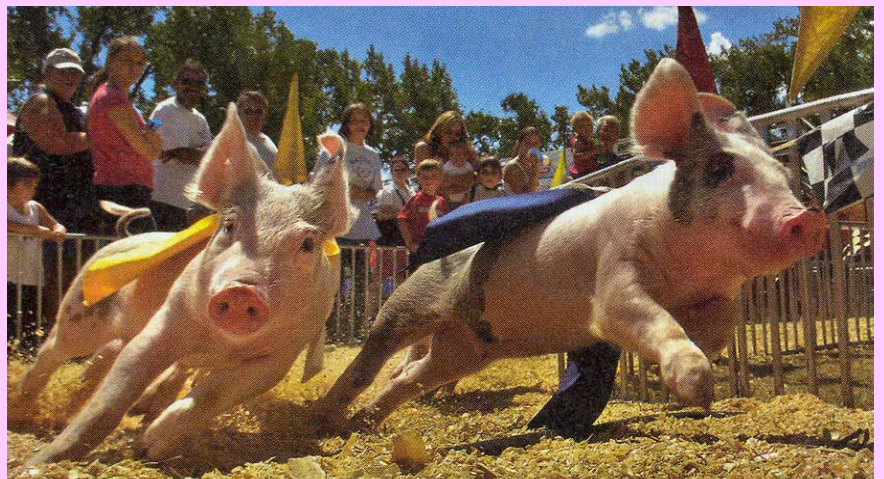
"Airbus simply does not offer a standing room option to our customers on our aircraft," the company said in a statement.

"The two Asian airlines seen as the most likely to buy a large plane for short-haul flights, All Nippon Airways and Japan Airlines, are lukewarm about the Airbus plan," the report said.

Report by David Wilkening. Later discovered to be a joke, we think.....?

Business Tip

Keep a creative notebook/scrapbook. If you hear or read or see something innovative, write it down, cut it out or photograph it and incorporate it into your own business agenda. After a certain period, you will have a bank of innovative service or product ideas to pick from.



The Vanuatu Pig Derby: ...Vanuatu's Next International Sporting Event?

You don't have a business, if you don't sell anything, chances you won't sell anything if you don't market your business." ...Anon

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