

Adopting Cooperative Marketing Strategy By Tourism Service Providers: Comparing Perceptions Of Travel Agencies And Hotels

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ABSTRACT

Cooperative marketing is a collective marketing strategy that helps businesses to develop their marketing activities in order to increase their competitiveness. The present study aims to explore and compare the factors influencing the intentions of travel agencies and four-star hotels in Egypt to adopt cooperative marketing strategy. Structural equation modelling, based on questionnaire data collected from travel agents and hotels, is used to analyze data and to test the research hypotheses. Findings revealed that perceived benefits, environmental pressures, facilitating factors, and inhibiting factors are significantly affecting the intention of travel agencies' and hotels' to adopt cooperative marketing strategy.

Key Words: cooperative marketing, joint promotion, travel agencies, hotels, Egypt

INTRODUCTION

When two or more enterprises jointly promote their complementary products, they intend to improve their promotional activities' effectiveness. This joint promotion is one of cooperative marketing strategy levels. Cooperative marketing helps expanding the market of one or more enterprises, which in turn positively affecting the partner enterprises' product promotion, demand, and sales in addition to saving marketing costs. Furthermore, marketing a complementary product in association with a well-established one is more likely benefiting the former (Karray & Sigue, 2016). In tourism context, literature studies on collaborative marketing focus mainly on collaborative activities at destination level in which tourism public sector could have partnerships with private sector for effective destination marketing (i.e., Abou-Shouk, 2018; Dwyer, 2003; Hill & Shaw, 1995; Naipaul, Wang, & Okumus, 2009; Pansiri, 2013). However, few studies have discussed cooperative marketing at tourism providers' level, either provider of same products and services or complementary products/ services.

In contexts other than tourism (i.e. agriculture), research has compared three models of marketing strategies (Agbo, Rousselière, & Salanié, 2015). These marketing strategies include: Full cooperative marketing (in which product/ service providers join a cooperative and do not directly sell their products to market); Direct selling marketing (in which providers themselves directly and fully selling their services to market); and a Hybrid model of marketing (joining the cooperative while keeping the right to directly selling their services to market). It is revealed that joining the cooperative has potentials for small business having financial constrains to helping them penetrating global markets. However, direct selling is useful when selling services to local markets although they still have to compete with other providers. This study therefore aims to identify the factors affecting tourism service providers' (i.e. travel agencies and hotels) adoption intention of cooperative marketing strategy in marketing their enterprises. Managerial implications are discussed in the study's conclusion.