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THE ALGORITHM FOR DEVELOPING VALUE-BASED MARKETING STRATEGIES IN GEORGIAN TOURIST COMPANIES

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ABSTRACT. The aim of a marketing strategy must be the formation of an effective system of management in order to gain a competitive advantage. Connectivity between the size and the structure of the market, determining the level of marketing activity, responding to market changes, formatting individuality of the company – are the main principles for formatting marketing strategies. In the modern global world, information sources are one of the most important factors to develop marketing strategy: how much are consumers going to pay, what kind of resources are necessary for producing service, which is the most profitable field for selling services, how to format and promote values and other, are those issues, on which management of the company must receive necessary information.

Different marketing strategies can be useful in terms of particular demands, the enterprise and the purpose of research. It can be selected based on marketing research, commercial activity, responsibilities, new product advertisements, promotion and the role and importance of values.

The aim of the work is to discuss and explore the value-based marketing strategy of modern Georgian tourism firms and find out what consumers and tourist companies think about values if they are interested in and use them in their everyday work. The aim of the research is to determine the attitudes of consumers toward value-based marketing strategies. 228 people and 30 tourism companies participated in the research. Research has shown that companies are oriented on values, they are trying to format the most effective values for consumers, consumers are paying attention to the values and based on this are choosing the service of tourist companies.

Keywords: marketing; marketing strategy; values; value-chain; tourism companies.

Introduction

The aim of the marketing strategy must be the formation of effective system of management in order to gain certain segments of the market, ensure the necessary level of profit, control over prices and markets, establish communication between manufacturer and customer, and transfer purchasing power of goods and services to a specific demand.

The main principles for formatting marketing strategies must be:

- The connectivity of the market size and structure;
- To choose leading factors of demand, ensuring;
- To determine the level of marketing activity;
- To respond to market changes;
- To maintain and form the individuality of the firm.

To develop a marketing strategy, the management of the company must receive the necessary information about:

- What kind of goods do the customers want, and why are they going to buy them?
- How much are consumers going to pay?
- Where and why is there the greatest demand for certain services?
- What kinds of resources are necessary for producing the services?
- Which market can gain a big profit for the firm?
- Which are the most successful ways of selling services?
- How to promote services on the market?
- How to format and promote values?

What is a successful marketing strategy? Marketing strategy is a method to achieve goals; It is the main strategic direction of the firm's activities, and all marketing plans should be connected to it; Optimal management and distribution of goods and resources; A unified plan to achieve marketing aims, coordinating and unifying the firm's aims and resources; Measures to achieve specific goals of marketing activities and etc. As we see, there is not one common view among scientists, they give a different definition for marketing strategies [1].

By summarizing all definitions, we can say that marketing strategy is the system of the company and the unity of the measures for achieving marketing goals; this is the activation of demand, the dealing of goods and satisfying consumers better than competitors. Marketing goals must be related to firm goals. It must improve and strengthen the firm's position and image in the market. Creating an effective system of management is the aim of the firm. It must ensure the necessary level of profit and take control over the market and prices in order to establish a certain niche in the market and a long-term connection between manufacturer and consumer. It must transfer the purchasing capacity into a specific demand for goods and services. The marketing goals of the firm can be: expanding market share; maximization of sales by satisfying consumer needs; selection of rational channels of promotion; minimizing expenses in the life cycle of goods, etc [2].

We can single out different marketing strategies that the subject uses in economic activity: new segment assimilation and expansion strategies, innovations, product differentiation, customer individualization, etc.

Practical and theoretical knowledge show that different marketing strategies can be useful in terms of particular demands, the enterprise, and the purpose of research. The firm can use one or more elements of strategy.

A marketing strategy can be selected based on marketing research, commercial activity, responsibilities, new product advertisements, promotion and values. The long-term marketing strategy cannot be defined precisely, and it is always necessary to review it [3].

The firms' marketing strategy, on the one hand, should be directed towards recognizing and satisfying consumers' demands and, on the other hand, achieving a competitive advantage. It is better to select one strategy that will ensure a firm's long-term goals.

Creating a proper marketing strategy and its effective usage is one of the most important factors for firms in any field. We will discuss these circumstances using the example of modern tourism firms [4].

Literature review

The term value, value-based marketing strategies and brand value chain is connected with different scholars. Philip Kotler (2010) was one of the first who considered values „we see a company not as a sole and self-sustaining operator in a competitive world but as a company that operates with a loyal network of partners-employees, distributors, dealers and suppliers. If the company chooses its network partners carefully, and their goals are aligned and the rewards are equitable and motivating, the company and its

partners combines will become a powerful competitor. To achieve this, the company must share its mission, vision, and values with its team members so that they act in unison to achieve their goals.

According to Doyle (2008), in recent years creating values has become the overarching goals for the chief executives of more and more major companies. For managers choosing strategies that maximize value is almost unchangeable.

The value concept relates all the benefits offered by a product with its price and the effort required to obtain it. Global competition requires managing Value rather than individual products or brands. This fosters customer loyalty, and provides a solid basis for relationship marketing – Lopez (2014).

Quantifying and understanding the value proposition is key to business success. „Value first, then price is a timely and rare contribution, providing not only invaluable insights, but also a practical methodology of how to perceive, quantify an capture value – Hinterhuber (2017).

A value chain is a series of actions which are carried out in order to deliver a valuable product or service to the market. Any company, association or organization that creates value and wants to improve its competitiveness can use the value chain to achieve its goals – porter (2015).

Methodological approach

The methodological bases of the article are the works of scientists and the results of my own research. A questionnaire type survey was used, which was conducted through a questionnaire distributed in social space. Marketing research obtained quantitative data, which were grouped and analyzed.

Conducting research and results

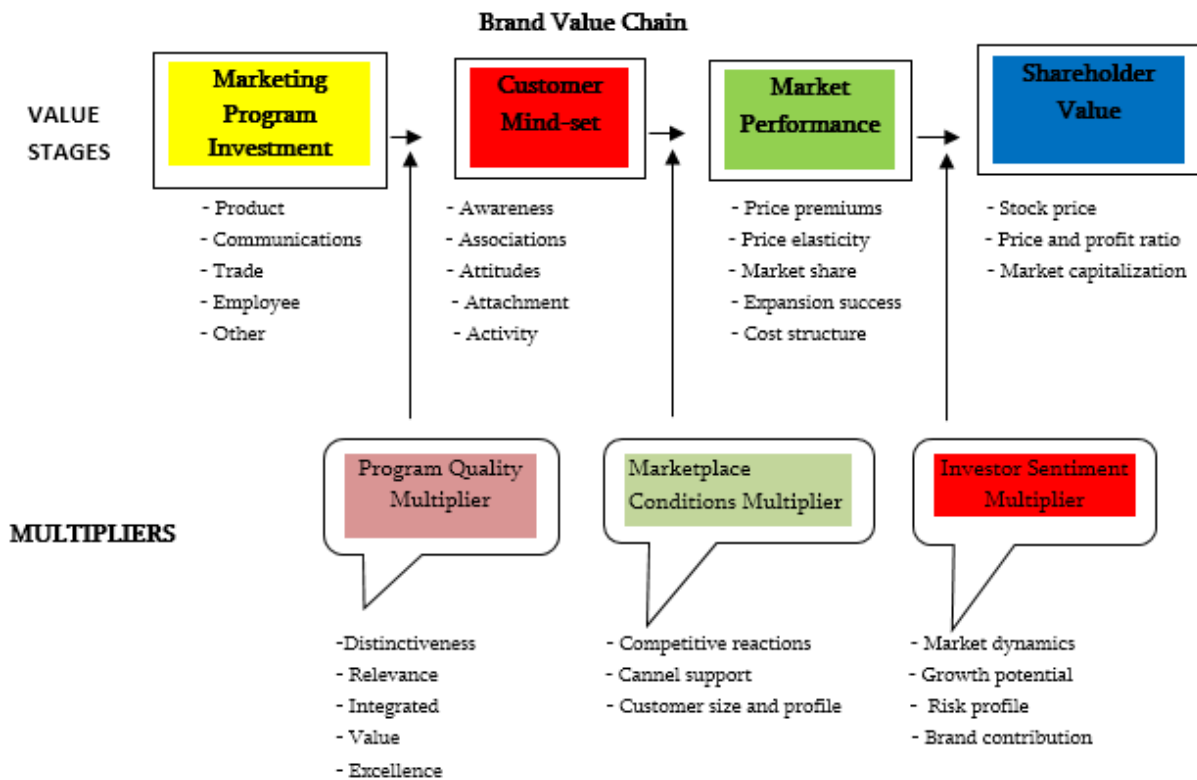
The value-based marketing strategy of modern tourism firms requires creating just such a kind of value chain, which will be based on the structured approach of the firm's capital sources and results and will show how firms' marketing activities create firm values (table 1) [5].

First step for forming value is when the firm invests money in the marketing program of development, which will be focused on existing and potential buyers.

This process must include product research, development, and design, intermediary support, and marketing communications. Then, it must be taken into account that the buyer's mindset, behavior during the purchase, and reaction to the price will change during the realization of the marketing program.

According to Chan Kim and Renee Muborn, "finding undeveloped market positions" is a real innovative value (INSEAD – the web of research results) [6]. They distribute the idea that in competitive war, modern firms must come out of the minds of so-called "Red Ocean" followers (when firms choose to "bloody" fight against concurrent, and thus significantly improve the level of expenses or quality or both) and become "Blue Ocean" followers, who provide the means to manufacture the kinds of goods and services that have no concurrent. This is possible only with the finding of real innovative values. Before we will work out the value chain for modern Georgian tourist companies, it's better to find out what tourist companies and consumers think about values [7].

Table 1: Brand value chain



Source: Kevin Lane Keller, Strategic Brand Management, 3rd ed. (Upper Saddle River, NJ: Prentice Hall, 2008).
Printed and electronically reproduced by permission of Pearson Education, Inc. Upper Saddle River, New Jersey.

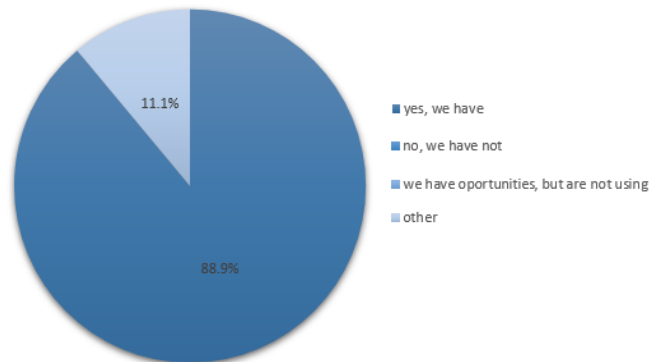
It is undeniable fact, that companies must format values, while they are investing in marketing programs, in order to gain a competitive advantage. We have provided marketing research in order to find out if tourist companies really thought about this circumstance. The object of the research was Georgian tourist firms, whose number, according to the result of National Statistics Office of Georgia are 2122 tourist firms. It is registered 58 active tourist firm in Adjara, according to the results of Tourism Development Association. We have chosen 30 tourist firms, such as: Akar tour, Degeorgio Tour, Euro Tour Georgia, Milky Way Travel, Iberia Travel, Laz Tour, Visit Adjara, Adjaratour, Calypso, Unitour, Wonderland, Temo Tour and etc.

Tourist firms were selected, based on the territorial rank and duration of the activity in the market. We have inquired tourist firms in Adjara tourist market, most of which have 10 years and more experience in this field.

The aim of the research was to determine the level of value-orientation and the frequency of its usage in Georgian tourist firms marketing activities.

According to the results of the survey, where was selected 30 Georgian tourist firms, 88.9% have values and 11.1% have chosen the answer „other”. “No, we have not values”, none of the companies answer this question (chart 1).

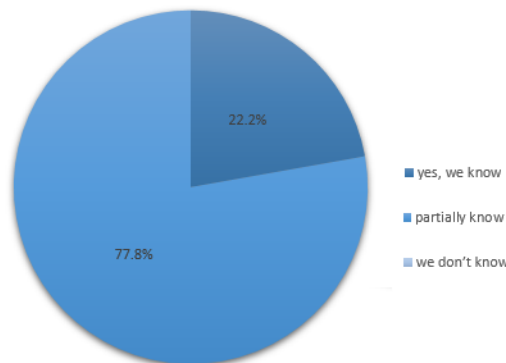
Chart 1: value index of tourist companies



Source: By the Author

We have mentioned above, that one of the most important things in order to gain a competitive advantage is formatting values. We decide to find out if tourist companies agree to this opinion and it turned out, that 77.8% partially and 22.25% fully knows the role of values in gaining competitive advantage (chart 2).

Chart 2: The role of values in gaining competitive advantage

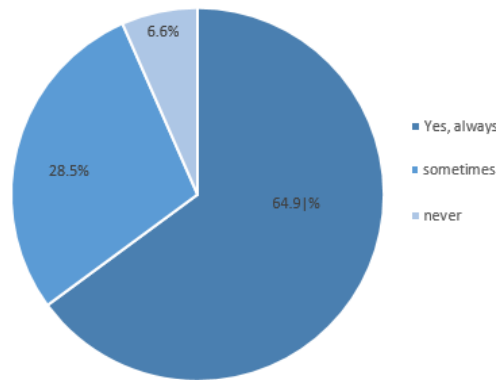


Source: By the Author

Tourist companies must pay more attention to the values. It must become one of the most important competitive advantages for the firms, which will ensure the loyalty of consumers and leading positions in the tourist market.

While studying tourist companies' tendency about values, at the same time it will be really interesting to find out what consumers think about companies' values and if they are really interested in it. So, we have provided consumer research (228 consumers) and have asked them several questions about values. The first question was about if they are interested in tourist companies' values? On the whole, 64.39% is always interested in values, 28.5% sometimes and 6.6% is never interested in tourist companies' values (chart 3).

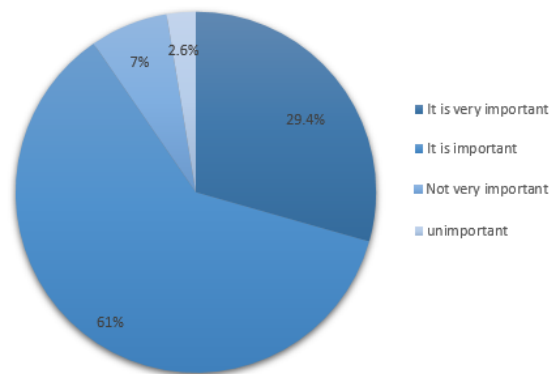
Chart 3: consumers interest index about tourist firms’ values



Source: By the Author

According to the results of the survey, 61% of the respondents think that values are one of the most important factors while choosing the service of tourist companies. For 29.4% of respondents’ values are important, for 7% are not very important, and for 2.6% it is unimportant (chart 4).

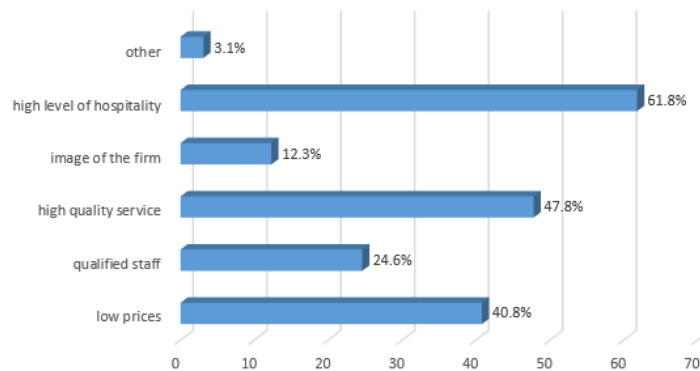
Chart 4: importance of values for consumers



Source: By the Author

Values are different and people are different. Accordingly, we can separate values that will be interesting and attractive for the part of consumers and others will not be. In order to find the most valuable value – the image of the firm, high level of hospitality, high-quality service, qualified staff, low prices, teamwork, and other, tourist companies must provide marketing research and identify the most appropriate values for the consumers. In the survey, we also have asked the respondents to name several important values for them. 61.8% of the respondents named high level of hospitality, 47.8% - high-quality service, 40.8% - low prices, 24.6% qualified staff, 12.3% - the image of the company, and 3.1% other values (chart 5).

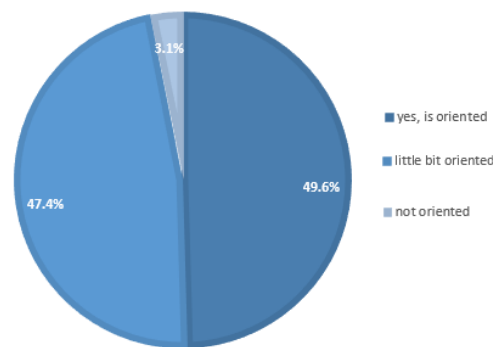
Chart 5: Most important values for consumers



Source: By the author

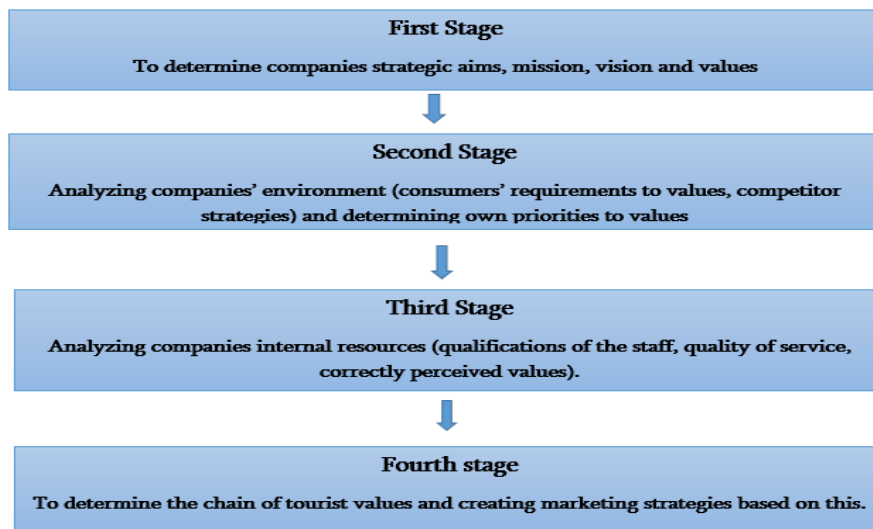
Firstly, from the research of tourist firms we have found out that they have values, are oriented on it and they acknowledge its role in gaining competitive advantage – this is the first fact. Secondly – we were interested in what consumers think: are companies oriented to make real their proposed values? 49.6% think that they are oriented on values, 47.4% said that is a little bit-oriented, and 3.1% - are not oriented (chart 6).

Chart 6: proposed values and consumers opinion



Source: By the Author

According to the results of the survey, we can say, that company’s success on the tourist market will always depend on that joined chain of values which they offer to consumers. Georgian tourist firms acknowledge the importance of values and are using them in their marketing strategies. But it is not enough. The creation of a proper value chain in the marketing activities of Georgia tourism firms requires a detailed review of given issues, their consideration, and reflection in marketing strategies. In order to achieve these goals, Georgian tourism firms should deliberately conduct activities related to value-based marketing strategies according to the algorithm (table 2).

Table 2: Value based marketing strategies

Source: By the Author

In the first stage, it is recommended to discuss modern tourist firms' strategic aims, including their mission, vision, and values, which provide the proper perception of the new world of marketing for modern companies and allow them to formulate their own strategic interests.

The second stage determines the tourist firms' market position, consumers' needs for values, competitors' strategies, and own position and priorities based on SWOT analysis.

The third stage determines companies' internal sources and opportunities, staff qualification, internal standards, quality of service, and evaluation of proper perception of value.

The fourth stage determines the chain of values and its final establishment, developing marketing strategies based on this. At this stage, it is also important to pay attention to social responsibilities of such kinds of incorporeal values as morality, human rights, and public interests, which are necessary to ensure companies' integration with public interests. This increases companies' motivation to take part in employment, social, and environmental security programs.

Conclusion

Based on the analysis of the above given information, we can conclude that company's success on the tourist market will always depend on those chain of values which they offer to consumers. Based on survey, it's clear, that Georgian tourist firms acknowledge the importance of values and are using them in their marketing strategies. So, the usage of value-based algorithm will contribute to the more efficient functioning of marketing strategies of tourist firms. Accordingly, it will boost the company's competitiveness, improve its image and reputation, and increase its number of loyal customers.

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ფასეულობებზე დაფუძნებული მარკეტინგული სტრატეგიების განვითარების ალგორითმი ქართულ ტურისტულ კომპანიებში

აბსტრაქტი. მარკეტინგული სტრატეგიის მიზანს მართვის ეფექტური სისტემის ფორმირება წარმოადგენს, რაც კომპანიებისათვის კონკურენტული უპირატესობის მოპოვების ერთ-ერთი მნიშვნელოვანი კომპონენტია. ბაზრის ზომასთან და სტრუქტურასთან კავშირი, მარკეტინგული აქტივობების დონის განსაზღვრა, ბაზრის კონიუქტურის ცვლილებებზე რეაგირება, ფირმის ინდივიდუალურობის ფორმირება და ა.შ. წარმოადგენს მარკეტინგული სტრატეგიის ფორმირების ძირითად პრინციპებს. თანამედროვე გლობალურ სამყაროში ინფორმაციული უზრუნველყოფა წარმოადგენს მარკეტინგული სტრატეგიების განვითარების ერთ-ერთ მნიშვნელოვან ფაქტორს: რამდენის გადახდა შეუძლია მომხმარებლებს მოცემული მომსახურების შესაძენად, რა რესურსებია აუცილებელია მომსახურების წარმოებისათვის, რომელია ყველაზე მომგებიანი დარგი მომსახურების რეალიზაციისათვის, რას მივაქციოთ ყურადღება და როგორ ჩამოვაყალიბოთ ეფექტური ფასეულობები, როგორ მოვანდინოთ მომსახურებასთან დაკავშირებული ფასეულობების სტიმულირება - არის იმ საკითხების ნუსხა, რომლებზეც კომპანიის მმართველობამ უნდა მიიღოს სრულყოფილი ინფორმაცია.

მარკეტინგული სტრატეგიები მრავალგვარია და მისი ეფექტურობაც სხვადასხვაგვარია, შესაბამისად, იმისათვის რომ მოხდეს ყველაზე ოპტიმალური ვარიანტის განსაზღვრა, შერჩევის დროს უნდა გავითვალისწინოთ ისეთი მნიშვნელოვანი გარემოებები, როგორცაა მარკეტინგული კვლევები, პასუხისმგებლობა, ახალი პროდუქციის რეკლამირება, გასაღების სტიმულირება, ფასეულობების მნიშვნელობა და როლი საზოგადოებაში და ა.შ.

აქედან გამომდინარე, ჩვენ მიზნად დავისახეთ შეგვესწავლა ქართული ტურისტული ფირმების ფასეულობებზე დაფუძნებული მარკეტინგული სტრატეგიები. კვლევის მიზანია განვსაზღვროთ თუ რას ფიქრობენ ტურისტული კომპანიები და მათი მომხმარებლები ფასეულობებზე, არიან თუ არა დაინტერესებულნი და იყენებენ თუ არა ფასეულობებს მათ ყოველდღიურ საქმიანობაში. 228 ადამიანმა და 30 ტურისტულმა კომპანიამ მიიღო კვლევაში მონაწილეობა. შედეგებმა აჩვენა, რომ კომპანიები არიან ორიენტირებულნი ფასეულობებზე, ცდილობენ მომხმარებელზე ორიენტირებული ფასეულობების შემუშავებას, თავის მხრივ მომხმარებლებისთვისაც, ფასეულობები მნიშვნელოვანი კომპონენტია ტურისტული ფირმის მომსახურების შერჩევის დროს.

საკვანძო სიტყვები: მარკეტინგი; მარკეტინგული სტრატეგიები; ფასეულობები; ფასეულობების ჯაჭვი; ტურისტული კომპანიები.

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