

PRAIA DO FORTE

Market Research report **UK Market**

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1.1 Executive Summary

This Market Research Report looks at the background information on the UK market with respect to the propensity of British tourists to travel abroad, how much they spend and where they visit. In particular the report is concerned with analysing the UK markets so that Senior Management at the Praia do Forte resort in Bahia, Brazil can better understand the nature and characteristics of the British market.

A great deal of statistical evidence has been produced, such as demographic trends, leisure spending patterns, numbers of holidays taken,, proportion of British tourists going on foreign holidays, transport and accommodation patterns, destination patterns, long haul market analysis and future trends in the tourism industry.

All of the above information is vital to gain an overall understanding of the British Travel Industry which is essential before negotiating with Tour Operators.

A list of useful names and contacts within UK Tour Operators is included with a view to Resort Manager, Mr Franklin Oliveira being able to contact these people before visiting in February 1998.

The report concludes with a series of recommendations on how to increase business from Britain to Praia do Forte Resort and also attempts to forecast demand over the next three years.

1.2

Introduction

Having visited Praia do Forte Resort on two occasions, there is no doubt that the Resort is at the top end of the market and is set in luxurious surroundings. The

resort is well established and has a safe feel to it which is important for British and European senior tourists. Indeed, safety is a factor that is affecting many holiday makers' choice of where to go.

It would appear that British tourists, in particular, are tired of going to the Spanish Costas and Portugal, Italy, France and Greece, and are looking for more exotic locations. The long haul market in the UK is starting to gain momentum and although the Far East is an attractive proposition, the recent domestic troubles in terms of currency collapse and political upheaval in Indonesia, have caused British tourists to think again about visiting this volatile region.

A number of tour operators are actively considering entering the Latin American market and Brazil, in particular, is being targeted by several companies. With this in mind, it is proposed to act as a broker between the owner and manager of Praia do Forte Resort and useful decision makers within British Tour Operating companies. Clearly when the resort manager, Mr Franklin Oliveira, comes over to Britain in February 1998, he will have the opportunity to discuss business terms with senior figures within British Tour Operators with a view to securing deals for the future. Typically, Tour Operators take 12 - 18 months to plan a new resort and for volumes of tourists to come on stream. In terms of exact number and forecast demand, it is quite difficult to ascertain what they will be but in a later section there will be some points to consider which will help with forward planning.

8.1 List of names and contacts in U.K. Tour Operators

- 1. Mr. Richard Nealan
Long Haul Marketing Manager
Thomson Tour Operators
Greater London House
Hampstead Road,
Camden,
London
NW1 7SD**

Telephone - 0171 383 1544 Fax - 0171 383 1212

- 2. Mr. Paul Bevan
Marketing Manager,
Kuoni Travel Club
Deepdeen House,
Dorking,
Surrey,
RH5 4 AZ**

Telephone - 01306 744300 Fax - 01306 744 334

- 3. Ms. Mandy Bales
Managing Director,
Bales Tours,
Bales House,
Junction Road,
Dorking ,
Surrey,
RH4 3 HL**

Telephone - 01306 885991 Fax - 01306 740048

- 4 Mr. David Betsworth
Director,
Travelbag,
12, High Street,
Alton,
Hampshire
G U 34 1BN**

Telephone - 01420 541441

Fax - 01420 82133

All of the above are interested in discussing possible deals with Senior Management from Praia do Forte resort and are awaiting promotional literature before finally agreeing to a meeting. The fax numbers and telephone numbers are supplied and therefore contact can be made directly prior to any visit.

The following companies are looking at Brazil as a possible future market and therefore these details should be added to your database for future approaches, if necessary.

- 1. Mr. Stuart Douglass Lee
Planning Manager
Abercrombie and Kent
Sloane Square House,
Holbin Place,
London,
SW1 W 8NS**

Tel - 0171 730 9600

Fax - 0171 730 9376

- 2. Ms. Sandra Leach,
Sales Director
Austravel,
50 - 51, Conduit Street,
London
W1R 0NP**

Tel 0171 287 0212

Fax - 0171 494 3528

There are several other companies that could be targeted but at this moment in time it would be prudent not to contact them until the other companies detailed above have been visited. This is because the travel world is close knit and people talk to each other in the trade. It is not prudent for a company to think it is one of a crowd. They like to think that they have been exclusively selected. At your request, details of further companies can be produced if deemed necessary.

8.2 Recommendations

The main recommendations to increase the number of British Tourists who visit Praia do Forte Resort are as follows.

1 Study this report closely and assimilate its findings.

2. Re negotiate with Journey Latin America. Find out why they are not sending you more tourists. Is their marketing correct ? Are they positioning the product correctly in the mind of the customer?

It is worth trying to increase business with Journey Latin America for the next 12 - 18 months because of the inevitable lead times associated with dealing with new Tour Operators. Even if you reach agreement in February 1998 with one or two Tour Operators, you will not receive tourists until Summer 1999, due to the lead times in putting the brochures together.

3. Negotiate with new companies in the U.K (see list of names provided in previous section - 8.1)

Try to speed up the process if possible by asking for an interim measure , such as insertions in current brochures or introductory launches.

Personal visits to the U.K. to see decision makers within leading Tour Operators are essential, as is promotional literature, such as brochures leaflets, videos of Praia do Forte.

Visits from interested Tour Operators to Praia do Forte are mandatory and this is where key decisions can be taken.

4 Over the next 3 years a Marketing Plan needs to be written which forecasts likely demand from British Tourists.

5. An agent or promoter who understands the market could be appointed in the U.K. to promote Praia do Forte's interests and win new business.

6. Further research reports should be commissioned for other European markets, such as Portugal , to further improve occupancy rates at Praia do Forte Resort and to spread the risk.

8.3 Forecast demand

As far as forecast demand is concerned, in the short term, occupancy rates can be improved by 10 - 20 % by re negotiating with Journey Latin America. They are an existing provider and should not be dispensed with until other Tour Operators have been signed up.

With the correct packaging and promotion, more British tourists would visit Praia do Forte.

It would be worthwhile discussing the possibility of having British Television programmes , such as 'Holiday', 'Wish you were here' or 'The travel show' come to the resort to film the exotic location. Journey Latin America could arrange this as an existing provider.

Rest assured that if the resort is featured on British television to a mass audience of some 12 million people, the growth in numbers clamouring to visit your resort will be phenomenal. The increase could well be 250 % up on normal visitor rates.

Assuming that one or two Tour Operators are signed up by Senior Management at Praia do Forte within the next few months, brochures will not feature the resort immediately due to time lags, and companies would probably aim for Summer, 1999.

The television deal is crucial in that Tour Operators may well wish to bring forward this planning cycle to Winter 1998 to cash in on the high demand generated by the television publicity.

As you are aware, Tour Operators have fairly long lead times but once they are committed to you, they will market the resort aggressively and British Tourists have a propensity to visit the same place year after year, if they find it appealing and something that their neighbours do not know about.

It is too early to accurately predict exact numbers, but this should become a lot clearer during negotiations with new Tour Operators in the coming months.

In conclusion, it is fair to point out that there is no doubt that Praia do Forte has tremendous potential as an exciting destination for British tourists, due to its exotic location, excellent climate, safety, ecological projects, wild life, castle, and local places of interest. If the recommendations outlined above are taken on board, there is no reason

why the resort should not attract more and more visitors, leading to full occupancy figures throughout the year.