ISCTE Business School
Instituto Universitário de Lisboa

MARKETING PLAN

THE LAUNCHING OF A TOURISM AGENCY FOR THE SURF MARKET

Tomás Carvalhas

Master Project in Marketing

Supervisor:

Professor convidado do departamento de MOGG - Marketing Operações e Gestão Geral

November, 2013

- Spine -

MARKETING PLAN – TOURISM AGENCY

Tomás Carvalhas

ISCTE Business School
Instituto Universitário de Lisboa

Acknowledgements

I must thank my tutor, Professor Luis Martins, for the patience, tolerance and all the support he has provided during the execution of this project.

I must thank my friends who have encouraged me, and off course, my family.

Thank you also to Pedro Quirino, the founder and co-manager of Surfinn travel, for the important insights he has provided.

INDEX

GLOSSARY I
TABLES INDEX II
FIGURES INDEX II
IMAGES INDEX II
CHARTS INDEX II

1 SUMMARY 1
2 EXECUTIVE SUMMARY 3
3 DEFINITION OF THE PROBLEM CONTEXT 4
4 LITERATURE REVIEW 5
4.1 Strategic Management 5
4.1.1 The 3 Streams of thought 5
4.1.1 Importance of Market Orientation 6
4.2 Marketing Strategy 6
4.2.1 Marketing Strategy 6
4.2.2 Marketing Resources and Marketing Capabilities 7
4.2.3 Marketing Strategy - Content Decisions 8
4.2.4 Competition 9
4.2.5 Positional advantages 10
4.2.6 Sustainable Competitive Advantage 10
4.3 Online Purchase Behavior 11
4.4 Tourism 12
4.4.1 E-Tourism 12
4.4.2 Consumer Profile 13
4.4.3 E-loyalty 14
4.4.4 The Website 15
4.4.5 Positioning Attributes 15
4.4.6 E-Tourism trends 17
5 CONCEPTUAL FRAMEWORK OF REFERENCE 18
6 EXTERNAL ANALYS 20
6.1 PEST 20

6.2 MARKET 24
6.3 Surfers - Consumer Profile 24
6.4 Competitors 26
6.5 Critical Success Factors 32
7 INTERNAL ANALYSIS 33
7.1 SWOT 33
8 STRATEGIC GUIDE LINES 38
8.1 Vision 38
8.2 Mission 39
8.3 Values 39
8.4 Strategic Objectives 39
9 MARKETING PLAN 41
9.1 Marketing Strategy 41
9.1.1 Segmentation and Targeting 41
9.1.2 Positioning 43
9.2 Marketing Mix 45
9.2.1 Service 45
9.2.2 Place 49
9.2.3 Promotion 50
9.2.4 Price 52
9.2.5 Physical Evidence 53
9.2.6 Process 54
9.2.7 People 54
10 IMPLEMENTATION TIME TABLE 55
11 CONCLUSIONS 56
12 LIMITATIONS 57
13 REFERENCES 58
14 ANNEXES 70
14.1 Annex 1 – Competitors Analysis (Score) 70
14.2 Annex 2 – Sales Forecast Assumptions 79

GLOSSARY

GDP – Gross Domestic Product

LCD'S- Least Developed Countries

ICT – Information and Communication Technologies

PENT – Plano Estratégico Nacional para o Turismo – National Strategic Plan for Tourism

RBV – Resourced Based View approach

SCP – Structure-Conduct-Performance approach

R&D – Research and development

VARIMAX ROTATION - In statistics, a varimax rotation is a change of coordinates used in principal component analysis and factor analysis that maximizes the sum of the variances of the squared loadings (squared correlations between variables and factors)

TABLES INDEX

Table 1 - Conceptual Framework of reference 18
Table 2 – PEST Analysis 23
Table 3 – Competition Analysis 31
Table 4 – SWOT Analysis 34
Table 5 - Hierarchical SWOT Analysis 34
Table 6 – Differentiation from Competitors 49
Table 7 – Communication Activities 51
Table 8 – Implementation Time Table 55
Table 9 – Sales Forecast 56

FIGURES INDEX

Figure 1 – Technology Acceptance Model 11
Figure 2 – Synthesis of Literature Review 19
Figure 3 – Golden Triangle 44
Figure 4 – Process Scheme 54

IMAGES INDEX

Image 1 – Wave Tours Logo 27
Image 2 – Surf Holidays Logo 28
Image 3 – United Surf Camps Logo 29
Image 4 – Surfer Dream Logo 29
Image 5 – Surfinn Logo 30

CHARTS INDEX

Chart 1 – Favorite European Surf Destiny (%) 46
Chart 2 – Favorite Lodging Type for Surfers (%) 47

1 SUMMARY

Internet changed the way people interact and communicate. Marketers soon realized its potential and started using it for business purpose. E-commerce growing popularity is a consequence of the endless business opportunities internet has made possible. Firms are being forced to explore this new reality, which they cannot ignore, and to enhance their own marketing and selling capabilities within this context.

E-commerce has significantly changed the Tourism Industry and now the online market represents more value then ever. It has provided suppliers with new tools and new ways to sell more but more importantly it has contributed to the growth of e-mediaries which are companies that act as intermediaries in tourism and have their operations exclusively online, as for an example, online tourism agencies.

This was developed in the context of master thesis and with this scenario in mind. The project consists in a Strategic Marketing Plan for an online tourism agency. The idea is to create, from the marketing point-of-view, a modern travel agency which operates solely in the online market. Regarding the increasing interest for the *sea* cluster and its strategic relevance, I thought it would be of interest to direct the online agency for one specific kind of tourism - the surf tourism.

Key-words:

1) Marketing Plan
2) Tourism
3) Surf
4) Internet

JEL Codes: M3 Marketing and Advertising; L8 Industry Studies: Services

SUMÁRIO

A Internet mudou a forma como as pessoas interagem e comunicam. Os *Marketers* rapidamente identificaram o potencial deste canal e rapidamente o adaptaram para finais comerciais. A popularidade crescente do e-commerce é consequência do sem número de oportunidades que a Internet tornou possível. As empresas são forçadas a lidar com esta nova realidade que, não podem ignorar, e a melhorarem as suas próprias capacidades para vendas e marketing dentro deste contexto.

O e-commerce mudou significativamente a indústria do turismo e, agora, o mercado online representa um valor que nunca teve. A internet disponibilizou aos fornecedores ferramentas e novas formas de vender mas, ainda mais importante, possibilitou o aparecimento de *e-mediaries.* As *e-mediaries* são empresas que têm o papel de intermediário na cadeia de distribuição, no entanto, só operam no mercado online, como por exemplo, as agências de turismo online.

Decidi desenvolver a minha tese de mestrado em marketing com o cenário em mente descrito em cima. O projeto consiste na construção de um plano de marketing para uma agência de turismo online. A ideia é de criar, do ponto de vista de marketing, uma agência moderna que opere somente no mercado online. Tendo em conta o interesse crescente pelo cluster *mar* e a sua relevância estratégica, decidi direcionar a agência de turismo para um mercado em específico – o turismo de *surf*.

Palavras-chave:

5) Plano de Marketing
6) Turismo
7) Surf
8) Internet

JEL Codes: M3 Marketing and Advertising; L8 Industry Studies: Services

2 EXECUTIVE SUMMARY

The aim of this project is to create a strategic marketing plan to launch a tourism agency that will only operate online. This agency will be focused on a specific target: surf travelers. The name chosen for the agency is Choose Surf.

The use of Internet and communication technologies (ICT) has changed the tourism market. Tourism products are characterized by being time-constrained and non-stockable which makes them very appropriate to be sold by the internet.
The ICT empowered travelers and now they are more independent and sophisticated. These changes in consumer habits jeopardize the traditional intermediary role of tourism agencies in the distribution chain.

Considering the increasingly relevance and strategic importance of nautical tourism, especially surf, the challenge for this project is to design a modern travel agency, with the scenario described above in mind, which targets this tourism niche: surf travellers.

The gross sales were predicted to reach in the 3year 145,853€ and with a target market size of 193.391 potential clients.

In the Marketing Strategy Plan we elaborate an external analysis, characterizing the online tourism market, the Choose Surf competitors and the surf tourism consumer. In the Operational Marketing Plan we develop a one year and a half plan to launch this service beginning first with just one destiny available Portugal, defining the marketing-mix of the new service: product, price, place, promotion, physical evidence, process and people.

The marketing-mix was adapted to meet the target needs: good prices, flexibility with bookings, good sorting options and valuable information (market specialist).

In the short-term the intention is to start with just one destination -Portugal - and then increment others, with the objective to cover all surfable and touristic zones in Europe.

3 DEFINITION OF THE PROBLEM CONTEXT

The objective is to launch a tourism agency with operations exclusively online, focused on surf holidays.

The mission is to become the most relevant tourism agency providing thoughtful solutions for our customers' surf trips.

In the last years we have assisted to a reconfiguration of the tourism industry distribution chain, with the increasing importance of *e-mediares*. Besides that, there is a growing strategic relevance and opportunity in surf tourism.

With this mind-set the challenge is to create a modern agency that embraces these trends.

Therefore, this project will develop a Marketing Plan to launch a specific service for surf travelers; to meets their needs in a new and creative way.

Finally we will elaborate an action plan to implement our marketing strategy and Marketing-mix and impact the surf traveller.

4 LITERATURE REVIEW

4.1 Strategic Management

4.1.1 The 3 Streams of thought

Any attempt to describe the impact and role of marketing in business has to be informed with strategic management theory, since the primary question for strategic management theory is why some firms outperform others over time (Morgan, 2011).

For much of the past 3 decades, in strategic management, the examination of different performance outcomes and competitive advantages between firms was dominated by the SCP (structure-conduct-performance) paradigm (Morgan, 2011). According to this paradigm, the focus of strategy formation is in the industry analysis and market selection (Teece *et al*., 1997) and this has been reflected in the multiplicity of tools for external analysis developed by strategic marketing academics and consultants.

Over the past 15 years however, this paradigm has been challenged by resource-based-view (RBV), which views firm-specific resources rather than market context as the key-factor to reach competitive advantage and business performance (Conner, 1991; Peteraf ,1993; Wernerfelt, 1984). RBV approach states that firms should identify their key-resources and be able to deploy them in markets where greatest profit-potential exists (Amit and Shoemaker, 1993; Grant, 1991).

Strategic management theorists, facing the critical theoretical attention to RBV paradigm, have made some recent developments which are collectively labeled “dynamic capabilities” (DC) theory (Newbert, 2007; Zott, 2003). DC theory posits that since markets are not static, it is the capabilities by which firms resources are acquired and deployed to match the firm’s market environment that explains different business performances between firms over time. DC theory views resources as the stocks of tangible (e.g. plant and technology) and intangible (e.g. reputation and knowledge) assets available to the firm, while capabilities are the processes by which the company acquires new resources and transforms them into realized market-place offerings (Amit and Shoemaker, 1993; Capron and Hulland, 1999). These capabilities are dynamic when they enable the firm to develop new marketing strategies to meet the changing market conditions by modifying resources available to the firm and\or combining and transforming resources in new and different ways (Teece *et al*., 1997). DC theory extensions to RBV indicate that both resources and capabilities are important and both

interact with one another to influence business performance outcomes. (Helfat, 1997; Henderson and Cockburn, 1996; Teece *et al*., 1997).

4.1.1 Importance of Market Orientation

According to Kohli and Jaworski (1990: 910) MO is " the extent to which a firm engages in the generation, dissemination, and response to market intelligence pertaining to current and future customer needs, competitor strategies and actions, channel requirements and the broader business environment". Based on RBV theory, the literature posits that firms with superior MO achieve superior business performance because of their market knowledge (Hult and Ketchen, 2001; Jaworski and Kohli, 1993).

Vorhies *et al* (2009), posit that marketing capabilities are not inherently dynamic. MO and marketing capabilities are both important in enabling firms to acquire and deploy resources in ways that reflect their market environment (Teece, 2007). Thus, both MO and marketing capabilities constitute necessary conditions for a firm's dynamic capabilities (Vorhies, 2009).

4.2 Marketing Strategy

4.2.1 Marketing Strategy

The definition of marketing strategy is not a consensual subject. In literature we might observe contradictory points of view regarding the distinction between (1) marketing strategy and marketing tactics and (2) marketing strategy and marketing management (Varadarajan, 2010). Webster (1992: 10) regarding the first conceptual definition problem states: "Marketing as strategy is the emphasis at the SBU level, where the focus is on marketing segmentation, targeting, and positioning in defining how to compete in its chosen businesses. At the operating level, marketing managers must focus on marketing tactics, the "4Ps" of product, price, promotion and place/distribution, the elements of the marketing mix." Whereas for the second conceptual definition, in an editorial essay, Cunningham and Robertson (1983: 5) stated: "The marketing management literature addresses issues at the level of the individual product or brand. Marketing strategy, on the other hand, addresses issues of gaining long run advantage at the level of the firm or strategic business unit".

Varadarajan (2010: 121) proposes the following marketing strategy definition: “At the broadest level, marketing strategy can be defined as an organization’s integrated pattern of decisions that specify its crucial choices concerning products, markets, marketing activities and marketing resources in the creation, communication and/or delivery of products that offer value to customers in exchanges with the organization and thereby enables the organization to achieve specific objectives”.

More than a well-conceived marketing strategy outlining when, where and how the firm will compete, in order to be successful, firms ought to have the ability to execute well the marketing strategic decision options selected (Varadarajan, 2010)

An appropriate and effective marketing strategy is required to productively install the proper resources through the firm’s marketing capabilities to attain the desired goals (Black and Boal, 1994; Varadarajan and Clark, 1994).

4.2.2 Marketing Resources and Marketing Capabilities

From a marketing point-of-view, resources may be defined as the assets available to marketers and others within the organization to be used and transformed by the marketing capabilities to originate valuable outputs (Morgan, 2011). There have been proposed many different resource typologies in literature, such as, according to Morgan (2011): Tacit knowledge (Grant, 1996) and physical (Barney, 1991), financial (Roos and Von-Krogh, 1992), human (Wernerfelt, 1984), organizational (Mahoney, 1995), reputational (Hall, 1992), relational (Morgan and Hunt, 1994), informational (Chatterjeeand Wernerfelt, 1991), and legal (Coyne, 1986) resources.

On the other hand, capabilities develop when individuals repeatedly apply their knowledge and skills to combine and transform resources in ways that contribute to achieving the firm’s goals (Collis, 1995; Mahoney and Pandian, 1992). According to Morgan (2011), four types of capabilities have been identified in literature: specialized; cross-functional; architectural, and dynamic. By the marketing point-of-view capabilities can be seen as specialized, cross-functional, architectural, and dynamic processes by which marketing resources are acquired, combined and transformed into value offerings for the chosen target markets (Day, 1994; Madhavan and Grover, 1998).

Specialized Marketing Capabilities generally encompass the tactical program-related processes needed to implement the marketing strategy. They are based around the

classical "Marketing Mix" activities such as Product, Price, Communication, and Distribution management (Hunt and Morgan, 1995; Vorhies *et al*., 2009).
Cross-functional Marketing Capabilities are more complex and on a higher order comparing to specialized Capabilities. Typically integrate some of the specialized capabilities mentioned before and combined them with inputs from other functions (Aaker, 2008).

Three of the most important Cross-Function Capabilities are: Brand Management, Customer Relationship Management and New Product Development Morgan (2011).
Architectural Marketing Capabilities involve the process used to select, integrate and orchestrate various specialized and cross-functional capabilities. They generally encompass the strategic planning and implementation processes that facilitate the deployment of key resources for the firm (Vorhies and Morgan, 2005)
Dynamic Marketing Capabilities, according to Morgan (2011), concern the firm's ability to engage in market-based learning and use the resulting insight to reconfigure the firm's resources and enhance its capabilities. DC theory posits that firm's resources and capabilities have to be continually changed in order to maintain competitive advantage in competitive markets (Lado *et al.*,1992; McGrath et al., 1995)

4.2.3 Marketing Strategy - Content Decisions

Marketing Managers must select which available resources should deploy, where to deploy them and set priorities in terms of goals to achieve (Slater, 1995). A strategic marketing plan must define the following elements (Varadarajan, 2010):

- *Strategic Marketing Objectives* for Child (1972) is the most important manifestation of strategic choice. Sometimes it may difficult to articulate objectives because they may be contradictory, for example, revenue growth and margin growth are difficult to achieve simultaneously (Morgan *et al*., 2009a, b).
- *Market selection* regards the segmentation and targeting decisions associated to the classic STP framework (Porter, 1991).
- *Value Proposition.* This marketing strategy content decision outlines which resources and capabilities are required to be transformed and combined in order to deliver the value intended. (Morgan, 2012)

- *Timing.* Some companies distinguish from one another for their time-to-market response. Innovation oriented companies are first-to-market, but like Hooley and Green Ley (2005) explain that being first to market requires effective new product development systems and processes, effective R&D skills, and a degree of creativity in identifying market gaps and opportunities. Because of the complex interplay of resources required for effective innovation, a position based on this is likely to enjoy a high degree of defensibility, which means making life difficult for competitors to copy or imitate their strategy.

4.2.4 Competition

While formulating marketing strategy, managers must predict the actions of their competitors to properly adjust marketing strategy. However it is almost impossible to perfectly foresight competitor's actions, even for firms with strong market knowledge and marketing capabilities (Slotegraaf and Dickson, 2004). Thus, the marketing strategies of rivals will have a strong impact on the firm's efforts to reach the positional advantage intended for the specific targeted market (Morgan, 2011).

Another important concept in RBV theory is isolating systems. The isolating systems are factors that contribute for a firm to maintain its positional advantage over time. (Lippman and Rumelt, 1982) The key issue is to turn a short-term positional advantage into a sustainable positional advantage. RBV theory posits that in order to create a sustainable positional advantage, the value creating strategy must use resources and capabilities non-imitable and non-substitutable (Collis, 1995; Lippman and Rumelt, 1982). With that said, isolating systems are meant to reduce the ability of competitors to achieve the positional advantage acquired through the implementation of the marketing strategy by blocking access to the resources and capabilities that allowed the firm to conceive it and execute it (Collis, 1995).

Isolating systems identified in strategic management literature can include: causal ambiguity (Barney, 1991), path dependence (Teece *et al*., 1997), asset interconnectedness (Dierickx and Cool, 1989), and resource and capability immobility (Reed and Defillipi, 1990). They can create barriers in terms of:

Physical infeasibility: Best spots for opening a shop already taken (Collis and Montgomery, 1995)
Legal infeasibility: Intellectual property denying access to technology, designs and processes (Teece *et al*., 1997)
Temporal infeasibility: in that resources or capabilities could be copied by rivals but to do so that would take a long time (Reed and Defillipi, 1990)
Cost and benefit disadvantages: Due to time compression and asset erosion cost and first-mover advantages (Barney, 1991; Dierickx and Cool, 1989).

4.2.5 Positional advantages

Positional advantages are the relative value (relative to other options available) you deliver to selected target markets as the result of the strategic marketing implementation efforts (Morgan *et al*., 2004). The most commonly described in literature and utilized in past empirical studies are: *product based, service-based, price-based, cost-based, image-based and delivery-based* positional advantages. Despite the term "advantage", the rank of any of each may vary from negative to positive. It is theoretically possible for a company to be superior regarding its competitors in all dimensions of positional advantage, but due to budget constraints and strategy focus that rarely happens. However being disadvantaged on all dimensions might lead to an unsustainable position. (Morgan, 2011)

4.2.6 Sustainable Competitive Advantage

Jaakkola *et al* (2010) argue that sustainable competitive advantage is often achieved through a combination of the strategic insights and rare, non-imitable and non-substitutable resources required to implement a chosen strategy. Barney (1991), states that sustainable competitive advantage cannot be bought from the market place, instead is achieved through the implementation of the isolating mechanisms above mentioned. Sustainability occurs only when the competitive advantage position is maintained over time despite competitor actions (Hunt & Morgan, 1995).
Concluding, in order to achieve superior market performance and above-average returns, firms must develop and sustain competitive advantages (Fahy & Smithee, 1999; Slater and Narver, 1994).

4.3 Online Purchase Behavior

The largest retailers are now pursuing internet-based advantages that enable costs reduction in operations and ultimately can lead to a better competitive position in structure, relationship and operations. However, the success of these new virtual offers will depend on consumer reactions that need to be study closely (Burt and Sparks, 2003),

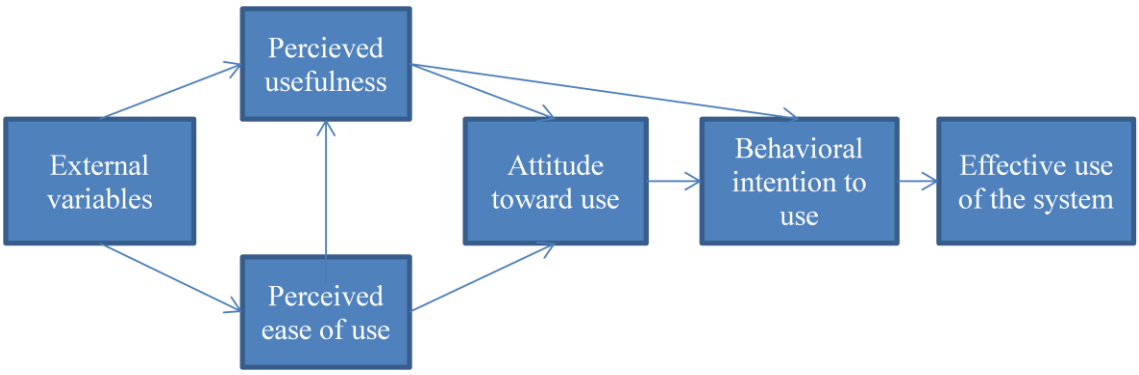
The rapid growth of e-commerce powered investigation in this field (Teo, 2002). The understanding of consumer behavior became a key asset for a firm's success. (Hernández *et al*, 2010).

The *Technology Acceptance Model* (Davis, 1989) is the cornerstone of many models trying to explain consumer behavior in the online context. Based on the *Theory of Reasoned Action* (Ajzen and Fishbein, 1980; Fishbein and Ajzen, 1975) this model suggests that consumer's decision to accept a new information technology is based on their rational judgment of the expected results (Davis, 1989).

According to this model user's motivation is influenced by three factors (Davis, 1989):

1. Perceived usefulness
2. Perceived ease-of-use
3. Attitude towards using the system

Figure 1 – Technology Acceptance Model



Source: Davis (1989)

Davis (1989) states that these 2 first factors, perceived usefulness and perceived ease-of-use, combined predict the attitude towards adopting the system, then attitude predicts behavioral intention to use and finally effective use of the system.

Further studies and other models where developed after this. For example, Lee *et al* (2001) based on this model created one for "e-com" adoption that included, not only the above factors mentioned, but also perceived risk with products/services and perceived risk in an online transaction context. According to Morgan (2011), a system easy to use should be compatible, efficient, coherent and user-friendly. Regardless all the hype and new investigation around this subject, one, to understand the future of e-commerce and lead a successful business, has to understand how consumers interact and behave towards this new retail medium (Burt and Sparks, 2003).

4.4 Tourism

According to the World Travel and Tourism Council (2012): "International Tourism has continued to grow in 2012, despite global economical uncertainty, to reach over 1 billion international tourists arrivals. The figure cements tourism's position as one of the world's largest economic sectors, accounting for 9% of global GDP (direct, indirect and induced impact), 1 in every 12 jobs and up to 8% of the total exports of the world's Least Developed Countries (LDCs)".

4.4.1 E-Tourism

The use of Internet and communication technologies (ICT) has changed the tourism market (Buhalis and Licata, 2002; Harison and Boonstra, 2008). The tourism products are characterized by being time-constrained and non-stockable which makes them very appropriate to be sold by the Internet (Cao and Schniederjans, 2006). ICT allows travelers to have access to quick and trustful information and also to book in few minutes which is considered to be very convenient when compared with traditional means (O'Connor, 1999). These changes in consumer habits jeopardize the traditional intermediary role of travel agencies in the distribution chain (Tsai *et al*., 2005). Traditional travel agencies, in order to adapt to the new reality and to maximize their profit should move along with the market trend and start building their online presence as well. Thus, the traditional tourism package "one-size-fits-all" is starting to disappear

to give place to a segmented approach where the needs and preferences of consumers are taken in account (Kabassi, 2010).

On the other hand, searching for tourism information in the web can be very complex so, for that purpose, recommendation systems were developed. The main characteristic of the recommender system is that they can personalize their interaction to each individual user (Riecken, 2000). Examples of those can be seen on commercial applications such as www.amazon.com and www.ebay.com.

According to Kaynama and Black (2000), online travel agencies function as traditional travel agents as that they provide travel-related products\services and travel-related information to costumers. Whereas the traditional travel agent is able to customize travel information to match their costumer's needs acting as an expert travel consultant, online travelers are expected to collect and organize themselves information to build their own trip. Online travel agencies in order to successfully establish their solid position must strive to provide customers with enhanced websites more humanized, uncomplicated, secure and offer more customized services. To provide effective online service, online travel agencies should be equipped with air, hotel and car reservation systems (Kaynama and Black, 2000).

4.4.2 Consumer Profile

According to the results found by Manzano *et al*., (2010: 648) the profile of passengers who are more likely to make their bookings online is: *"a young person (of between 15 and 30 years of age), more likely to be female, a student or a with a high academic level, a habitual traveler, which is booking a trip that is not very complex or is to a destination that is already known and, in the main a user of ICTs"*. Even though the common user is of young age, Graeupl (2006) states that the so called "silver generation", with ages ranging between 50 and 60, are becoming more and more active. They mainly search for lodging and flights information and they're not interested in the traditional tourism packages.

The ICT empowered travelers and now they are more independent and sophisticated. They now dispose of several tools to plan themselves their own trip. They are far more informed (Morrison *et al*., 2001) and they are demanding gradually interaction with suppliers to satisfy their own needs and specific desires (Buhalis, 2004). They have quite developed an ability to compare prices and convenience and special offers are what mainly attract them to buy (Starkov and Price, 2003). Their interests are constantly

changing so one way to overcome this might be with a structure that rapidly identifies their needs and delivers a personalized service (Gursoy *et al*., 2004).

4.4.3 E-loyalty

Steinbauer and Werthner (2007) worked on a model aimed to explain the decision making process behind the choice of opting for the online channel. The different factors influencing consumer's decision are:

1. Evaluation of website
2. Travel motivation
3. Trip features
4. Experience with e-commerce\e-tourism
5. Internet affinity
6. Trust, self-efficacy (user requirements) and involvement (loyalty)

This last factor reminds the importance of loyalty. With travelers empowered by ICT the importance of loyalty becomes even more important. Nowadays travelers are just one click away from comparing prices and different products so it is mandatory for firms to learn how to turn "e-explorers" into "e-buyers" (Gommans *et al*., 2001). Also, investing in loyalty allows reducing costs since it is much more expensive attracting customers then retaining them (Luarn and Lin, 2003).

Srinivasan *et al* (2002), points out 7 elements that have significant impact on e-loyalty, the 7C's: customization, contact interactivity, cultivation, care, community, choice and character. In order to create loyalty the e-vendor should successfully manage these 7 elements by providing customized solutions focused on each customer needs, creating interactive and easy-to-use websites, proactively offering useful information, making it easy for customers to exchange opinions and to ask for information through the creation of an online community, offering a wide range of possible choices and last but not least creating a creative website (Srinivasan *et al*, 2002)
In the end loyalty is created by delivering a superior costumer experience, (Reichheld and Schefter, 2000), and hopefully it will generate positive word-of-mouth reverting to the online store (Palvia, 2009; Srinivasan *et al*., 2002).

4.4.4 The Website

The website is the first touch point with the online costumer. Hence, web vendors should closely pay attention to details because first impressions will be drawn (Collier and Bienstock, 2006).

According to Pandir and Knight (2006) a good way to attract, retain and keep costumers coming back is through design. Customers prefer beautiful websites and tend to consider them more usable (Pandir and Knight, 2006).

Oh *et al* (2008) states that a thematic website with good design and with products presented to reflect a lifestyle will have an appealing effect and will provide online travelers with a sense of security. Other multimedia aspects such as 3D product presentation, close up pictures and zoom functions will improve consumer's perception, enjoyment and involvement (Kim *et al*, 2007).

All these elements should be properly managed in order to improve costumer's perception and attitudes toward the website because they are proven to be linked in the end with customer's satisfaction. (Montoya-Weiss *et al*, 2003; Eroglu *et al*, 2003)

4.4.5 Positioning Attributes

Kim *et al* (2007) purposes 9 attributes to select online travel agencies: security, ease of use, finding low fares, useful and relevant content, design and presentation of the website, speed of the website, ability to book all travel services in one transaction, booking flexibility and sorting option.

- *Security:* One of the most critical issues for internet dealers. Yang and Jun (2002) argued that both Internet purchasers and Internet non-purchasers consider security the most important factor. For those who have declined to purchase online, security was the most important reason.
- *Ease of use*: Yang and Jun (2002) stated the web stores should enhance their web sites in order to provide customers with a pleasant navigation experience without technical difficulties because ease of use is a major component affecting user's decision to adopt new technology.
- *Finding Low Fares:* Online travelers are much more likely to make a reservation if they are offered with the lowest price (Haussman, 2002). Martin (1999),

Morgan (1999) and Sharpiro (2001) also adopted finding low fares as the criterion to select online travel agencies.

- *Useful and relevant content*: travel websites should provide updated and accurate information to potential customers, such as: trip tips, maps, destination guides, currency converters, travel articles and weather reports (Kaynama and Black, 2000). According to Shim et al, providing useful information on website affects directly consumer's intention to purchase.
- *Design and Presentation of website*: Siu and Fung (1999) emphasized the favorable effects of visual materials such as pictures, illustrations and headlines to consumer's information processing and decision making. Law and Leung (2000) stated that good design enhances sales volume and reputation; however, there must be a balance between complexity and downloading time.
- *Speed of website*: Zickefoose (2001) pointed out that the speed of a website is critical success factor but as mentioned before designers have to avoid heavy content because it causes lengthy loading time, Law and Leung (2000).
- *Ability to book all travel services in one transaction*: Ebenkamp (2002) pointed out that the possibility to book all travel services in one website creates loyalty.
- *Booking Flexibility:* Often a great problem with online travel agents. Whereas with traditional travel agents one could easily change plans, with online agencies, such alterations are entirely costumer's responsibility. When Expedia.com realized this, launched an aggressive TV campaign explaining that with their booking system it was possible. Kim *et al* (2007)
- *Sorting option*: sorting option recently became also an important attribute. They include sorting by price, duration of flight, arrival, takeoff and number of stopovers Kim *et al* (2007).

Kim *et al* (2007) found out that the attribute *finding lowest fares* is still the most important one for online consumers. Price matters for online travelers and most of the advertisement done is targeted to price sensitive consumers. Secondly consumers valued *security* and third *ease of use.*

With the maturity of online market two agencies have emerged as dominant leaders, Travelocity and Expedia, so emergent agencies should rather focus on niche markets such as business travelers who have unique attitudes, lifestyles and travel behavior

compared with leisure travelers. Examples of attributes used to create a position towards this target may include: useful and relevant content, speed of the website, ability to book all services in one transaction, booking flexibility and sorting options. In order to create a position thought, one should focus on few attributes because it seems consumers cannot consider many attributes at the same time Kim *et al* (2007).

4.4.6 E-Tourism trends

The tourism market is constantly developing and some recent changes and trends were forecasted by sceneadvisor.com (2010):

- *Mobile Technology integration*: New softwares and highly interactive applications for Smartphone to help to plan and manage the trip.
- *Video conferencing:* With the objective to reduce corporate travel spending more and more firms will be using video conferencing as an alternative to business travels.
- *Tighter Travel Budgets*: As a result travelers will search more for cheap hotels/hotels and shift to low-cost airlines such as Easyjet.
- *New Global Hot Spots*: An increase in the demand for exotic spots in countries such as India, China and the Gulf States.
- *Eco Travel*: Energy efficient rooms, self-sustainable villas and hotels, green planes, solar powered destinations are what the emerging environmentally-conscious traveler will be searching. This “green” trend will power the eco-travel

The main ideas expressed on the literature review will help to shape the marketing plan. In order to easily obtain some insights for the following chapters a table gathering all the key aspects is presented as well as a visual scheme (see figure nr 2)

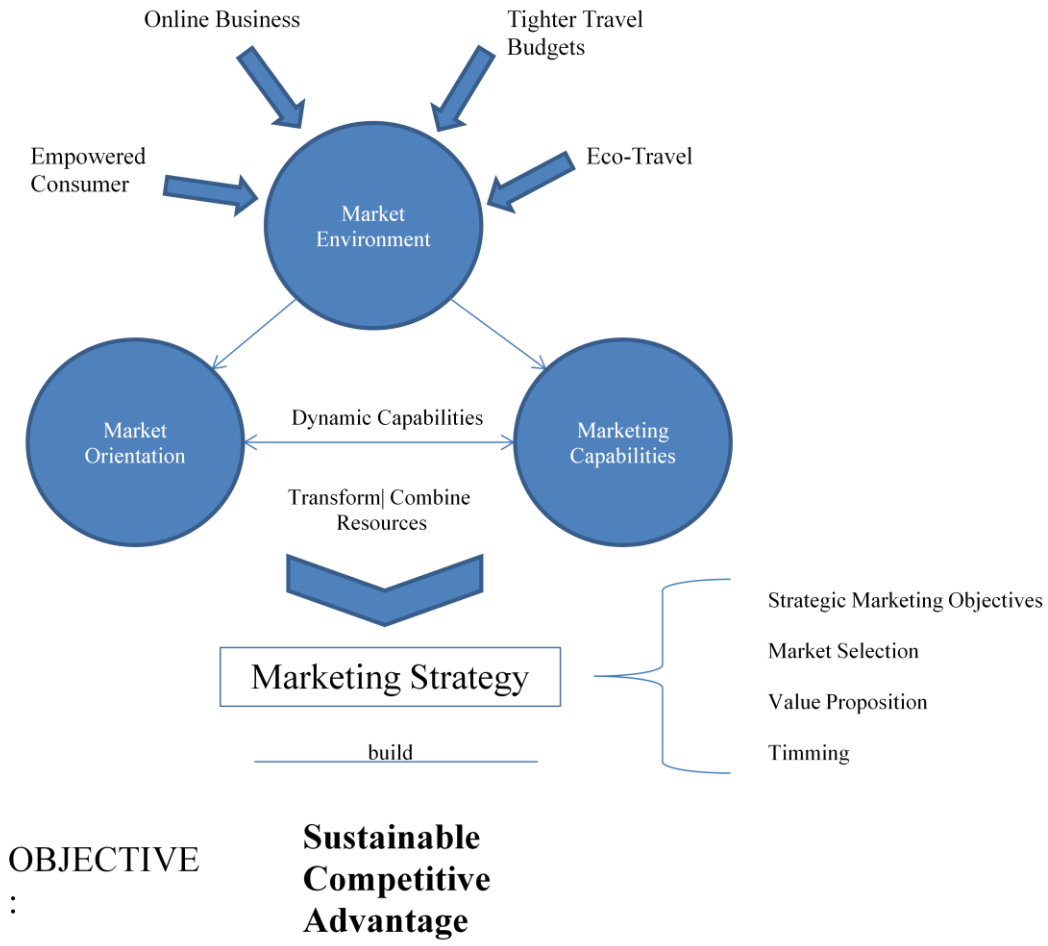
5 CONCEPTUAL FRAMEWORK OF REFERENCE

Table 1 - Conceptual Framework of reference

Theme	Description
Strategic Management	Marketing impact on business has to be explained through the help of strategic management theory (Morgan, 2011). There are 3 paradigms with different focus on strategy formation (Morgan, 2011).From the oldest to the newest: STP - Focus in industry analysis and market selection (Teece et al., 1997); RBV - views firm's specific resources as the key factor to reach competitive advantage rather than market context (Conner, 1991; Peteraf ,1993; Wernerfelt, 1984); DC - states that dynamic capabilities are the source of competitive advantage. Vorhies et al (2009), posit that marketing capabilities are not inherently dynamic. Both MO and marketing capabilities constitute necessary conditions for a firm's dynamic capabilities (Vorhies, 2009).
Marketing Strategy	Marketing strategy is basicly outlining when, where and how the firm will compete (Varadarajan, 2010). An appropriate and effective marketing strategy is required to productively install the proper resources through the firm's marketing capabilities to attain the desired goals (Black and Boal, 1994; Varadarajan and Clark, 1994).A Strategic Marketing Plan should define the following elements (Varadarajan, 2010): Strategic Marketing Objectives, Market selection, Value Proposition and Timming.While formulating marketing strategy, managers must predict the actions of their competitors to properly adjust their marketing strategy. RBV theory posits that in order to create a sustainable positional advantage, the value creating strategy must use resources and capabilities non-imitable and non-substitutable (Collis, 1995; Lippman and Rumelt, 1982) With that said, isolating systems should be installed to reduce the ability of competitors to achieve the positional advantage attained (Collis, 1995).Concluding, in order to achieve superior marke performance and above-average returns, firms must develop and sustain competitive advantage (Fahy & Smithee, 1999; Slater and Narver, 1994).
E-tourism	The world largest retailers are moving to the online business (Burt and Sparks, 2003). Davis (1989) suggests that consumer's reactions must be studied to achieve success with this new selling channel and his model suggests that consumer's decision to accept new information technology is based on their rational judgment of the expected results. The use of ICT had great impact on the tourism market (Buhalis and Licata, 2002; Harison and Boonstra, 2008) They can now search and book in few minutes (O'Connor, 1999) and these changes jeopardize the traditional intermediary role of travel agencies (Tsai et al., 2005). Online travel agencies in order to successfully establish their solid position must strive to provide customers with enhanced websites more humanized, uncomplicated, secure and offer more customized services (Kaynama and Black, 2000). To provide effective online service, online travel agencies should be equipped with air, hotel and car reservation systems (Kaynama and Black, 2000). Travelers are far more informed (Morrison et al., 2001) and they are demanding gradually interaction with suppliers to satisfy their own needs and specific desires (Buhalis, 2004). They have quite developed an ability to compare prices and convenience and special offers are what mainly attract them to buy (Starkov and Price, 2003). Their interests are constantly changing so one way to overcome this might be with a structure that rapidly identifies their needs and delivers a personalized service (Gursoy et al., 2004). Srinivasan et al (2002), points out 7 elements that have significant impact on e-loyalty, the 7C's: customization, contact interactivity, cultivation, care, community, choice and character. The website is the first touch point with the online costumer, thus web vendors should closely pay attention to details because first impressions will be drawn (Collier and Bienstock, 2006). Kim et al (2007) purpose 9 attributes to select online travel agencies: security, ease of use, finding low fares, useful and relevant content, design and presentation of the website, speed of the website, ability to book all travel services in one transaction, booking flexibility and sorting option. However Kim et al (2007) advice: in order to create a position thought, one should focus on few attributes because it seems consumers cannot consider many attributes at the same time.

Source: The author, 2013

Figure 2 – Synthesis of Literature Review



Source: The author, 2013

The tourism market environment is suffering great changes, mainly due to influence of ICT's and to the emergence of a new traveler profile. This market intelligence should be combined and transformed together with other resources by the company's capabilities, to design an appropriate marketing strategy with the proper: marketing objectives; market selection; value proposition and timings; to fully attain in the long term a sustainable competitive advantage.

6 EXTERNAL ANALYS

6.1 PEST

It is used a Pestel analysis to give a picture of the external environment where the firm will operate. According to Kotter and Schlesinger (1991) it is vital to identify all the key external factors that will likely influence the organization's supply and demand and its costs. The analysis will be used to draw contingency plans to possible threats and to gather insights for potential opportunities. The Pestel is presented enumerating the strategic facts considered important for the project in concern followed by the classification in two terms – if they are a threat (TH) or an opportunity (OP) and the expected impact they might have on the project: High (H), medium (M) or low (L) impact.

Political Factors

Regarding the first factor - *Government investment in new airline routes to stimulate demand* (Silva, 2013) – it constitutes an opportunity with great impact for the tourism sector, it makes of Portugal a far better accessible country.

Portugal is going through a time of - *Political Instability* –and it affects tourism, because it sends the wrong image about the country, distorting the perception of potential tourists; despite tourism in Portugal being quite well established and growing at good rates, this factor is still relevant and for that it has a medium negative impact on the business.

Whereas the above factor contributes for the distorted perception of potential tourists, the following one - *Portugal – 18th out of 139 – ranking for travel and tourism competition* (world economic forum, 2013) – does exactly the opposite; this kind of awards contribute to increase the reputation of Portugal as a good place for tourism, however it does not affect this segment in particular, that's why the impact is just rated as medium.

This tourism sector has recognized business potential by the government – *The PENT considers "nautical tourism" a strategic product and with great potential to be developed* (Turismo de Portugal, 2013) – which is something with great impact for the business in concern because it can raise funds and other kinds of support.

This online agency won't be fighting for a cause solely by itself as the next factor illustrates - *Growing interest in the surf tourism by the Tourism of Portugal. Campaign - "no waves, come back for free"* (Record, 2012) – there is a growing awareness of the importance this segment has, and if managed well along with the right partners it can be a good opportunity with a considerable impact.

The present moment, there isn't a – *favorable fiscal policy due to "Economic and adjustment Program"*- set to re-launch economy (European Comission, 2013). The government is charging high taxes and the banks high interests to access credit, this strangles financially firms, and has an high negative impact on startups such as the one being designed.

Economical Factors

Slow and uncertain economical recovery is forecasted according to the European Comission (2013), consequently, all the economical activities being developed within this country will be affected. For this project in particular the impact measured is medium since it is partially dependent on Portuguese economy. This project is target to clients outside Portugal, coming mainly from north of Europe, from "Healthier" countries with stronger purchasing power.

The international growth rate for "nautical tourism" and "nautical recreation" is between 8%-10% but forecasted to be superior for the following 10 years in Portugal (Gamito, 2008), so there is a growing positive trend for this market, forecasted to be even higher for Portugal. This reveals an opportunity for investment with potential great impact.

Environmental Factors

This recent - *"Green Tourism" trend, the growth of an environmentally conscious traveler* (Lowfares, 2009) – might have an impact on this business, even if low, because this type of traveler profile fits the kind of tourism this business intends to promote. Apart from that, surf tourism is considered to be environmentally sustainable.

Surf tourism quality, despite being connected to climacteric conditions difficult to predict precisely and in advance, has *Lower Seasonal Influence* in Portugal, there are good waves during summer and winter for both amateurs and skilled surfers according

to Cunha (2011), which is an opportunity with great impact since it diminishes the seasonal influence in the demand.

Social Factors

The tourism overgrowing risk - is a great threat (Cunha, 2011). Because of the absence of a national integrated plan to regulate all activities regarding the surf industry, the overgrowing of surf schools, surf houses, surf agencies, might affect the quality of surf itself because of the limited capacity to "use". Soon, if this is not reviewed the crowd in the beaches and waves might be too much and tourists will search for other alternatives.

There is a - *Growing Association of Portugal to surf - 1 stage of the world surf championship being recently attracted to the beach of Peniche and the recent nomination of Ericeira as "world surfing reserve"*- this puts Portugal and Europe on the map for the world surf circuit and consequently has a great impact on tourism (Cunha, 2011).

It's not knew the thesis that sports act as a major motivation for people to spend holidays, but when it comes to choose beach sports, *Europeans are unanimous in their choice for surf as their favorite* (Adão e Silva, 2010) which reveals a great potential to be explored.

Technological Factors

The technology concerning this type of business is developing at a fast pace. A lot of different tools can now be used in an integrated way to provide cheaper and personalized solutions for customers. *Technological integration – new mobile applications and software's to help to managing and planning the trip* – can be used to create a positive impact on demand.

Triggered by ICT, new "e-mediares" are emerging in a dynamic way and challenging the traditional offline intermediaries 11 (Matsatsinis, 2009) - the traditional structure is being challenged and the e-mediares have a great opportunity to grow with advantage.

Table 2 – PEST Analysis

FACTS	ANALYSIS		IMPACT		
	OP	TH	H	M	L
Political					
Government investment in new airline routes to stimulate demand	X		X		
Political instability		X		X	
Portugal – 18th out of 139 – ranking for travel and tourism competition	X			X	
The *PENT* considers "nautical tourism" a strategic product and with great potential to be developed	X		X		
Growing interest in the surf tourism by the Tourism of Portugal. Campaign - "no waves, come back for free"	X			X	
Not favorable fiscal policy due to "Economic and Adjustment Program"		X	X		
Economical					
Slow and uncertain economical recovery is forecasted		X		X	
The international growth rate for "nautical tourism" and "nautical recreation" is between 8%-10% but forecasted to be superior for the following 10 years in Portugal	X		X		
Environmental					
"Green Tourism" trend. The growth of an environmentally conscious traveler	X				X
Lower Seasonal influence - Good waves during every season	X				X
Social					
Tourism overgrowing risk		X	X		
90% of Europeans say yes to surf for beach holidays	X		X		
Growing Association of Portugal to surf - 1 stage of the world surf championship being recently atracted to the beach of Peniche and the recent nomination of Ericeira as "world surfing reserve"	X		X		
Technological					
Technological integration – new mobile applications and softwares to help to manage and plan the trip	X			X	
Triggered by ICT, new "e-mediares" are emerging in a dynamic way and challenging the traditional offline intermediaries (Matsatsinis, 2009).	X		X		

Source: The author, 2013

6.2 MARKET

Surf Tourism

Flucker (2003: 7) purposes the following definition for surf tourism:

"Surf tourism involves people travelling for national spots for a period of time not longer than 6 months and for international spots for a period of time not longer than 12 months, they stay at least one night, and the active participation of this activity, which totally depends on the strength of the wave to create propulsion, is the primary focus to select the destination"

The surf tourism may be classified as alternative tourism. Alternative tourism, unlike tourism for masses which is directed for sun, sand and sea (3S), is directed for culture, our heritage and sustainable tourism (Boxill, 2004). This kind of tourist is considered individualist, environmentally friendly and adventurer. (Page and Connel, 2006)

Alternative tourism is focused on the local necessities, mainly environmental and social, and as a perspective of profitability in the long term (Butler, 1990).

Surf Industry

Worldwide there are approximately 23 million surfers, with 500,000 to 600,000 surfers in the UK and 200,000 surfers in France. The global surf-market in 2005-2006 represented 11billion, up from 10billion the year before. 65% of the market is represented by the four of the biggest companies – Billabong, Quicksilver, Rip Curl and Oxbow. Europe represents 1.48 billion where 1.1billion of that is coming exclusively from France (EuroSIMA, 2006).

According to Buckley (2002), one third of surfers worldwide is considered to have economical power and lack of free time (cash-rich and time-poor)

In Portugal there are around 212.000 Surfers (Marktest\SurfPortugal) and the economical impact of this activity is measured 0,2% of GDP.

6.3 Surfers - Consumer Profile

In order to target marketing activities, researchers like Dolnicar and Fluker (2003) and Pereira (2010) have tried to group surfers into groups to create well defined segments. It

is mandatory from a marketing point-of-view to understand what the surf travelers' needs are or what they are looking for when travelling.

Dolnicar and Fluker (2003) conducted an investigation to find out what are the demographic and psychographic characteristics of surfers. According to Perrault, Cannon and McCarthy (2008) the psychographic or lifestyle analysis is the analysis of lifestyle pattern expressed through interests, opinions and activities.

The psychographic variables found were: absence of crowd, personal safety, health concerns, trust with schedules, food quality, surf season duration, local culture, prices, secret spots\new discovers, accommodation quality, the ease-of-access, the gathering with other travelers, the rate conversion, activities available, conditions for family and the surf type of destination. On the other hand, the demographic characteristics found were: average age, years of surf practicing, ability to surf, preferred waves size, regularity, the newness of destiny, the movement, the education level, the wage and sex.

For the 5 groups identified by Dolnicar and Fluker (2003) the most important characteristic of the destination is the absence of crowd (72%). Other significant findings were: 73% of respondents say they prefer to move in diverse areas of the destiny, which suggests they are active travelers and seek for new experiences; 60% respondents prefer waves ranging from 4-6 feet; 59% consider personal safety important; 58% say the quality of environment is important and more than half (55%) prefers their surf holidays to last less than 2 weeks.

Pereira (2010) has also conducted an investigation to group surfers into clusters in order to find out who the most lucrative travelers were and how they behave on surf trips. He grouped surfers into 4 groups: true surfers, ethnic surfers, amateur surfers and surfers who look for safety and good conditions. The most lucrative groups identified were the true surfers and the ethnic surfers, they plan surf trips more often and have the higher wages. The true surfers are above 35 years of age, they earn the higher wages, have advanced surf practice, plan more than 1 surf trip per year and are mainly concerned with the surf conditions when they travel such as: crowd, conditions to develop surfing skills and new surf spots to discover, the so called "secrets". The ethnic surfers are all already working, they don't plan surf trips that so regularly (between 1 per year and 1 in 2\3 years), the surf level is classified between medium and advanced and what moves them to do surf trips, apart from surf conditions, are the touristic

conditions of the destination such as: favorable exchange rate, easy access to beaches, diversity, range of activities available, lodging quality and availability to meet other travelers.

Pereira (2008) has also traced other curious characteristics of surf travelers, such has: the majority of travelers prefers to travel in small groups, from 2 to 4 people; the surf trips duration is between 1 to 2 weeks; like Dolnicar and Fluker (2003) found as well, travelers prefer to move in diverse regions of the destination ("active travelers"); 87% are men; while 66% prefers to travel to new spots 24% says they come back for the favorite spot; they spend on average 20€ to 50€ per day; 35% prefers to rent an house while 20% camping and surf camps.

6.4 Competitors

As it was said above in the literature review, the marketing strategies of rivals will have a strong effect on our effort to pursue a certain positional advantage towards the target market (Morgan, 2011). That highlights the importance to study close the direct and indirect competitors.

The Internet has given the tools and opportunity for many "e-mediares", such as the one being designed, to develop. Many agencies and tour-operators can be found on the Internet and for the purpose of analysis they had to be listed by importance. The first filtering process was to select only agencies that provided surf tourism services to Portugal; because it will be the key market for the agency due to proximity and consequently knowledge of the market. Since it is impossible to access the income sheet to access their accounting value, 2 variables were used to list the 40 sites found by order of importance:

- Facebook dimension - measured by Facebook likes.
- Traffic Rank – with data collected by the website Alexa.com. The rank is calculated by using a combination of average daily visitors to the site being analyzed over the past 3 months, the site with the highest combination of visitors and page views is ranked #1.

Different weights were given to variables. Facebook Dimension with an average of 30% and Traffic Rank 70% because it is more important to draw traffic and attention to the website which is where all the transactions can be done.

The top 5 websites found were, from the most till the last important considering the above variables: wavetours.com (Germany); surfholidays.com (Ireland); unitedsurfcamps.com (Sweden); surferdream.com (USA) and finally surfinn.travel (Portugal). Despite this last agency not being listed among the top 5 competitors (surfinn.travel) it is analyzed here because it is the only local (Portuguese) agency doing this type of work.

For the purpose of comparison, the following factors defined in the literature review by Kim et al (2007) will be used to compare the different agencies\online portals for reservations in the surf industry - *Web features*; *User friendliness and security*; *Finding low fares* – Each factor, has an associated weight defined by Kim et al (2007), and it is subdivided into the following variables:

- *Web features*- Booking Flexibility; Ability to book all travel services in one transaction; Sorting options; Useful and relevant content
- *User friendliness and security*- Speed of the website; Design and presentation of the website; Ease of use; Security
- *Finding low fares*- Finding low fares

After looking at each competitor individually and attributing a score for each variable from 1 to 5; 1- very bad, 2- bad, 3-suficient, 4-good, 4-very good (see annex nr 1); a table integrating every competitor is presented, to put competition in perspective (see table nr3) Once this table is presented it will be possible to identify opportunities not explored by competition as well as the common positioning attributes explored by competitors and by this way figure out the best way to fit among them.

Wave Tours

Website: http://www.wavetours.com/

Logo**:**

Image 1 – Wave Tours Logo

Source: Website, 2013

Facebook Likes**:** 7104

Alexa Traffic Rank**:** Wavetours.com has a three-month global Alexa traffic rank of 603,382, and the site is relatively popular among users in the city of Münster (where it is ranked #907). We estimate that 74% of the site's visitors are in Germany, where it has attained a traffic rank of 37,215. The site is located in Germany

Country of Origin: Germany, in activity since 1993

Area of Business: Management of surf holidays in Europe and other countries. They manage reservations for surf camps of 13 countries. They also manage surf academy for teenagers above 14. They are also working with surf events and they get to organize the ADH (Germans Student Championship) in Seignosse, France, the biggest competition of surf in Germany and the Official German Championship of the German Surf Federation (DWV).

Surf Holidays

Website: http://www.surfholidays.com/

Logo**:**

Image 2 – Surf Holidays Logo

Source: Website, 2013

Facebook Likes: 2921

Alexa Traffic Rank**:** Surfholidays.com has a three-month global Alexa traffic rank of 462,451. Visitors to it spend about 78 seconds on each page view and a total of four minutes on the site during each visit. Surfholidays.com is relatively popular among users in the city of Dublin (where it is ranked #1,222). Approximately 61% of visitors to the site come from Ireland, where it has attained a traffic rank of 2,553

Country of Origin: Ireland, in activity since 2005

Area of Business: Management of surf holidays around Europe.

United Surf Camps

Website: http://www.unitedsurfcamps.com

Logo**:**

Image 3 – United Surf Camps Logo

Source: Website, 2013

Facebook Likes: 12448

Alexa Traffic Rank: There are 1,490,171 sites with a better three-month global Alexa traffic rank than Unitedsurfcamps.com. About 52% of visits to the site are bounces (one page view only). Visitors to this site spend roughly 30 seconds on each page view and a total of three minutes on the site during each visit.

Country of Origin: Sweden, in activity since 2005.

Area of Business: They book surf camps in all major destinations around the world. They have a network of 26 surf camps at all.

Surfer Dream

Website: http://www.surferdream.com/

Logo**:**

Image 4 – Surfer Dream Logo

Source: Website, 2013

Facebook Likes: 2861

Alexa Traffic Rank: Surferdream.com's three-month global Alexa traffic rank is 974,284. It is relatively popular among users in the city of Lisbon (where it is ranked #2,694), and visitors to this site spend about 27 seconds on each pageview and a total of two minutes on the site during each visit. Visitors to Surferdream.com view 3.8 unique pages each day on average. Very few visits to the site are referred by search engines.

Country of Origin: Unknown – no information in the website and the page "about us" is not working. Online since 2001

Area of Business: Since December 2012 they evolved from a traditional travel agent to a listing site. As they say in the website, "website to everyone who has\owns a surf camp, boat charter or surf school and even to travel agencies to list their product" (…) "You can also create different packages and run price promotions" (…) "We know that we are not the first place on the web that offer this service, we are the first that offers this service…For free".

Surfinn Surf camps

Website: http://www.surfinn.travel/pt/

Logo**:**

Image 5 – Surfinn Logo

Source: website, 2013

Facebook Likes: 3518

Alexa Traffic Rank: Surfinn.travel is ranked #2,850,785 in the world according to the three-month Alexa traffic rankings. Visitors to the site view an average of 3.7 unique pages per day. Visitors to this site spend roughly 53 seconds on each page view and a

total of six minutes on the site during each visit. About 27% of visits to Surfinn.travel are bounces (one page view only)

Country of Origin: Portugal

Area of Business: They book surf camps in all major destinations around the world. They manage bookings for surf camps in 10 countries, being Portugal the one with more options available with a total of 18 surf camps.

Table 3 – Competition Analysis

Factors	Variables	wavetours	surfholidays	unitedsurfcamps	surferdream	surfinn.travel	
Web features 43,20%	Booking Flexibility	1	1	3	1	3	9
	Ability to book all travel services in one transaction	2	3	2	1	2	10
	Sorting options	2	1	1	3	2	9
	Useful and relevant content	2	1	4	5	3	15
		7	**6**	**10**	**10**	**10**	**43**
User friendliness and security 32,4%	Speed of the website	5	5	5	5	4	24
	Design and presentation of the website	1	3	4	5	5	18
	Ease of use	3	4	4	5	5	21
	Security	4	5	3	2	5	19
		13	**17**	**16**	**17**	**19**	**82**
Finding low fares 22,6%	Finding low fares	3	1	1	4	3	12
		3	**1**	**1**	**4**	**3**	**12**
Total Score		7.914	8.326	9.73	10.732	11.154	

Source: The Author, 2013

*Principal component factors with iterations: varimax rotation. The three factors had eigenvalues in excess of 1.0 and explained 98.2% of the cumulative

From the table above we can observe a lot of effort is being put on user *friendliness and security.* Almost all websites got high scored in those variables from Speed to Security. However, the factor *finding low fares* isn't still a major concern for every competitor as well as *web features*, with variables such as Booking Flexibility, Sorting Options and Ability to book all travel services in one transaction very underscored.

Like it was said above in the literature review, ability to book all travel services in one transaction, induces loyalty and trust (Ebenkamp, 2002) and Booking Flexibility is often a great problem with online agents, so they should be treated as critical success factors rather than some unimportant variables. These websites are mainly focusing in presentation / security issue, which is relevant but, doesn't work as motivating factor as *finding low fares* and variables like ability to book all travel services in one transaction and booking flexibility. This could be an opportunity to use by this plan, to build advantage on top of these features. Put effort on factors less explored by competitors – Finding low fares / web features – and guarantee the most explored ones meet the acceptable requirements, to innovate with a new positioning.

This table shows us the web site surfinn.travel is the most balanced among the others as well as the better classified within these parameters which is curious b The site surferdream.com has good classification but, not as balanced and with some weak points, compared with surfinn.travel. It is important to consider that surferdream.com has evolved to a listing site so the objectives to attain are not the same. It is possible to attain a good score in every factor but it can be a waste of resources because consumers cannot consider many attributes at the same time (Kim *et al*, 2007).

6.5 Critical Success Factors

From the above analysis we may define the critical success factors which, in my opinion, may be defined as the essential elements the company must install and control in order to succeed in this type of market.

To be consumer oriented **–** Travelers are becoming independent and sophisticated and also their interests are constantly changing so one way to overcome this might be with a structure that rapidly identifies their needs and delivers a personalized service (Gursoy et al., 2004). This could be done with effective implementation of a CRM system that would putt customers in the center of all processes regarding the business. Keep constantly gathering customers' information in order to be able to enhance the service - this will create satisfaction and consequently loyalty.

To have the State-of-art website **–** A State-of-art website, ideally, would have what technology has best to offer, adapted to fulfill the needs of clients we are targeting. All

the elements regarding the construction of website should be properly managed in order to improve costumer's perception and attitudes toward the website because they are proven to be linked in the end with customer's satisfaction. (Montoya-Weiss *et al*, 2003; Eroglu *et al*, 2003) Elements such as those reviewed to classify competition that range from speed of website, to sorting options or presentation of website, should be constantly evaluated and upgraded to meet the customers' desires.

To build brand awareness – In the online business, competition is ferocious, there are thousands of alternatives and no one will notice your presence if your presence is not strong.

To carefully choose and nurture suppliers – We have little control with the experience suppliers will provide to the customers we send, so every detail matters when choosing them because it is our own status of specialist and our trust that is at stake. Also, a good relationship with suppliers in the long term will reinforce our position in the market as intermediary and eventually enable price discounts or/and better margin.

7 INTERNAL ANALYSIS

7.1 SWOT

In this chapter it will be designed a SWOT for the online agency. This analysis will consider the agency internal positive points (strengths) and internal negative points (weaknesses) and also market opportunities and threats. Since the agency doesn't exist in the present, we have no internal data for analysis so this SWOT will be executed under some assumptions - the strengths and weaknesses for this SWOT are predictable strengths and weaknesses (predicted based on the structure and configuration intended for this agency to exist).

The objective of this analysis is to enlarge the benefits of the online agency against its weaknesses and preventing threats by identifying desirable paths and opportunities. Besides this, it will also be tried to forecast the evolution of this factors in three trends: Increase, decrease and stable.

Table 4 – SWOT Analysis

Strengths • Knowledge of the core market • Low initial investment • Digital Format • Distinctive Positioning • Consumer Oriented • Capacity for Personalization • Partnerships • First-mover advantage	***Weaknesses*** • Brand Awareness • Business Know-how • Scale Economies
Opportunities • High-priority segment for PENT • Portugal- key market for Europeans (Adão e Silva, 2005) • New technological applications • Lower seasonal influence	***Threats*** • Surf tourism overgrowing risk • Weak entrance barriers • Disintermediation

Source: The Author, 2013

Table 5 - Hierarchical SWOT Analysis

Internal Analysis

Strengths	Importance	Evolution Forecast
Knowledge of the core market	5	Increase
Distinctive positioning	5	Increase
Low initial investment	4	Stable
Market oriented	4	Increase
Capacity for personalization	4	Increase
Digital format	3	Stable
Partnerships	3	Increase
Only one direct competitor	3	Decrease

Weaknesses	Importance	Evolution Forecast
Brand awareness	5	Decrease
Business know-how	4	Decrease
Scale economies	3	Decrease

External Analysis

Opportunities	Attract.	Evolution Forecast
Portugal - key-market for Europeans	5	Increase
Low seasonal influence	5	Stable
Growth of "e-mediares"	4	Increase
New technological applications	3	Increase
High-priority segment for PENT	3	Stable
Threats	**Impact**	**Evolution Forecast**
Surf tourism overgrowing risk	4	Increase
Weak entrance barriers	4	Increase
Disintermediation	4	Increase

Source: The Author, 2013

Strengths

Probably the most import strength for this project will be the knowledge of its core market – Portugal - at least for the short-term. Due to the fact the agency will be settled in Portugal it allows for a deep collection of market information, establishment of strategic partnerships with key suppliers and high monitoring of trips which will contribute for a *market specialization* that can be communicated and used against other competitors and that will develop with time.

Through the study of competition we could observe (see table nr3) competitors do not putt much effort in heavily scored factors such as *web features* and *Finding low fares;* this flaw gives the opportunity to build a new and distinctive positioning that will allow to innovate in the market by focusing on, not only just other factors, but also higher ranked ones.

This project is intended to have only an online structure and will sell a service, that doesn't require stock, so the initial investment is relatively low which reduces the risk of investment. It also allows re-directing available funds for crucial assets such as "market intelligence", "consumer profile" and "brand notoriety".

This agency will be Market Oriented: regularly collecting information, forecasting trends, analyzing the use of its own services and monitoring competitors, to be able to constantly enhance its own offer and be better positioned.

As it was possible to read before, capacity for personalization is not only a crucial characteristic with great impact on loyalty but also something that online agents must cultivate in order to completely overcome the traditional agent, so this agency will create the necessary mechanisms to provide personalized solutions to meet traveler's profile.

This agency is being built according to the tourism market trend, which is the migration to the online business. This gives the advantage to better respond the new traveler profile that is searching for quick and trustful information and also to book in few minutes (Manzano et al, 2010)
Partnerships for this project will be strategically established to strengthen the agency's position. These partnerships will be established in order to: gain brand awareness, create sense of security for consumer and benefit from price discounts.

It is not the first Portuguese surf tourism agency, Surfinn travel was the first one. Nevertheless, there is just one direct competitor which is a strength that can have a significant role, at least in the beginning of the project, with forecast to diminish with the appearance of other competitors.

Weaknesses

Brand awareness is very important when we are talking about online success. Unless you successfully communicate your brand in order to create a strong online presence no one will notice your presence. Like every new online business this is a weakness and it takes some effort and investment to come around it, but it will progressively diminish.

Business know-how will be a weakness in the beginning, at least if the managers responsible for the implementation of the project haven't worked before on a similar one or with a similar market; but just as brand awareness it will progressively diminish with the accumulation of knowledge and study of the market and its processes.

This project benefits with dimension, that means: bigger the agency – higher the cost advantage. With more costumers and consecutively sales, more power to negotiate exclusive partnerships with suppliers and benefit from price discounts. In the long-term this is desirable scenario, so this weakness is predicted to decrease over time.

Opportunities

Portugal is a key market for Europeans (Adão e Silva, 2005), and might turn out to be in the long-term the most important one for Europe competing for the podium only with France (South of France). Its climate is very stable, seasonality doesn't have much effect, has good conditions from north to south, it is very central and close for Europeans (compared with other more exotic destinations such as Indonesia) and has very competitive prices. This image of "the best place to surf in Europe" should communicated and something to take advantage from.

The core market to work- Portugal- has really low season influence compared with others such as France for example that just has waves during the winter, because the coast receives all types of swells. This could also be an opportunity for cities and villages, that are dependent on the high season traditional beach tourism, establish win-win partnerships with this agency to help invert this trend.

The growth of technological applications is growing at a fast pace especially mobile ones. These tools can be used to differentiate the service and provide personalized solutions, and by so upgrade the quality level of service.

This type of tourism is in the target for PENT. This could be an opportunity not only to withdraw investment but to build stronger partnerships.

Threats

Like it was explained above in PEST analysis, the threat of a surf tourism overgrowth (Cunha, 2011) is a present issue and if the authorities responsible for this do not prepare properly it may occur. This agency is also responsible to deal with this issue by contributing for maintenance of the equilibrium and to warn and pressure those with capacity to intervene, such as city halls, government, etc.

Above it was said that one of this project's strengths is the relatively low investment required to start it. This can also be one the threats, since it is also easier for other entrepreneurs to come in as well and replicate it. This threat could be avoided by creating a strong brand, to become a specialist on the service provided and strengthen the relationships with suppliers.

Disintermediation is also a threat if you consider the growing independence and sophistication of travelers. They are demanding gradually interaction with suppliers to satisfy their own needs and specific desires (Buhalis, 2004) and have quite developed an ability to compare prices and convenience and special offers are what mainly attract them to buy (Starkov and Price, 2003), so if suppliers learn how to build a strong presence online this might be the end for the intermediaries. To avoid such threat, the actions to take are (some already match the above): to have edgy and state of the art websites and applications with strong consumer focus, specialize on the services you're providing and build a strong brand to hold the importance of the intermediary position.

8 STRATEGIC GUIDE LINES

Strategic guidelines enclose the strategic direction that will enable the implementation of this project. It will be defined the Mission, Vision, Culture and Values and the mains strategic guidelines to attain them.

8.1 Vision

To become the most relevant tourism agency providing thoughtful solutions for our clients' surf trips

8.2 Mission

Provide customized tourism solutions, within the surf segment, in order to promote surf as sport and as environmentally responsible tourism. Developing long term relationships with customers based on trust, knowledge and integrity.

8.3 Values

The principles and values that will conduct the internal and external behavior of the agency are:

- *Social and Environmental Responsibility* – Business should be conducted regarding the impact in society and the environment. This agency intends to promote health through the practice of sports and concern for the environment through an environmental friendly type of tourism and lifestyle.

- *Commitment with customers* – Work for excellence in the service we provide to strengthen the relationship with our customers.

- *Adaptability, Learning and Innovation* – It is privileged the capacity to be flexible, in order to adapt quickly to changing environments and respond efficiently with innovate solutions that add value to the agency and society as well.

- *Integrity* – The interpersonal relationships should be built with respect and tolerance for difference. Everyone opinion is respected and everyone is encouraged to contribute with ideas.

8.4 Strategic Objectives

The objectives to attain with this project were divided for the short and medium-long term.

Short term objectives

- Adjustment of internal processes

- Create a customer database
- Develop its core destination (Portugal)
- Promotion

The short term objectives are focused on the beginning of activity and to what is really crucial and strategic to accomplish in the first two years of existence. The first objective regards the adjustment of internal processes needed to adapt to this new business reality – the idea is to build a flexible and efficient organization that adapts quickly to its constantly changing environment. The second objective – *Create a customer database* – relates with the need to gather information about the customer to be able to build an appropriate customized offer. *Develop its core destination (Portugal)* – explore this destination to build up the best and specialized offer and last but not least – Promotion - the first steps to promote the agency and make it visible online.

Long term objectives

- Develop other destinations
- Expand to other businesses
- Build reputation
- Promote environmental and social responsibility
- Obtain constant financial return in the short and long term

These objectives, on the other hand, are to be accomplished in a long-term perspective – superior to 5 years of activity and contemplate mainly the recognition of stakeholders and the perspective of expansion. The first objective – *Develop other destinations* – refers to the perspective of expansion. In order to benefit from economies of scale one has to grow bigger, the challenge here is to grow bigger without hurting the status of specialist – one way possible could be to become a specialist *just* for European surf tourism. *Expand to other businesses*- in the long term and with sustainable traffic in the website it would be possible to consider advertising, through banners for example, directed to the surf universe – surf clothes, surf events, etc. *Build reputation*- with stakeholders, become a reference when the subject in concern is surf tourism: establish partnerships with tourism and surf institutions, investment in surf events, could be some

of the activities to build reputation. The third objective – *Promote environmental and social responsibility*- regards the most intangible, more philosophical and moral objective for the agency; this objective can be accomplished not only by the agency's own behavior but by associating the agency through sponsorship or partnerships to events and/or institutions that support this cause as well. The last but not least objective is a financial objective that aims for the financial equilibrium and stability of the agency.

9 MARKETING PLAN

9.1 Marketing Strategy

9.1.1 Segmentation and Targeting

For the purpose of segmentation it will be used the study conducted by Pereira (2010), mentioned above in consumer profile. The study was developed to contribute to a better knowledge in surf tourism for the **European market**; one of the findings was the characteristics and travel behaviors of surfers.

His findings allowed him to group surfers into four groups, which he named: "true surfers", "ethnic surfers", "amateur surfers" and "safety and good conditions surfers". It was also concluded that among these groups, the most lucrative are – "ethnic surfers" and "true surfers" – because they plan more surf trips and have higher wages.

The psychographic and demographic segmentation of these two interest groups are described below.

The characteristics of **"true surfers"** are:

- They are focused on surf itself (local culture, local conditions and safety do not matter)
- They have the highest wages – above 1500€ per month
- They are the oldest – 35years and more
- Their surf level is advanced
- They plan surf trips more than once per year

The characteristics of **"ethnic surfers"** are:

- Surf is important but local culture and fun activities also play an important role
- They have wages between: 800€-1000€ and 1000€-1500€.
- Their age is between 25-35 years old
- Their surf is medium-advanced
- They do not organize surf trips very frequently – 1 time per year maximum and 1 trip in 2\3years minimum

For the purpose of this plan **"Ethnic surfers"** will be considered the target, due to the fact that they a much bigger group, their wages do not differ so much and they are sensitive to other tourism attractions which the agency might be able to capitalize from.

There are no studies available for surf tourism with precise data. There is no precise idea about how much surf travelers there are in Europe, so, in order to reach a concrete number some assumptions will have to be made:

- The sample of Pereira's study (2010) is possible to extrapolate
- The growth rate of surf practitioners in Portugal is similar for the rest of Europe

According to Bicudo (2009) the growth factor for surfers in Portugal is of 25% to 30% per year. The main surfing countries are – United Kingdom, France and Spain. If we consider that according to Bicudo, in 2006, there were 1million surfers in Europe and a similar growth rate for Europe as to Portugal (in this case we will use 15% to be more cautious), there are ,in 2013, 2.660.019 surfers in Europe, extracting the approximately 130.000 Portuguese surfers that won't be using this service there are 2.530.019.

If, for this population of 2.530.019, in Europe, we apply the sample dimensions from Pereira's study:

- 26,2% of surfers earns between 800-1500€
- 75% of surfers is a medium-advanced practitioner
- 38,9% has more than 25-35years

Then our target market has the dimension of **193.391 potential clients.**

9.1.2 Positioning

Positioning a brand according to Kotler & Keller (2009) is the "act of designing the company's offering and image to occupy a distinctive place in the minds of the target market."

Positioning, according to Lindon et al (2004), is the fusion of two concepts – identification and differentiation.

Identification (the characteristics that identify this service)

- Surf Tourism Online Agency

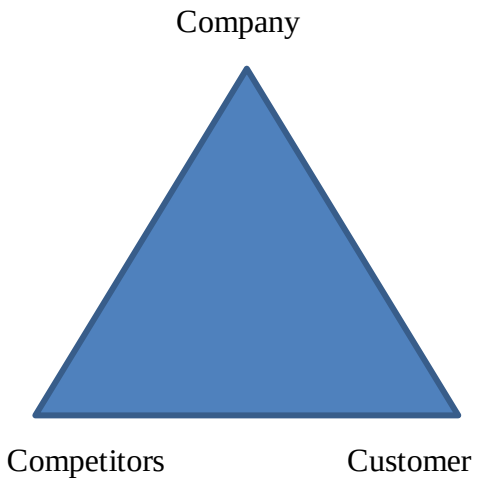
Differentiation (the characteristics that differentiate this service from competitors)

- Good Prices
- Booking Flexibility
- Sorting Options
- Market Specialist

The new product gold positioning triangle will help to validate the choice of positioning and synthesize its main objectives. This approach considers three aspects that should be answered clearly to create a thoughtful positioning:

- Does it answer to the expectations of customers?
- Is it coherent with company advantages?
- Does it allow differentiating from other competitors?

Figure 3 – Golden Triangle



Source: Lindon et all (2004)

Customers - Like it was said in literature review, Kim et al (2007) defines the important choice attributes of online travel agencies from which online customers may select. The variables found, in a decreasing order of importance, were: *finding low fares, security, ease of use, booking flexibility, sorting options, speed of website, useful and relevant content, ability to book all services in one transaction* and *design and presentation of website*. They were grouped into 3 groups of variables: *web features, user friendliness and security* and *finding low fare.* Considering the characteristics of the target we are aiming - seems logical to create a very user friendly website, with good prices and high of information about the destiny we are promoting, with characteristics for the positioning such as: finding Lowfares, booking flexibility, sorting options and valuable information about the destiny.

Company – According to the SWOT analysis, probably the most important strength against competitors is the knowledge of the core destiny. It can be of use to make it the feature to be held against competition – *market specialist*

Competition – *web features* the most ranked factor (weight of 43,20%) with variables – booking flexibility, ability to book all services in one transaction, sorting options and use full and relevant content - and yet the one less invested by competitors. Also, *finding low fares* is the highest ranked variable and one of the less invested by competitors as well as *Booking Flexibility* and *Sorting Options* (see table nr3). This gap gives opportunity to create a distinctive positioning.

Taking in account these 3 elements it is fare to say that the positioning is well designed.

9.2 Marketing Mix

The marketing mix used was of 7P's because of the nature of what is being offered: a service rather than a product; however, adapted for the online business. In order to meet the target needs it will be determined: Product (service), Place, Promotion, Pricing, Physical Evidence, Process and People.

9.2.1 Service

Concept

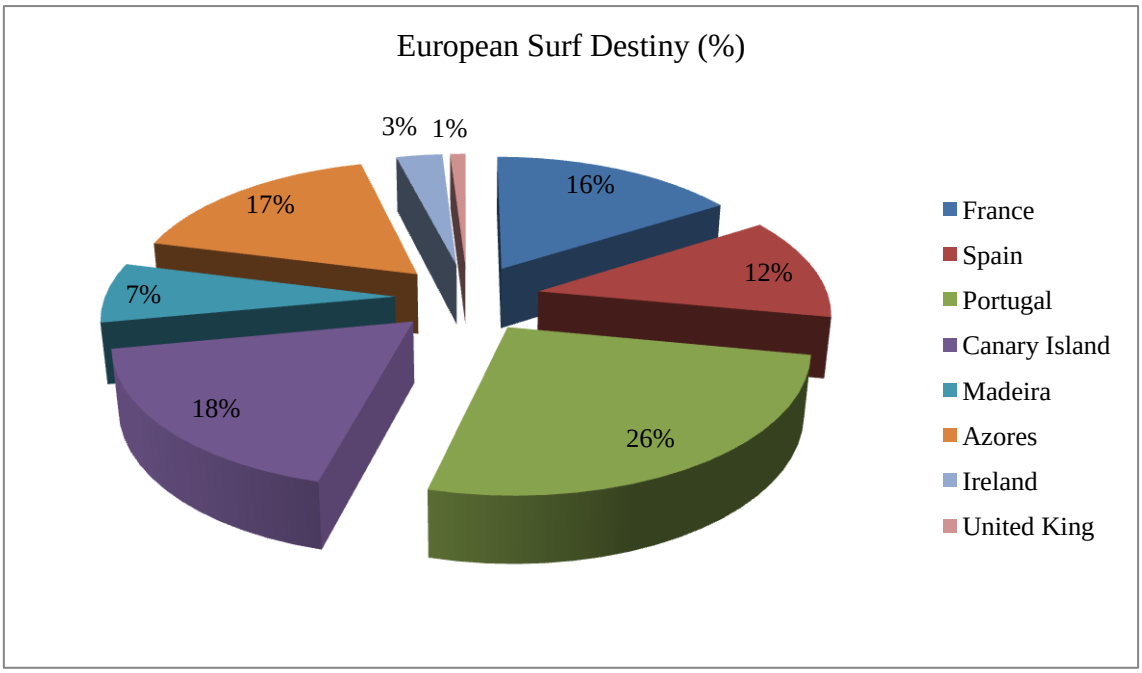
This website will provide solutions for tourists who want to spend holidays surfing in Portugal, at least for the short-term, and then expand to other European destinies. Throughout a carefully pick-up range of suppliers of all sorts it will be possible to deliver customized solutions based on the type of surf trip the traveler is seeking. The name of the brand will be "Choose Surf", the respective website www.choosesurf.com because it encloses well the concept of the service and it is simple to memorize.
The core service will be to provide: lodging, car/van rental and surf material – following the rules of Kaynama and Black (2000), except for the flight part. According to Pereira (2010), surfers in general travel low cost; they use agencies such as Easy Jet, especially to move around Europe. Commissions for this type of service are very low and do not compensate the investment, but anyway, as a convenience, links in the website will be displayed directing customers for flight agencies that provide this service for Portugal and other destinies we are promoting.

Destinies

The objective is to begin with Portugal but then expand to other territories. Like it was said before, to protect the status of specialist, one has to grow bigger carefully. Pereira (2010) has helped to determine the favorite spots in Europe for surfers to travel (see chart nr1), so, on the long-term the increment of other destinations will follow this logic of preference which can be seen in the graphic below – with expansion first to the Canary Island then to France, Spain and so on. The idea is to adapt the brand name

according to the destination, as new destinations are added, for example: Choose Surf Spain, Choose Surf Canary Island, etc.

Chart 1 – Favorite European Surf Destiny (%)



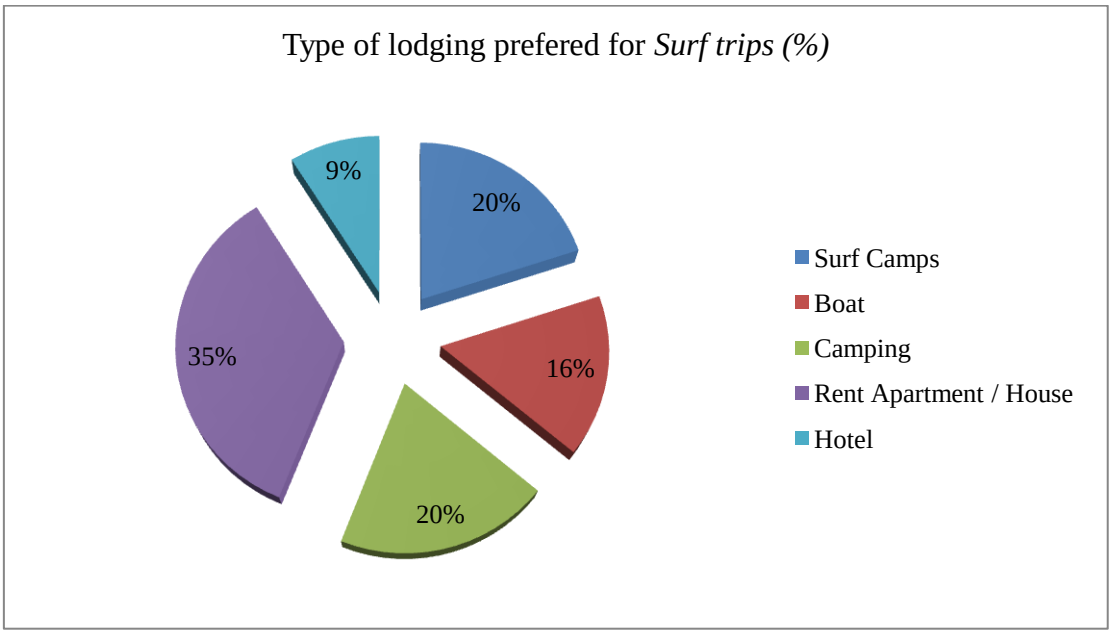
Source: Pereira, (2010)

Suppliers

In order to have many options available there has to be an exhaustive research for suppliers. The idea is to have the widest range of suppliers, and consequently prices, for all the surfable beaches. The surf zones will dictate the direction of research. The agency will act as an intermediate for suppliers. The agency will be responsible for: promoting their offer online and acquiring customers; it will act as a platform for bookings, charging a fee for each reservation accomplished.

The types of lodging offer will be in accordance with Pereira (2010) study which states that: 35% of surfers prefer to rent houses/apartments, 20% prefers camping and to stay at surf camps; so, these 3 types of lodging will be the focus of this agency.
Regarding car and/or vans, will be prepared for surf material transportation and will be thought to travel in group, because has Pereira (2010) has proven, surfers in general travel in groups of 4 people.
Surf material will also be available to rent, in this case, there will be wet suits for all sizes and boards for medium-advanced surfers.

Chart 2 – Favorite Lodging Type for Surfers (%)



Source: Pereira, (2010)

Differentiation from competitors

Taking in account the target and the positioning intended for this service, the design of service has to follow these characteristics: price oriented; flexibility with bookings; sorting options and valuable information. This will also allow standing out amongst competitors with a differentiated positioning. Table 6 summarizes how these positioning elements can be applied and made tangible in the service in case.

Regarding the Price element, for successful positioning, competitors must be constantly monitored in order to guarantee the lowest price and the best offer. Since finding low fares is the major motive to search for online tourism agencies (Kim et all, 2007), this element is crucial to be controlled. Also, our target is price sensitive so promotions are very important to attract customers to our website and will represent a central aspect to be communicated; constant negotiations with suppliers must be held to come up with the best promotions, especially in low season.

In order to create flexible bookings, competition was analyzed in order to create a better compared offer – only 10% of deposit for bookings - compared with the 15% deposit of

our direct and better positioned competitor: Surfinn Travel. Total deposit refund with trip cancelation prior to 15 days – compared with half refund offered by Surfinn travel and possibility to make changes (rooms or apartment, type of car etc) after being booked prior to 2 days.

To what concerns sorting options, a lot of research has to be made to guarantee the widest range of suppliers, prices and spots per destination. The website will be an aggregator of information with a simple design that will allow the customer to search by destiny, price, dates, apartments, rooms, type of cars etc; and then book in few minutes. There will be no "one-size-fits-all" package; the customer will be invited to customize his trip unless we are asked to do otherwise.

The *market specialist* status will be accomplished be adding other layers to the core service to create a carefully thought augmented service - A wish list questionnaire with questions to find what kind of holidays/surf/destiny the customer is seeking to provide 2-3 surf trip alternatives; the role is to customize and to "humanize" the offer, acting as a travel expert. Another idea would be in the long-term build a mobile application for travelers when they are moving, for instance in the Portuguese coast, that presents all the weather conditions, secret spots for surfing, tourism activities and events for that day in that specific region etc. Beyond these 2 very specific features there will be included in the website, the always needed but in some cases not included by our competitors, additional information such as: Weather reports with real time coverage; good gallery of pictures and videos of destinies; maps and destiny guides, travel news and articles about destinies, programmed events for the destiny, currency check option, etc.

Table 6 – Differentiation from Competitors

Positioning Elements	How to Apply
Price oriented	Lower price compared to direct competitors
	Good range of prices
	Focus on promotions - "in and outs"
	Price well communicated
Flexibility with bookings	10% of deposit for bookings
	Trip cancelled 15 days before - total deposit refund
	Possible to change suppliers after booking
Sorting Options	Wide range of spots per destination
	Good range of prices per destination
	Possibility to customize your trip - no packages
	Friendly website design - sort and choose system
Market Expert - Provide valuable information	Wish List Questionnaire
	Mobile application
	Weather reports with real time coverage
	Good gallery of pictures and videos of destinies
	Maps and destiny guides
	Travel news and articles about destinies
	Currency option

Source: The author, 2013

9.2.2 Place

This is a marketing mix for an online business, the type of distributor is of an “agent” and at least for the short-term there are no plans to build an off-line presence, such as a store. This plan is built solely for e-commerce, at least for the short-term, to take advantage on the shift of consumer habits in tourism that jeopardize the role of the traditional travel agent in the distribution chain (Tsai *et al*, 2005)

As we have seen in literature review, one of the primary issues regarding e-commerce is the perceived risk with products/services and perceived risk in an online transaction context (Lee *et al* (2001). So, it is strategic to plan in advance to assure these elements. The available e-mail, customer line, social media presence and newsletters will help to perceive this agency as tangible and reinforce the connection customer-agency. After using this service customers will receive an e-mail inviting them to rank this service and leave their comment in its homepage – a particular space in the website will exist to build a community, similar to a blog – in order for customers to gain trust throughout transparency.

It will also be important to have: accreditations from important institutions related to surf, association to reliable credit card companies such as VISA, a well and clear written payment-policy and privacy-policy.
Every complaint will be treated in time, and eventually used to upgrade the service.

According to Morgan (2011), a system easy to use should be compatible, efficient, coherent and user-friendly, that is way a customer data base is so important to develop. With this database it will be possible to improve the system to each time better meet the needs of customers.

9.2.3 Promotion

Tourism is a business of information and relationships (Poon, 1993). Considering this, it will be collected information about customers each time they use the service and access the website. The idea is to get to know better our customers and their buying habits, to able not only to, constantly improve the service, but also improve the communication with them. This will give consistency and drive each communication activity through time.

Since our target is of a young person, confident user of ICT's and from abroad, the majority of communication activities will be drawn for internet only.

Below, there is a resume of communication activities intended to implement and their objectives. Even though the seasonal effect is relatively low, the launch of website and its communication is supposed to happen 2 months before summer.

Table 7 – Communication Activities

Objective	Activity	Description
To create brand awareness & reputation	Event in Ericeira	The idea is to launch the website with a surf event (with European dimension) where we would be one of the major investors along with other brands. The idea is to atract media from other countries.
To create brand awareness & reputation	Brand Ambassadors	Choose Surf professionals that can wear merchandise with our logo, turning our brand visible and associated to the right people
To create brand awareness & reputation	Sponsoring	Sponsor visible Surf events such as WCT and others
To attract customers to website	SEO, Google Adwords	A strong initial investment to improve visibility in search engines and atract customers
To attract customers to website	Banners	Banners in strategic selected websites that can vary from: surf brands, surf blogs and tourism websites such as tripadvisor
To create involvement	Facebook & Youtube	It will act as a plataform to share interesting surf articles, videos and pictures. Sometimes it can also be used to launch promotional campaigns.
To create loyalty	Newsletter	After using the service once, a newsletter will opportunely be sent with available promotions or/and new destinations available to seduce to travel again

Source: The author, 203

Apart from the surf event, which will be intentionally created for the launch of the business, the idea is also to concentrate the investment in communication activities such as SEO, Banners and even Facebook campaigns to make the website visible and attract the largest share of customers in the beginning as possible. Newsletters require a solid customer database to start working and sponsoring important surf events and hiring brand ambassadors is important but just for the long-term because their return-on-investment is not so immediate.

9.2.4 Price

Price is considerably relevant, even more for this plan in case, because it is part of the positioning statement; the idea intended is for customers to perceive this agency has price oriented, with good deals and low fares. It will be used a penetration price strategy.

According to Lindon et al (2004) there are 3 elements that should define the RSP, and they are:

- Costs
- Demand
- Competition

Taking in account the positioning statement for this plan, it makes sense for the price to be settled according to competition. The idea is for price to be compared with other competitors and to become relevant through that. Anyway, costs and demand are both variables more difficult to predict.

In tourism it is very difficult to compare prices, the market is very volatile and there are many activities to be compared. It is just not possible, to compare each element separately – price for lodging; price for car rental, etc – because usually surf agencies traditional approach is to build packages for groups with everything included.

Based on the study conducted by Pereira (2010): 66% of surfers want to move in the region rather than to stay at one fixed location and only 26% seeks for promotional packages rather than customizing is own trip. This proves that surfers are independent travelers and do not seek for this typical “one-size-fits-all” package. Considering that, our service will basically dispose several options available for booking, from lodging to transport, so that travelers could customize their own way, unless we are asked to do otherwise. Nevertheless, promotions should also be used as an incentive but build with other configurations and specially focused on one type of market not yet being used by competitors and proven to be very appropriate for Europeans, which is to build up promotions for weekend surf trips - 78% of surfers when inquired say that they would like to travel weekends for Surf (Pereira, 2010).

Considering that, at least for the short-term, the objective will be to develop the Portuguese market; it makes sense to use as reference, our direct competitor Surfinn travel. Not only because it is the highest ranked competitor, but also, because it has the most competitive price for Portugal and the most aggressive promotions.
Our service scope will be broader – they don't have for instance car\van rental, apartments and houses – but in the things we do not differentiate we will always monitor them to guarantee a price 15% below their offer.

9.2.5 Physical Evidence

According to Pandir and Knight (2006) one of the most important aspects of websites is design, they argue that customers tend to think of them as more usable and it keeps them coming back. Oh *et al* (2008) argues that it is important that design combined with what is being offered as to create a thematic environment that somehow relates with the customers lifestyle, which shouldn't be difficult to do with surf holidays. According to Oh *et al* (2008) this will induce customers with a sense of security.

There are other elements beyond design and theme that must be well managed in order for it to be well succeeded. Rackspace Managed Hosting (2006) has purposed a formula for websites to be evaluated, ranking indicators from 1-to-10 and the final result will be presented in percentage. The formula is:

Website = { ((14,14* Ease of use) + (13,56*Speed) + (13,11*Clear Design) + (10,89*Features) + (10,89*Availability) + (9,77*Security)) – ((12,63*Pop Ups) + (10,32*Excessive Advertising) + (5,21*Excessive Multimedia)) } / 7,24

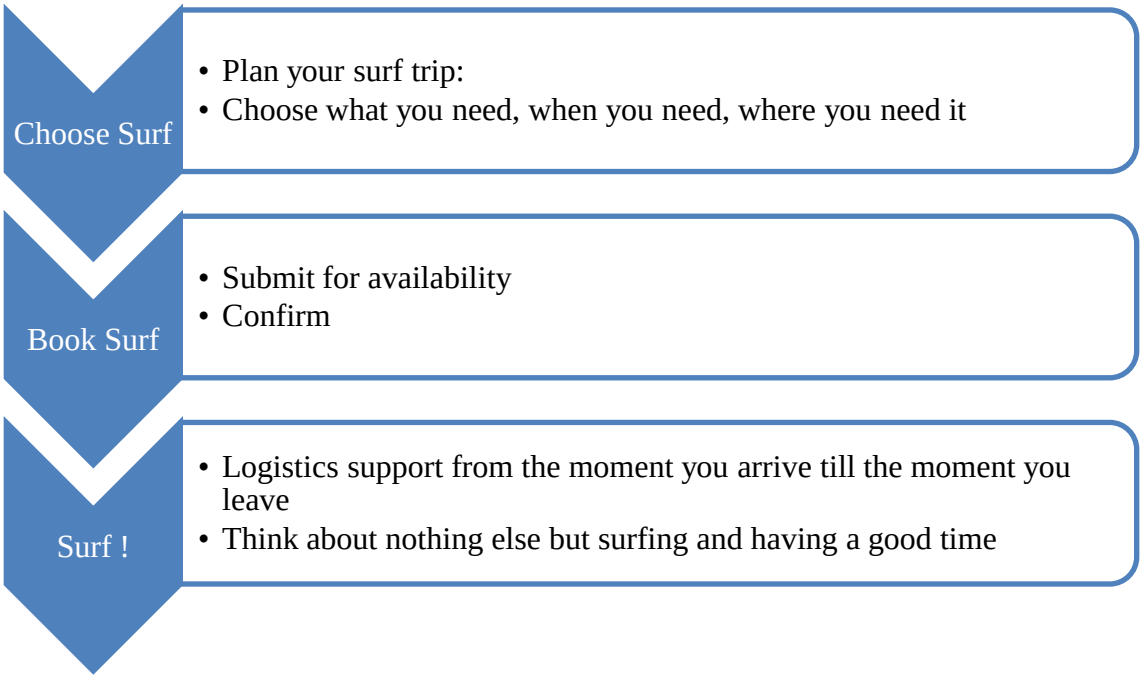
It is fair to conclude that a successful website would have a good balance between: ease of use – simple, intuitive, with clear functions and information; Speed- with a good server and not heavy to download; Features – the customer should easily find what is looking for; Availability; Security and the excess Pop Ups (wishfully none), Excessive Advertising and multimedia which draw the customer from its initial purpose and make the website heavy and not user friendly.

9.2.6 Process

The intention is to create convenience. Considering the target market we are addressing, the idea is to build a user-friendly platform, with smart prices where they can rely to organize/plan their surf trips. They just have to ***choose*** and the agency will take care of the rest.

The process is intended to be very simple, and that's what we will use to communicate through the website. The process, from the customer point-of-view, is as described below.

Figure 4 – Process Scheme



Source: The author, 2013

9.2.7 People

Even though, most operations could be done without seeing anyone from the agency, this aspect is always relevant to deliver an appropriate service. The recruitment of people to work with this agency has to follow these characteristics:

- Great know how of the market
- Passionate about surfing
- Young
- Pro-active

Great know how of the market is essential for one feature of the service we want to develop - the "wish list". For the status of market specialist to be coherent it is crucial for people who are responsible for delivering the service to be specialist themselves. The same criteria will be tried to attain when choosing our suppliers as well.

10 IMPLEMENTATION TIME TABLE

In order to implement this project, a chronogram is presented to guide all the steps involved in the process. This was organized intentionally to open 2 months before summer, March, to take advantage from high season holidays.

Table 8 – Implementation Time Table

Activities \ 2014	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Strategic and financial plan development												
Market research												
Marketing plan development												
Pitching for investment												
Choose Surf Branding												
Team selection												
Website development												
Search and contact with suppliers												
WEBSITE OPENING												

Activities \ 2015	Jan	Fev	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Search and contact with suppliers												
WEBSITE OPENING												
Event in Ericeira												
Brand Ambassadors (Public Relations)												
Promotion of business (SEO, FB, etc)												
Sales												
Results Assessment												

Source: The author, 2013

Sales Forecast

The table below represents a forecast, under some assumptions, of what sales could be for the first 5 years. This numbers were estimated under some very cautious assumptions (see annex 2) and it should be taken in account that the objective is to expand after these 5 years to other destinies and also to increment features in service.

This expansion and service enhancement will increase the number of customers and the average consumption per customer.

Table 9 – Sales Forecast

	1year	2year	3year	4year	5year
Page Views	100,000	153,732	176,792	203,311	233,807
C\rate Visitor-buyer	2,500	3,843	4,420	5,083	5,845
Total Sales (€)	82,500	126,829	145,853	167,731	192,891

Source: The author, 2013

11 CONCLUSIONS

This project aims to contribute in terms of marketing know-how, to develop tourism solutions for the surf market.

E-commerce is growing. There are retailers moving to the online business, whereas others just sell online. E-commerce has had a great impact in tourism industry and is shaping a new distribution chain, putting into question the role of the traditional travel agent.

Surf tourism is growing, especially in Portugal, and it is sustainable and environmentally friendly. Therefore, there is an opportunity to grow in this market through the online business.

It was made an internal and external analysis to access Choose Surf competitive positioning. It was seen with detail the political, economical, environmental factors as well as the social characteristics and technological aspects that could influence the demand and compose the context where the business will operate.

We analyzed the online tourism market for surf and its key players who compete for Portugal. The main conclusion is that competitors are focusing on aspects less privileged by costumers, instead of focusing on aspects such as “finding low fares”,

“sorting options” and “booking flexibility”, which gives the opportunity to explore those and create a distinctive positioning.

It was collected from various sources information to segment the market and focus on one specific target. An appropriate positioning and marketing mix were designed focusing on this target. It was designed a price-oriented, very convenient and user-friendly service that would meet the expectations of the target. The promotion of the agency will be mainly done through the internet because our target is very familiar with it.

12 LIMITATIONS

The main goal for this project is the launch of an internet-based agency focused on the surf market, however there are some limitations that are important to consider when reading this work.

First of all there is really few information about surf tourism. It is an increasing market and it is triggering the appearance of studies but they are mainly qualitative studies and very specific which leaves us with little information about the overall market.

There are innumerous agencies in the internet and it is very difficult to list them all and rank them per order of importance, plus, there are other agencies not-related with surf that might offer a similar service that weren’t taken in consideration. Also, and still considering competition, the process of ranking competitors was just made by 1 person and there are very subjective and intangible items such as “presentation of the website”, “useful and relevant content” or even “ease of use” that might vary a lot from person to person.

Considering the segmentation and dimension of the target market, since there are no available numbers for this market and we had to reach a concrete number, it was necessary to extrapolate the sample of the study by Pereira (2010) and assume a similar growth factor of surfers in Portugal compared to rest of Europe, and this phenomena might vary significantly from country to country.

Regarding the Marketing mix, it can't be very detailed because there is information that we will just find out with the on-going of business – such has deals and promotions made with suppliers. That *price* factor is something that is very sensitive for this business in particular but very volatile though and very difficult to predict and set.

Regarding the Sales, the forecast is very simple and based on assumptions regarding competitors and other references because demand and website-traffic is very difficult to predict. This is something to be developed to build a proper P&L with detailed information and a sustainable market research behind it.

13 REFERENCES

Aaker, D. A. (2008). ***Spanning Silos: The new CMO imperative***. Harvard Business School, Cambridge

Adão e Silva, Pedro (2005), "Salvar Carcavelos e o resto das praias". *Weblog.com*, publishing date: 20 February, 2005. [http://ondas.weblog.com.pt/arquivo/182606.html].Date of access: 28.09.2012

Adão e Silva, Pedro (2009); A economia do Surf, http://economico.sapo.pt/noticias/a-economia-do-surf_72359.html, publishing date: 20.10.2009

Adão e Silva, Pedro (2010), "Surf e Cidade", comunicação apresentada no Seminário Impacto do Surf na Sociedade – Centros de Mar: que futuro? Realizado no âmbito do Movimento SOS Cabedelo, Casino da Figueira da Foz, 27-28 February, 2010, Figueira da Foz.

Amit, R., & Shoemaker, P. J. H. 1993. Strategic assets and organizational rents. ***Strategic Management Journal***, 14(1): 33–46.

Barney, J. 1991. Firm resources and sustained competitive advantage. ***Journal of Management***, 17(1): 99–120.

Bicudo, Pedro, e A. Horta (2009), "Integrating Surfing in the Socio-economic and Morphology and Coastal Dynamic Impacts of the Environment Evaluation of Coastal Projects, in ***Journal of Coastal Research***, Special Issue 56

Black, J. A., & Boal, K. B. 1994. Strategic resources: Traits, configurations and paths to sustainable competitive advantage. ***Strategic Management Journal***, 15: 131–48.

Boxill, I. (2004), Towards an alternative tourism for Jamaica, ***International Journal of***

Buckley, R. (2002a), Surf Tourism and Sustainable Development in Indo-Pacific Islands. I. The Industry and the Islands, ***Journal of Sustainable Tourism***, Vol. 10, No. 5, 405-424.

Butler, R. (1990), Alternative Tourism: Pious Hope or Trojan Horse?, ***Journal of Travel Research***, Vol. 28, No. 3, 40-45.

Buhalis, D., Licata, M.C., 2002. The future of e-Tourism intermediaries. ***Tourism Management*** (3): 207–220.

Buhalis, D. 2004. "Strategic and tactical use of ICTs in the airline industry". ***Information & Management***, 41(7): 805-825.

Cannon, J., W. Perreault e E. J. McCarthy (2006), Basic Marketing: A Global Managerial Approach. London: McGraw-Hill.

Cao, Q., Schniederjans, M.J., 2006. Agent-mediated architecture for reputation-based electronic tourism systems: a neural network approach. ***Information & Management,*** 43 (5): 598–606.

Capron, L., & Hulland, J. 1999. Redeployment of brands, sales forces and general marketing management expertise following horizontal acquisitions: A resource-based view**.** ***Journal of Marketing***, 63(2): 41–54.

Chatterjee, S., & Wernerfelt, B. 1991. The link between resources and type of diversification: Theory and evidence. ***Strategic Management Journal***, 12(1): 33–48.

Child, J. 1972. Strategic choice organizational structure, environment and performance: ***The role of strategic choice. Sociology***, 6 (1): 1–22

Collis, D. J. 1995a. ***The resource-based view of the firm and the importance of factor markets***. Working Paper no.95-070. Harvard Business School, Cambridge.

Collis, D. J., & Montgomery, C. A. 1995b. Competing on resources: Strategy in the 1990's. ***Harvard Business Review***, 73(4): 118–128.

Collier, J.E. and Bienstock, C.C., 2006. How do customers judge quality in a E-tailer?, ***MIT Sloan Management review***. 40(1): 35-40.

Conner, K.1991. A historical comparison of resource-based theory and five schools of thought within industrial organization economics: Do we have a new theory of the firm? ***Journal of Management***, 17(1): 121–154.

Contemporary Hospitality Management, 16, 4/5, 269-272.

Coyne, K. P. 1986. Sustainable competitive advantage-what it is and what it isn't. ***Business Horizons***, 10(1): 54–61.

Cunha, Pedro (2011), "Surfar para Sair da Crise" in Jornal Público, 3 July

Cunningham, W. H., & Robertson, T. S. 1983. From the editor. ***Journal of Marketing***, 47: 5–6

Day, G. S. 1994. The capabilities of market-driven companies. ***Journal of Marketing***, 58(4): 37–51

Dierickx, I., & Cool, K. 1989. Asset stock accumulation and sustainability of competitive advantage. ***Management Science***, 35(12): 1504–1515.

Ebenkamp, B. 2002. Brand keys to travel sites: Straighten up and fly right. ***Brandweek,*** 43(25): 19.

European Comission; European Economy - European Finances in EMU 2011, http://ec.europa.eu/economy_finance/publications/european_economy/2011/pdf/ee-2011-3_en.pdf, publishing date: 22.05.2013

EuroSIMA, 2006. "EuroSIMA Surf Summit : the new tracks of surf tourism".

Eroglu, S.A., Machleit, K.A. & Davis, L.M. 2001. Atmospheric qualities of online retailing: a conceptual model and implications. ***Journal of Business Research***, 54: 177-84.

Fahy, J., & Smithee, A. 1999. Strategic marketing and the resource based view of the firm. ***Academy of Marketing Science Review***, 1999(10), 1−18.

Fluker, M. (2003), Riding the Wave: Defining Surf Tourism, *Council for Australian University Tourism and Hospitality Education working paper*, Victoria University.

Frochot, I., & Morrison, A. 2001: Benefit Segmentation: A Review of Its Applications to Travel and Tourism Research, ***Journal of Travel & Tourism Marketing***, 9: 21-45

Gamito, Teresa (2008), "Turismo Marítimo", comunicação apresentada no colóquio O Mar no Pensamento Estratégico Nacional, realizado no âmbito do Desenvolvimento da Economia do Mar, Instituto da Defesa Nacional, 25 November, 2008

Gommans, M., Krishman, K.S. and Scheffold, K. B. 2001. From brand loyalty to e-loyalty: a conceptual frame- work, ***Journal of Economic & Social Research***, 3(1): 43-58

Graeupl, A. 2006. 'silver Surfers' and their online information search behavior. ***Information and Communication Technologies in Tourism***, 236-247

Grant, R. M. 1991. The resource-based theory of competitive advantage: Implications for strategy formulation. ***California Management Review***, 33: 114–135.

Grant, R. M. 1996.Prospering in dynamically-competitive environments: Organizational capability as knowledge integration. ***Organizational Science,*** 7: 375–387.

Green, D. H., Barclay, D. W., & Ryans, A. B. 1995. Entry strategy and long-term performance: Conceptualization and empirical examination. ***Journal of Marketing***, 59(4): 1–16

Gursoy, D., & McCleary, K. 2004. "An integrative model of tourists" information search behavior". ***Annals of Tourism Research,*** 31(2): 353-373.

Haussman, G. 2002. WorldRes survey warns of industry commoditization. Retrieved from the World Wide Web, 02.20.02, /http://www.hotelinteractive.com/news/articleview.asp?articleID=1392S.

Hall, R. 1992. The strategic analysis of intangible resources. ***Strategic Management Journal***, 13(1): 135–144

Harison, E., Boonstra, A., 2008. Reaching new altitudes in e-commerce. Assessing the performance of airline websites. ***Journal of Air Transport Management*** 14 (2): 92–98.

Helfat, C. E. 1997. Know-how and asset complementarity and dynamic capability accumulation: The case of R&D. ***Strategic Management Journal***, 18(5): 339–360.

Henderson, R., & Cockburn, I. 1996. Scale, scope and spillovers: The determinants of research productivity in ethical drug discovery. ***RAND Journal of Economics***, 27(1): 32–59.

Hult, GT. Ketchen, DJ Jr. 2001. Does market orientation matter? A test of the relationship between positional advantage and performance. ***Strategic Management Journal***, 22(9): 899–906.

Hunt, S., & Morgan, R. M. 1995. The comparative advantage theory of competition. ***Journal of Marketing***, 59(2): 1–15.

Jaakkola, M., Möller,K., Parvinen,P., Evanschitzky,H., Mühlbacher,H. 2010. Strategic marketing and business performance: A study in three European “engineering countries”. ***Industrial Marketing Management***, 39: 1300–1310

Jaworski, BJ. Kohli, AK. 1993. Market orientation: antecedents and consequences. ***Journal of Marketing***, 57(3): 53–70.

Kabassi, K. 2010. Personalizing recommendations for tourists. ***Telematics and Informatics***, 27: 51-66

Kaynama, S., & Black, C. 2000. A proposal to assess the service quality of online travel agencies: An exploratory study. ***Journal of Professional Services Marketing***, 21(1): 63–88.

Kim M. and Lennon S.J., 2007. Online service attributes available on apparel retail web sites: an E-S-QUAL approach***, Management Service Quality***, 51-7

Kohli, A. K., & Jaworski, B. J. 1990. Market orientation: The construct, research propositions and managerial implications. ***Journal of Marketing***, 54(2): 1–18.

Lado, A. A., Boyd, N. G., & Wright, P. 1992. A competency-based model of sustainable competitive advantage: Toward conceptual integration. ***Journal of Management***, 18(1): 77–91.

Kotler, P., Keller, K., (2009), *Marketing Management*, Prentice Hall, 13th Edition, Pearson International Edition

Law, R., & Leung, R. 2000. A study of airline's online reservation services on the Internet. ***Journal of Travel Research***, 39(2): 202–211.

Lindon, D., Lendrevie, J., Lévy., J., Dionísio, P.,Vicente Rodrigues, J., **Mercator XXI – Teoria e Prática do Marketing,** Lisboa, Publicações Dom Quixote, 10.ª edição, 2004

Lippman, S. A., & Rumelt, R. P. 1982. Uncertain imitability: Analysis of interfirm differences in efficiency under competition. ***Bell Journal of Economics***, 13: 418–438.

Lowfares. *Scene Advisor Announces Top 2010 Travel Trends*, http://www.lowfares.com/blog/2009/11/09/scene-advisor-announces-top-2010-travel-trends/, publishing date: 11.09.2009

Luarn, P., Lin, H., 2003. A customer loyalty model for e-serve context, ***Journal of Electronic Commerce Research,*** 4: 156–167.

Lusa; Segurança: *Instabilidade política e económica leva a queda de Portugal no Índice Global de Paz*, http://sicnoticias.sapo.pt/Lusa/2011/05/25/seguranca-instabilidade-politica-e-economica-leva-a-queda-de-portugal-no-ndice-global-de-paz, publishing date: 25.05.2011

Madhavan, R., & Grover, R. 1998. From embedded to embodied knowledge: New product development as knowledge management. ***Journal of Marketing***, 62(4): 1–12.

Mahoney, J. T., & Pandian, J. R. 1992. The resource-based view within the conversation of strategic management. ***Strategic Management Journal***, 13(3): 363–380

Mahoney, J. T. 1995. The management of resources and the resource of management. ***Journal of Business Research,*** 33(1): 91–101.

Manzano, J. I., Valpuesta, L. 2010. The decline of the traditional travel agent model. ***Transportation Research Part E***, 46 : 639–649

Martin, J. A. 1999. Booking on the travel Web. PC World, 17(6): 211–220.

Maswera, T., Edwards, J., Dawson, R., 2009. Recommendations of e-commerce systems in the tourism industry of sub-Saharan Africa. ***Telematics and Informatics,*** 26: 12–19.

McGrath, R. G., MacMillan, I. C., & Venkatraman, S. 1995. Defining and developing competence: A strategic process paradigm. ***Strategic Management Journal***, 16(2): 251–275.

Montoya-Weiss, M., Voss, G. & Grewall, D. 2003. Determinants of online channel use and overall satisfaction with a relational, multichannel service provider. ***Journal of the Academy of Marketing Science***, 31(4): 448-58.

Morgan, R. M., & Hunt, S. D. 1994.The commitment-trust theory of relationship marketing. ***Journal of Marketing***, 58(3): 20–38.

Morgan, C. 1999. Reservations online—my travel agent: 1 online agents: 0.***Computerworld,*** 33(15): 80–81.

Morgan, N. A., Kaleka, A., & Katsikeas, C. S. 2004. Antecedents of export venture performance: A theoretical model and empirical assessment. ***Journal of Marketing***, 68(1): 90–108.

Morgan, N. A., Slotegraaf, R. J., & Vorhies, D. W. 2009a. Linking marketing capabilities with profit growth. ***International Journal of Research in Marketing***, 26(4): 284–293

Morgan, N. A., Vorhies, D. W., & Mason, C. H. 2009b. Market orientation, marketing capabilities, and firm performance. ***Strategic Management Journal***, 30(8): 909–920.

Morgan, N. 2011. Marketing and Business Performance, ***Journal of the Academy of Marketing Science***, 40: 102-119.

Morgan, N. A. 2012. Marketing and Business. ***Journal of Academy of Marketing Science***, 40:102-119

Newbert, S. L. 2007. Empirical research on the resource based view of the firm: An assessment and suggestions for future research. ***Strategic Management Journal***, 28: 121–146.

O'Connor, P.1999. ***Electronic Information Distribution in Tourism Hospitality***. Oxford, CABI.

Oh J., Fiorito S., Cho H, Hofacker C.F. 2008. "Effects of design factors on store image and expectation of merchandise quality on web-based stores, J***ournal of Retailing and Consumer Services,*** 15: 237-249

Page, S. e J. Connell (2006), Tourism: A Modern Synthesis. Londres: Thomson

Palvia P. 2009. The role of trust in e-commerce relational exchange: A unified model. ***Information & Management,*** 46: 213-220

Pandir M. and Knight J. 2006. Homepage aesthetics: the search for preference factors the challenges of subjectivity. ***Interacting with computers***, 18:1351-1370

Peteraf, M. 1993. The cornerstones of competitive advantage: A resource-based view**.** ***Strategic Management Journal***, 14(2): 179–191.

Porter, M. E. 1991. Towards a Dynamic Theory of Strategy, ***Strategic Management Journal,*** 12: 95-11

Rackspace Managed Hosting. (2006). *The perfect website revealed.* Date of access 6 May, 2006. http://www.daniweb.com/blogs/entry1058.html

Record; *Turismo quer atrair surfistas*, http://www.record.xl.pt/fora_campo/interior.aspx?content_id=783923, publishing date: 21.10.2012

Reed, R., & Defillipi, R. J. 1990. Causal ambiguity, barriers to imitation, and sustainable competitive advantage. ***Academy of Management Review***, 15(1): 88–102

Reichheld, F.F. and Schefter, P. 2000. E-loyalty: your secret weapon on the web**,** ***Harvard Business Review***, 78(4):105-13.

Riecken, D., 2000. Personalized views of personalization. ***Communications of the ACM,*** 43(8): 27–28.

Roe, D., Urquhart, P., 2001. ***Pro-poor tourism: harnessing the world's largest industry for the world's poor***. World Summit on Sustainable Development.

Roos, J., & Von-Krogh, G.1992. Figuring out your competence figuration. ***European Management Journal,*** 10(4): 422–427.

Silva, José; Voos low cost fazem aumentar tráfego em 2011, http://www.vooslowcost.org/voos-low-cost-fazem-aumentar-trafego-2011/, publishing date:23.05.2013

Shapiro, M. 2001. Sites of passage. PC World, 19(6): 111–122.
Siu, W., & Fung, M. 1998. Hotel advertisements in China: A content analysis. ***Journal of Professional Services Marketing***, 17(2): 99–108.

Slater, S. F., & Narver, J. C. 1994. Does competitive environment moderate the market orientation–performance relationship? ***Journal of Marketing***, 58(1), 46−55.

Slater, S. F. 1995. Issues in conducting marketing strategy research. ***Journal of Strategic Marketing***, 3: 257–270.

Slotegraaf, R. J., & Dickson, P. R. 2004. The paradox of a marketing planning capability. ***Journal of the Academy of Marketing Science***, 32(4): 371–385.

Srinivasan S.S., Anderson R. and Ponnavolu K., 2002. Customer Loyalty in e-commerce: exploration of its antecedents and consequences, ***Journal of Retailing***, 78(1): 41-50

Starkov, M., & Price, J. 2003. Online travelers prefer booking directly on the hotel website, WiredHotelier.Com

Steinbauer, A, Werthner, H. 2007. Consumer Behaviour in e-Tourism, ***Information and Communication Technologies in Tourism***, 65-76

Teece, D. J., Pisano, G., & Shuen, A. 1997. Dynamic capabilities and strategic management. ***Strategic Management Journal,*** 18(7): 509-35.

Teece, DJ. 2007. Explicating dynamic capabilities: the nature and microfoundations of (sustainable) enterprise performance. ***Strategic Management Journal,*** 28(13): 1319-1350.

Tourism NSW (2008), "Surf Tourism Strategy Summary"

Tsai, H.T., Huang, L., Lin, C.G., 2005. Emerging e-commerce development model for Taiwanese travel agencies. ***Tourism Management,*** 26 (5): 787–796.

Turismo de Portugal, Propostas para revisão no horizonte 2015 – Versão 2.0, Plano Estratégico Nacional do Turismo (PENT),

http://www.turismodeportugal.pt/Portugu%C3%AAs/turismodeportugal/Documents/PENT_Revis%C3%A3o.pdf, Date of Access: 11.04.2013

Varadarajan, P. R., & Clark, T.1994. Delineating the scope of corporate, business, and marketing strategy. ***Journal of Business Research***, 31: 93–105.

Varadarajan, R. 2010. Strategic marketing and marketing strategy: domain, definition, fundamental issues and foundational premises. ***Journal of Academy of Marketing Science***, 38: 119-140

Vorhies, DW. Morgan, NA. 2005. Benchmarking marketing capabilities for sustained competitive advantage. ***Journal of Marketing,*** 69(1): 80–94.

Vorhies, D. W., Morgan, R. E., & Autry, C. W. 2009. Product-market strategy and the marketing capabilities of the firm: Impact on market effectiveness and cash flow performance. ***Strategic Management Journal***, 30(12): 1310-1334.

Webster, F. E., Jr.1992. The changing role of marketing in the corporation. ***Journal of Marketing***, 56: 1–17

Wernerfelt, B.1984. A resource based view of the firm. ***Strategic Management Journal***, 5(2): 171–180.

World Economic Forum; Fostering Prosperity and Regional Integration
Through Travel and Tourism - The ASEAN Travel & Tourism Competitiveness Report 2012, http://www3.weforum.org/docs/WEF_TTCR_ASEAN_Report_2012.pdf, publishing date: 20.05.2013

Yang, Z., & Jun, M. 2002. Consumer perception of e-service quality: From Internet purchaser and non-purchaser perspectives. ***Journal of Business Strategies***, 19(1): 19–41.

Zickefoose, J. (Ed.) 2001. Websites 101. ***Lodging Hospitality***, 57(8), 22–24.

Zott, C. 2003. Dynamic capabilities and the emergence of intra Industry differential performance: Insights from a simulation study. ***Strategic Management Journal***, 24(2): 97–126

14 ANNEXES

14.1 Annex 1 – Competitors Analysis (Score)

Name: Wave Tours

- Booking Flexibility

Score – 1

Observations: Reservations must be fully paid, very difficult to change routing after selecting one and there are high penalties for cancelation: closer to departure higher the fee.

- Ability to book all travel services in one transaction

Score – 2

Observations: It is possible to book – Airport transfer, lodging, Surfing lessons\Surf Equipment and other activities such as yoga and Surfari. It is not possible to book – Car\Van Rental, Flight, Sightseeing in surroundings, and other activities such as yoga and Surfari

- Sorting Option

Score – 2

Observations: They are flexible with dates and they have a good range of prices but it is not possible to customize packages and there aren't many destinations and spots per destination available

- Useful and Relevant Content

Score – 2

Observations: There have – Weather reports (without real time coverage), pictures gallery of camps and surroundings, travel news and articles, videos of destinations.

They don't have – Maps, destination guides and currency selection option.
Questionnaire

- Speed of Website

Score – 5

- Design and Presentation

Score – 1

Observations: Good display of information and headlines but bad design layout, color scheme, pictures and illustrations

- Ease of use

Score – 4

Observations: The website is intuitive, simple and with few features, not well segmented, there is just one language available (German) and some images with technical problem not downloading.

- Security

Score – 4

Observations: They have a Customer Line available; Privacy Policy; Quality Certificate; Payment Policy and they are sponsored by important brands

- Finding Low Fares

Score – 3

Observations: Good prices available, good price communication but week promotions.

Name : Surfholidays

- Booking Flexibility

Score – 1

Observations: Reservations must be fully paid 6 weeks in advance, very difficult to change routing after selecting one, high penalties for cancelation – closer to departure higher the fee, if climate is not favorable for surf lessons, a full refund will be given and they have a customer line for help.

- Ability to book all travel services in one transaction

Score – 3

Observations: It is possible to book - Lodging, surfing lessons and equipment, other activities such as yoga and Surfari and sightseeing in surroundings. It is not possible to book – Airport transfer (link to other site with discounts for surfholidays's clients), Car\Van rental (link to other site with discounts for surfholidays's clients) and Flights

- Sorting Option

Score – 1

Observations: Not possible to customize packages, there isn't a good range of prices, the service is not data flexible and there is little variety in destinations and spots per destination.

- Useful and Relevant Content

Score – 1

Observations: They have - Weather Reports (without real time coverage), Pictures Gallery of camps and surroundings, Maps of destination, Destination Guides. There don't have – Travel news and articles, videos of destination, currency selection option.

- Speed of Website

Score – 5

- Design and Presentation

Score – 3

Observations: Information is well displayed, there are good pictures and illustration and good headlines but bad color scheme and design layout.

- Ease of use

Score – 4

Observations: The website is very intuitive, simple and with enough features, not very well segmented and there are 3 languages available.

- Security

Score – 5

Observations: They have a costumer line available, privacy policy, payment policy, trustful partners, they are certified by VISA and they have customer reviews of their service

- Finding Low Fares

Score – 1

Observations: High prices, week promotions

Name: United Surf Camps

- Booking Flexibility

Score – 3

Observations: Only 15% of total price as deposit to book with surf camps, it is possible to change up to 5 days prior to arrival if there is room available, if the holiday is cancelled 15 days before arriving a full refund is guaranteed and they don't provide a customer line to provide help.

- Ability to book all travel services in one transaction

Score – 2

Observations: It is possible to book- lodging, surfing lessons/surf equipment, other activities such as Yoga and Surfari. It is not possible to book- Sightseeing in surroundings, airport transfer, car/van rental and flight.

- Sorting Option

Score – 1

Observations: It is not possible to customize packages; they don't have a good range of prices and variety in destinations and spots per destinations. Their service is flexible with dates.

- Useful and Relevant Content

Score – 4

Observations: They have – weather reports (without real time coverage), pictures gallery of camps and surroundings, maps of destination, travel news and articles, videos of some destinations, blog with travelling news/information/multimedia; they don't have – Destination guides and currency selection option.

- Speed of Website

Score – 5

- Design and Presentation

Score – 4

Observations: There is good organization of information, a good design layout, good pictures and headlines, the only bad thing is the color scheme.

- Ease of use

Score – 4

Observations: The website is very intuitive and well organized, it is simple with enough features but it is not well segmented and they have just one language available – English.

- Security

Score – 3

Observations: They have a clear payment policy, customer reviews, ratings for the service and they are certified by VISA but they don't have customer line available for doubts, they don't have privacy policy.

- Finding Low Fares

Score – 1

Observations: High Prices, week promotions, bad range of prices.

Name: Surfer Dream

- Finding Low Fares

Score – 4

Observations: Low and well communicated price, with good price range but without good promotions.

- Security

Score – 2

Observations: They have customer reviews and rating the rest is just not working or none existing: they don't a customer line available for doubts (just e-mail); any privacy policy; "payment policy" and "about us" page is not working

- Ease of use

Score – 5

Observations: The site is very intuitive and well organized, very well segmented, 2 languages available (English and French) and an Introduction-to-website video

- Useful and Relevant Content

Score – 5

Observations: They have – weather reports (without real time coverage); Pictures gallery of camps and surroundings; maps of destinations; destination guides; travel news and articles, videos for some destinations and currency selection option (for Euros and pounds)

- Design and Presentation

Score – 5

Observations: Information very well displayed, good design layout, good color scheme, good pictures and illustrations and good headlines.

- Speed of Website

Score – 5

- Ability to book all travel services in one transaction

Score – 1

Observations: It is possible to book – lodging, surfing lessons\equipment, other activities such as Yoga and Surfari. It is not possible to book – Sightseeing in surroundings, airport transfer, car\van rental and flight.

- Booking Flexibility

Score – 1

Observations: Depends on the provider in case and they have a page with terms and condition neither of methods of payment.

- Sorting Option

Score – 3

Observations: It is possible to customize packages, they are dates flexible, they have a good range of prices and variety in destinations and spots per destination.

Name: Surfinn Travel

- Booking Flexibility

Score – 3

Observations: Only 15% of deposit to book with surf camps, they provide a customer line for help, it is possible to change with room available, if the trip is cancelled 15 before, half of deposit is refunded.

- Ability to book all travel services in one transaction

Score – 2

Observations: It is possible to book – Lodging, surfing lessons / equipment, other activities such as yoga and Surfari; it is not possible to book – sightseeing in surroundings, airport transfer, car / van rental and flight

- Sorting Option

Score – 2

Observations: It is possible to customize packages, they are date flexible, they don't have such a good range of prices and they don't have much variety in destinations and spots per destination.

- Useful and Relevant Content

Score – 5

Observations: What they have – Weather reports (with real time coverage), pictures gallery of camps and surroundings, maps of destinations, travel news and articles, good videos of destinations, travel news and articles; what they don't have – No currency selection option and destination guides.

- Speed of Website

Score - 4

Observations: not the fastest, takes some time to download pictures.

- Design and Presentation

Score - 5

Observations: The presentation is excellent; they have information well organized, good design layout, good color scheme, good pictures and illustrations and good headlines.

- Ease of use

Score – 5

Observations: Very intuitive and well organized, with a good balance of information available, well segmented with Taylor made packages, 2 languages available – English and Portuguese.

- Security

Score – 5

Observations: They have a customer line available for doubts; they are certified by large credit card companies; they have clear payment policy and available customer reviews of the service as well as ratings very well communicated; the only thing missing is privacy policy displayed on the website.

- Finding Low Fares

Score - 3

Observations: They mark price in line with the market and they have good promotions.

14.2 Annex 2 – Sales Forecast Assumptions

In order to calculate a sales forecast the following assumptions were made:

Demand

- The conversion rate from visitors to buyers will be 2,5% (Expedia is 5%)
- It will be possible to attain in the first year a monthly traffic of 11.140 (which is 10% of the most important tourism website of Lisbon - www.visitlisboa.com - monthly traffic) and by then grow at a 15%rate

Margins

- The commission use for the car service will be 5% (Ticket line is 6%)
- The commission use for the lodging service will be 5% (Hostel world is 5%)
- The commission to rent surf material will be 10%

Average consumption

- 100€ Per day for lodging - considering that surfers in average travel in groups of 4 (Pereira, 2010)
- 40€ per day for car/van rental
- 30€ per day for surf material
- 1 client stays in average 1 week (Pereira, 2010)
- 1 client in average has return of 33€