

NEW MARKETING MANAGEMENT PARADIGMS: FACING LEADING CONSUMER TRENDS AND THEIR REPERCUSSIONS FOR THE TOURISM INDUSTRY

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Abstract

Purpose. The paper seeks to formulate the leading contemporary market trends and their repercussions for a future marketing paradigm.

Method. A structured mind-mapping technique, STEEP analysis matrix and the roundtable discussion were used during the workshops with tourism industries representatives, academia teachers and new media specialists. Through an intuitive-logical process, leading trends in the future of tourism were explored.

Findings. The paper outlines key (consumer) trends in the global market and identifies their influence on tourism. As a result, two marketing model options were formulated.

Research and conclusion limitations. The results of the analysis should be discussed further, as the change in marketing paradigm is just one of many possible repercussions of contemporary trends. The diversity of challenges introduced by new trends and new media emergence need special attention, due to multivariate changes it may produce on the demand and supply sides of tourism market. The tourism industry faces a set of interdependent circumstances that need to be monitored and analyzed using different future scenarios.

Practical implications. This paper will be of immense value to researchers and industry leaders, and even more so since the team of the STEEP analysis contributors covered the representatives of five tourism associations, new technology industry leaders, academia teachers, and consulting firms' representatives.

Originality. The paper contributes to the knowledge of tourism policy planners and managers. It helps to recognize, consider, and reflect uncertainties they are likely to face. The work is also valuable for the international tourism foresight community by discussing the leading trends and influencing their marketing options.

Type of paper. Research paper

Keywords: consumer trends, hospitality management, marketing paradigm, post-modern marketing.

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Introduction

“Interest in the future has grown rapidly in recent years, because the future is happening to us faster” [Cornish 1979, p. 3]. Nowadays, the statement seems more relevant than ever before. As a result, recognizing the changes affecting tourism and determining its direction in the coming years are paramount to a demand-driven travel industry. The emergence of the global economy and the “new economy” (or “new media-based” economy) is without a doubt the major development that will shape international and domestic tourism over the next 20 years. New technology and new media, combined with an ageing population and the emergence of Generation Y, will have massive and far reaching consequences on consumer habits and imply significant further restructuring within the travel and related leisure time industries. For decision makers, the trends that are transforming the world have several implications: today’s managers and policy makers are faced with an increasingly complex task, namely to anticipate and adapt to a change. One of the most urgent issues reflects the transformation of marketing management paradigm.

The Choice of Future Exploration Method (FEM) – Literature Review

The identification of future trends and the anticipation of market changes have become determinant to the competitiveness of organizations and tourism destinations. The term “foresight” refers to an open and collective process of purposeful, future-oriented exploration, involving deliberation between heterogeneous actors in science and technology arenas, with a view to formulating shared visions and strategies that take better account of future opportunities and threats [Nazarko, Ejdys 2011, p. 15]. The use and importance of future studies for tourism-related activities is being acknowledged by academic and other stakeholders related to the industry [e.g., Coates 1985; Yong *et al.* 1989; Altinay *et al.* 2000; Olsen, Connolly 2000; Masini 2001; Voros 2003; List 2004; Yeoman *et al.* 2005; Liu *et al.* 2008; Pan *et al.* 2008]. Strategic choices within tourism destinations, global companies and tourism SMEs, have to be made with significant immediate financial repercussions and potentially huge long-term implications. M. Keenan and R. Popper [2007] state that although foresight is definitely not a panacea to address this difficult challenge, it can assist decision makers and “reduce technological, economic or social uncertainties by identifying alternative futures and various policy options; it can lead to better informed decisions by bringing together different communities of practice with their complementary knowledge and experiences” [Keenan, Popper 2007, p. 5].

As tourism is a demand-defined concept, tourists constitute one of the most important groups of stakeholders. Some industry leaders and academ-

ics try to predict the future trends of tourism solely on the basis of tourism consumer trends. The idea might strengthen the industry's ability to produce incremental innovations, but it does not contribute to discontinuous innovations (like the credit card payments or mobile tour-guides, which were the result of technology innovations). Proactive market orientation needs to be based on a "broad market scanning" [Olsen, Sallis 2006], as what happens in one branch is often driven by what happens in other branches [Naisbitt 1982].

Adopting this approach in exploring tourism trends helps to identify market trends in a broad sense, not limited to a field of tourism. It requires careful observation of trends in many other industries or human activities, including the emergence of new values and lifestyles. While choosing the right method for the exploration of tourism trends for the purpose of this paper and research, a mix of some elements of the most popular foresight methods was followed, namely: brainstorming, expert panels, futures workshops, and scenarios. The approach facilitated the broadening of perspectives by including techniques to liberate the creativity of the participants [van Notten *et al.* 2003, p. 432; Borjesson *et al.* 2006].

The foundation for this paper was laid during a well-attended 1st Tourism Forum of Carpathian Countries in Rzeszow (May 2014). The research was started during the Experts Group Meeting. A structured mind-mapping technique (The Futures Wheel) and STEEP analysis matrix were used. The roundtable discussion covered observations of specialists with a different interest on the matter (7 academia teachers from Poland, Slovakia, Great Britain, and Germany, 12 tourism industry leaders from Poland, Germany, Slovakia, Italy, US, and Great Britain, 8 new-tech experts from Poland, US, Denmark, and Germany). Through an intuitive-logical process, the exercise enabled the identification of leading market trends and the formulation of their repercussions for tourism in the field of marketing management (new marketing management paradigms).

Main Tourism Issues and Consumer Trends – the Contribution of the Experts' Discussion and Literature Review

The new dynamics of the 21st century led to a new competitive environment in the field of tourism and hospitality business. Change is brought about by external forces or trends having direct or indirect effects on tourism industry. At the end of the 20th century, in the most developed countries, economy and society experienced a profound transformation. The emerging post-industrial society can be characterized by the dominance of the service industry, higher disposable income and more conscious consumers (more and more quality-oriented, rejecting undifferentiated mass products) [Arva, Deli-Gray 2010]. Perhaps the most important developments set to change the face of tourism are of demographic and social character.

During the Experts' panel discussion, it was emphasized that the rapid ageing of the population in tourism-generating countries, the rise of the middle classes in emerging markets, and the transformation in the global composition of the travel and tourism economy, will increasingly influence demand and supply. According to the Experts, globalization is arguably the most important phenomenon of the last half of the 20th century. It is not only a mega-trend in social, economic, and political contexts, but it also manifests itself in changes in patterns of culture and consumption. The consumption-related nature and consequences of globalization result in an ongoing diffusion of new forms of retailing and customers' behavior (consumption styles). These changes can be observed in the trends of homogenization and heterogenization of consumer behavior, ecologization, ethnocentrism and internationalism of consumers, and pro-quality orientation. All of these trends can also be identified in the literature research [Keillor *et al.* 2001; Arva, Deli-Gray 2010; Kachniewska 2011].

During the panel discussion, the representatives of hotel chains mainly noticed homogenization, which is the unification of consumers' behavior by providing them with the same product at similar prices (sometimes identical), by means of the same channels of distribution. The advertising campaign of a given product is identical in all countries. Within tourism, the trend can be observed in the field of mass tourism and partly within business tourism (hotel chain offer). However, the opposing trends towards ethnocentrism and experience tourism make tourists look for authenticity and "local specialities" more and more often – this trend was stressed by the tour-operator representatives. Also the heterogenization of consumption stands in contrast to the process of homogenization. The former focuses on the diversity of consumers' attitudes.

The ethnocentrism – preferring state and regional products to foreign ones – is especially important within tourism (spending holidays in one's home country, looking for accommodations and restaurants cultivating traditional products and design). The academia members noticed that the concept of consumer ethnocentrism comes from the general concept of ethnocentrism that consists of only focusing one's attention to their own nation [see also Kwak *et al.* 2006].

All of the Panelists also emphasized another trend – the ecologization of consumption – which represents the consequence of consumers' ecological awareness being developed, their growing concern about the natural environment, and the pressure on international companies to prove their eco-friendliness. Ecologization can be observed in the growth of consumers' interest in ecological food consumption, environmentally-friendly goods and services, in the growth consumers' awareness and the sense of responsibility concerning their choices, as well as the growth of consumers' awareness regarding the value and use of their lives. Consumers are more health conscious than ever before. Exercise and physical activities are becoming more and more popular. The growing importance of health and beauty makes

tourism suppliers provide appropriate services (health clubs, sporting facilities, alternative menus in restaurants, and “body assistance” in SPA centers). In parallel, a growing shortage of leisure time makes it a most precious commodity. More and more consumers are now carefully considering what to commit their leisure time to, including how to get uninterrupted rest [see also Belk 1995]. This means that decisions on time commitment are being made not in terms of the cost of leisure activities but based on the most desirable way to spend scarce hours.

Change is taking place in lifestyles and within demographics. The Panelists noticed that it covers the decline in birth rates, late parenting, dual career households, ageing population, increased life expectancy, new values and lifestyles of the so-called Generation Y, a changing workplace, and the growing need for lifelong learning. New customers and new tourists are not only more affluent – so less price conscious – and more quality oriented but they are also seeking activity, participation, fantasy, and experience. These new types of tourists are interested rather in the aesthetic aspects of life and are seeking highly differentiated, personalized experiences. Consumers have become involved and their response has been to start to take back control.

New technology leaders emphasized how telecommunication and mobile services change the way people work, learn, teach, shop, the way they are entertained, cared for, in terms of social, legal, and medical services and – of course – the way they travel. The new, well-educated, mobile consumer has greater than ever expectations towards quality, service and security. Digitalization leads to the question about managing virtual workforces (remote work and distance-learning). Thanks to mobile applications, contemporary tourists combine several purposes with traveling: business, leisure, entertainment, education. The result is what can be called “bleisure” (business plus leisure) and “edutainment” (education plus entertainment) tourism. The “postmodern tourists” look for the possibility to design tourism packages personally and to modify them during the trip according to their personal needs and interests [see also Kachniewska 2011] thus becoming “prosumers”, as defined by Toffler [Toffler 1970]. New customers are better informed, have higher disposable income, reject “passive gaze” and are more active. Similar observations are made by G. Ritzer and A. Liska [1997]: the young generations spend a lot of time in front of computers, thus they are not only more informed but at the same time they live in a virtual world as well, so they need more fantasy – some Disneyland effects are always welcome by these customers.

All the Panelists agreed that the desire to accumulate experiences in addition to material possessions gained footing before the last recession. According to the Experts’ opinion, some experiences — those that are relatively cheap and connect people to nature and wholesome thrift — will continue to flourish. However, exotic experiences that are expensive, frivolous, risky, or environmentally destructive — such as driving a racecar or even

excessive recreational air travel — are suffering from the recession-driven mood of seriousness and responsibility that is characteristic of Generation Y. The opinions can be supported by the studies of P. Flatters and M. Willmott [2009]: global long-haul tourism arrivals, for example, fell by 9% during the last recession, while short-haul arrivals increased. Consequently, conspicuous consumption is now out of favor and, as the simplicity and discretionary thrift trends suggest, is unlikely to rebound soon. It is a good forecast for short-distance destinations, unless they lose the opportunity to develop new, attractive products.

According to P. Bourdieu [1984], in the 21st century, hundreds of millions of people will be living in a consumer economy for the first time. The sociologists taking part in the panel discussion noticed that the purchase of consumer goods becomes an increasingly important expression of one's values and identity. On the other hand, there are growing questions about consumerism, as studies in affluent, developed-world countries show that more money does not equal more happiness [Trivedi 2011]. The sociologists agreed that whereas material goods are likely to thrive in less-developed economies, having rich personal experiences is increasingly important for people in more-developed countries. The main focus in contemporary tourism development has shifted from the delivery of "tourism products" to the provision of "tourism experiences" (here the tour-operator representatives strongly agreed with the sociologists). According to the literature study, it represents a broader transformation of the overall economy into the experience economy [Pine, Gilmore 1999]. The essence of tourism in today's world is the development of travel experiences to a range of individuals who wish to see, understand and experience the nature of different destinations and the way people live, work, and enjoy life.

The STEEP analysis contributors agreed that the travel market is facing many challenges within tourism changing requirements: the growth of the independent traveler, a progressive shift away from organized holiday packages, and the growth of long-haul and short-break markets. Tour operators have to be more sensitive to the changes in customers' needs. Existing products have to be tailored and new products have to be developed to suit the "new" customer. The reasons to travel are also continuously changing: couples are delaying childbirth to pursue career goals and then generally having smaller families; single-person households are the fastest-growing type of household in many western countries; kids grow up faster and adults are "growing up" more slowly, seeking to recapture their lost childhoods. In the literature, these youth-seeking grown-ups have been called "rejuveniles" or "kidults" – see A. Hines [2008].

The discussion among tourism practitioners' revealed that the issues determine the need for new services or new types of products. Given all these changes, organizations will need to reconsider how they think about families and how they communicate with them. More grandparents travel with grandchildren, there is greater demand for all-inclusive, family-ori-

ented resorts, but also more urban vacations with all-weather and 24-hour service. The observations can be supported by A. Hines' studies: age is not a reliable indicator of people's actions or interests. The choices open to people across life stages have expanded and aging populations are taking full advantage of them [Hines 2008].

One of the most active parts of the discussion concerned new technologies, as the aging society and time pressures create a growing demand for convenience, which is paramount to travelers: airport delays caused by security concerns, overcrowded skies and the hub-and-spoke system will make air travel less practical and more frustrating. Both business and leisure travelers will seek ways to avoid the inconvenience and will be ready to pay for services that enable better travel conditions. The problem also concerns an information overload: more and more technological start-ups create their competitive advantage on the basis of user-centric context-aware systems development [see also Kachniewska 2014a] and assist consumers with simple tools providing them with the option to view, compare, and book.

Another topic of the discussion was introduced by an academic specializing in urban studies. She noticed that our century is seeing a profound transformation of cities. This thesis is supported by R. Richards and C. Wilson [2006] who claim that urban centers are abandoning manufacturing activities and becoming economically dependent on the service sector, also moving from production growth to consumption-led development. The majority of the world's population (75%) is now living in cities [Hines 2008]. Urbanization remains one of the absolute mega-trends for the coming decade. Thus the Experts Group defined two important trends including the new consumption styles characteristic of citizens: "citysumers" trend (city+consumers) and "urbanomics" (urban+economics). Urban consumers tend to be more daring, more liberal, more tolerant, more experienced, and more prone to trying out new products and services. The urban environment seems extremely attractive for visitors, while cities increasingly compete to attract both tourists and investors in order to benefit from larger funds and financial resources. The measures used to assess the success of places have also altered, so that in today's world a thriving city is one that concentrates on the tertiary sectors of production, including finance, technology, tourism, and creative activities. The same opinions are shared by E. Currid [2006] and of course R. Florida [2002], the author of the creative class concept.

The Panelists claimed that the main drivers behind the citysumers trend cover: the huge increase in the number of urban dwellers all around the world (urban boom); the ever-increasing wealth and power of cities and those who live in them (urban might) and the spread of urban culture and values. The opinions are supported by the literature studies: rich in networks and opportunities, these vast hyper-productive, hyper-consumptive centers act as magnets: Hong Kong receives more tourists annually than all of India. Tokyo and New York have an estimated GDP similar to those

of Canada or Spain, while London's GDP is higher than that of Sweden or Switzerland. Paris, Lisbon, Brussels, Budapest, and Seoul all account for more than 25% of their respective national economies [UN Habitat 2013].

The Experts on urban studies claimed that the deindustrialization of the city has brought forward the challenge of reconverting old manufacturing spaces, while revitalizing the urban economy. The trend towards gentrification is partly determined by tourism and partly creates new tourism spaces in the crowded cities, as city planners generally assign the abandoned industrial zones to cultural or tourism activities. The need to compete with other cities makes urban centers invest heavily in imaging and branding processes, which is performed partly through tourism.

The Experts' opinion can be well supported by extensive publicity given to successful urban regeneration examples, such as that of Bilbao in Spain or Glasgow in the United Kingdom, has also encouraged this phenomenon [Alvarez 2010]. Authors such as R. Florida [2002] determine that places can obtain a competitive advantage by drawing residents of what he terms "the creative class", which contributes to the development and innovation of the city. Consequently, creative tourism, "which offers visitors the opportunity to develop their creative potential through active participation" [Richards, Raymond, 2000, p. 18], may provide an alternative strategy to that of cultural regeneration. A. Markusen and D. King [2003, cited in Alvarez 2010] state that those inhabitants that engage in creative and artistic activities contribute to create a vibrant culture, which becomes attractive to tourists, playing an important role in the economic development of the place. In this context, cities need to rethink their approaches to tourist experiences [Maitland 2009].

At the crossroads of urban creativity and the need for experience once again the Panelists mentioned the problem of virtual travel technology, which stimulates the visual experience of various destinations and could be a major player in the travel industry, including the augmented reality tools for cities and tourism regions. The Panelists gave the examples of Polish experiences in the field (the "Discover Żory" concept, "Decode Łódź", etc.). The sociologists noticed that despite ever-increasing amounts of time spent online, audiences are not retreating into virtual worlds. Au contraire, "citysumers" will forever enjoy connecting with other, real-life human beings, and embrace the choice, the excitement, the frenetic pace, the spontaneity, the chaotic vibrancy offered by urban life. "Being online" increasingly drives and enables offline encounters. Two examples of mobile applications constitute a good case to illustrate this idea: Geomium informs the users of where their friends are, what events are on in their area, and helps them discover local bars, restaurants, and places of interest, while Gowalla decided to curate their content for select cities via City Pages, which provide a display of popular places, what's "hot now", highlights from a variety of venue categories, and even coordinated trips throughout these urban areas.

Here come the results of the literature studies: increased mobile penetration around the world, not least in emerging markets where fixed-line

communications are much less widespread, has already proved a major stimulus for online “looking and booking”, and it is clear that mobile technology will be a major game changer in the next few years. By 2015, nearly 25 million US mobile users are expected to research travel information on their mobile devices before making a trip. And nearly 12 million US mobile users will use mobile devices to actually book their trips. Meanwhile, 18% of smartphone users and 16% of mobile internet users will use these channels to make bookings [Trendwatching.com]. Some 20% of Expedia’s sales in Indonesia, for example, are through mobile applications. And Air Asia is now allocating 50% of its advertising budget to Facebook since the social media site generates more than 13% of total online sales – largely through mobile apps [WTTC 2011].

In the Panelists’ opinion, in a wider context, independence and easy access to information constitutes one of the priorities of modern tourists. As advanced tourists often change their itinerary during the trip and quite often mix business or education with tourism, they are not likely to invest a great deal of time in pre-planning a travel schedule in detail. For that very reason, they need pragmatic and logistic information within an easy reach during their travel. Mobile value services create customer value with the support of mobile technology. In parallel, while using the applications, customers provide useful information on their interests and preferences, thus enabling more precise market segmentation and better targeting.

As the literature studies prove, another trend, strongly related to new media development, is the growing involvement of users in social media campaigns and so-called COBRA power (consumer online brand-related activities). It constitutes the “social revolution” of marketing, closely related to the evolution of the Internet [Ketter, Avraham 2012]. The first generation of the Internet was characterized by a hierarchical structure. Traditionally, a handful of sites controlled by big corporations produced the content for all users [O’Reilly 2005]. This structure was quite similar to radio and television broadcasting. New online technologies provided two-way communication formats (social networking sites, blogs, video sharing sites and Wikis). This process is referred to as Web 2.0 and it started around 2004. Web 2.0 marketing communication is based on the principle of User Generated Content (UGC) – the ability of users to produce their own content or consume content that other users have created [Cormode, Krishnamurthy 2008; Kachniewska 2014a]. As a result, passive content consumers were able to become active producers [Van Dijck 2009].

Another trend identified by the Experts Group is a growing awareness in the hospitality industry of its interdependence with other components of the tourism market, including industries such as transport, leisure activities, recreational facilities, the MICE industry, and new technology, as well as academic centers and consulting companies. The integration of these diverse groups of industries within network products and tourism clusters has been hindered thus far, as the industries do not have a common product

and they are linked only by a shared customer. The development of new technologies has led to some innovations, including the development of year-round climate-controlled waterpark leisure complexes, timeshare and condo-hotels projects, mega-theme and fantasy-themed parks and events, convention facilities constructed near clusters of hotels and city centers, self-catering complexes and real estate development mixed with leisure as one of the core ingredients for attracting customers. The hitherto accommodation and catering industry more and more often seem old-school, unprofessional and uncompetitive (especially when thinking about event services). One of the tourists' expectations is what a popular marketing slogan expresses: participation, entertainment, fantasy, personalization, and fun.

Shifting from the 4P's to New Marketing Models

Old tourism products are reappearing in new forms and completely new products are developed in order to meet the changing needs of the new tourism customers. The life cycles of products are getting shorter, market segmentation is getting more difficult and the market segments are getting smaller. Tourism marketing has to be adapted to the new consumer behavior. Many activities, which had formerly no or insignificant tourist elements – like work or education – today have a lot of tourist aspects. Traditional, tourism-collateral services like highway-side service stations can be transformed into Disney-like fantasyland entertainment centers; single product music festivals are changing into multi-product, week-long festivities [Arva, Deli-Gray 2010].

Developments in ICTs have changed both business practices and strategies as well as industry structures [Porter 2001]. Globalization and the development of new media are creating new rules governing competition and designate the beginning of a Net Economy. While the Internet is an important new channel for commerce in a wide range of industries, it is especially relevant to tourism activity. Tourism products cannot be examined before traveling, the purchase and consumption of a tourism product is spread over time and distance [Kachniewska 2014b]. Thus it makes gathering and processing information about tourists extremely complicated for SMEs and destinations. Therefore, independence and easy access to information constitutes one of the priorities of both modern tourists and tourism vendors [Laesser, Jäger 2001; Buhalis 2003].

C. Carlsson and P. Walden [2010] proved that contextual information is important when adapting information to meet tourists' requirements however tourists' needs are to be studied from different perspectives. In the consumer behavior framework, tourists are seen as decision makers using various information search strategies to support their pre-visit and onsite decisions, such as choice of destination, accommodation, transportation or activities [e.g., Sirakaya, Woodside 2005]. In the pre-visit phase, information is sought for destination assessment, itinerary planning and logistics

(transportation, accommodation). Onsite, ad-hoc information is sought on directions, recommendations and activities on location. At least, in the post-visit phase tourists want to recollect views from the trip and share them with others, and information is collected to support the storytelling. There are some marketing possibilities at every stage - provided marketers are equipped with context-aware applications. The future competitive advantages for a successful tourism industry will most probably be built around effective mobile value services, but few tourism enterprises and destinations have already started leveraging customer relationships and building loyalty ties through virtual communities and mobile applications. Moreover, tapping into the emotional midbrain to understand desires, motivations, and contexts for action lays the foundation for understanding how to drive a user's behavior.

One of the most challenging issues for contemporary tourism marketing is accessing valuable data and proper data processing. There is a competitive advantage to those who work well with it. Psychographic and behavioral survey data move tourism companies and destinations up in value as well as relevant communication, which is what tourists will respond to. The combination of data and relevance adds up to personalization [Biegel 2007]. If a marketer knows that somebody is about to make a decision and that their buying behavior starts 90 days before the event/travel, he/she can hit the buyers with a piece of direct mail to sustain that decision. Similarly, systematic observation enables proper marketing planning, new product development, and destination management (e.g., tourism flow spreading or channeling).

The analytics portion will become increasingly important. Service providers, who do not have analytics capabilities, will be at a competitive disadvantage. Surely managing large marketing data warehouses is not a competency of every marketer. Marketers need partners who can do that for them in working with, hosting, and mining the data. The power of Big Data Analysis has been addressed in literature for some time [Davenport 2013], but it is still underestimated in everyday tourism practice.

Given the main tourism market trends mentioned in the previous part, the premises of operational marketing management also tend to change. As an alternative to the traditional 4P's of the marketing mix (price, product, placement, promotion), tourism businesses tend to develop new operational management models reinvented now under the Marketing 3.0 paradigms. According to P. Kotler *et al.* [2010], marketing 3.0 complements emotional marketing with human spirit marketing and gains more relevance to the lives of the consumers as they are impacted more by rapid social, economic, and environmental change.

There are two main options of new marketing paradigms: 4C's (customer value, customer cost, convenience, communication) and 4E's mix (emotion, exclusivity, engagement, experience) where brand management and online (mobile) situations have a significant role [Kotler *et al.* 2010; Lusensky 2011].

4P	4C	4E
Product	Customer value	Experience
Price	Customer cost	Exclusivity
Placement	Convenience	Engagement
Promotion	Communication	Emotion

Figure 1. Changing paradigm of marketing management

Source: Own elaboration.

With market competition shifting from being product-oriented to being customer-oriented, some defects of the 4P's emerge. Under this condition, the 4C's marketing mix model is put forth by Lauterborn, who suggests the marketing strategies that involved product, price, place, and promotion are *passé*. Consumer wants and needs, the cost to satisfy, the convenience to buy, and communication are the new paradigm for our times [Lauterborn 1990].

Within the first case, the 4P's are being replaced by the 4C's model, consisting of consumer, cost, convenience, and communication. The new model is more consumer-oriented and fits better within the movement from mass marketing to niche marketing. The "product part" is replaced by consumer or consumer models, shifting the focus to satisfying the consumer. The company or tourism destination has to study consumer wants and needs and then attract consumers' interests with something they want. It is to create a custom solution rather than pigeonholing a customer into a product.

"Pricing" is replaced by cost, reflecting the reality of the total cost covered by customers, including but not limited to the customers' cost to change or implement the new product and the customers cost for not selecting a competitor's capability. The approach reflects the idea that price is only one part of the cost to satisfy customers. One of the most neglected groups of costs reflects the cost of time spent while looking for information, comparing offers, making reservations, etc.

"Place" is replaced by the convenience function. With the rise of the Internet and hybrid models of purchasing, place is no longer relevant. Convenience takes into account the ease of buying a product, finding a product, and finding information about a product, along with several other considerations. Thus, vendors have to know how each subset of the market prefers to buy - on the Internet, from a catalogue, on the phone, using credit cards, etc.

Last but not least, "promotion" is replaced by communication, which represents a broader focus and relates to customers' activity in the Internet and mobile ecosystems. In place of paid media, modern companies and aware destinations rely on so called "earned media": brand advocates are ready to share their opinions and to recommend brands, products and

destinations. Being creative and “interactive” is one of the new marketing paradigms within the field of promotion as two dominant trends influencing marketing include a demand for simplicity and mercurial (smart) consumption. People’s desire for simplicity is accelerated by the recession and new-tech development. An information overload makes people look for help within the field of information selection and processing. Consumers want to be offered limited collections of coordinated product choices. There is a growing demand for trusted brands and value; an increasing desire for advisers (ranging from social networks to product ranking web sites, that can simplify choice-making), and enthusiasm for less complicated, more user-friendly and personalized technologies and offers. Consumers have become agile and fickle shoppers [Arva, Deli-Gray 2010]. Within a profusion of brands and products, they would just quickly abandon any choices that somehow fell short. The instantaneous spread of word-of-mouth through online social media has accelerated the trend. Nowadays, consumers get bored quickly, being used to the flow of emotion in video and mobile games. They expect the same rate of change and level of emotion/experience while traveling. This scenario is driving the industry companies to adopt another strategic marketing option, namely the 4E’s paradigm.

Where has the change come from? The 4P’s thrived in a different world, where product differences lasted, big, obedient audiences could be reached with big, efficient media. Nowadays the consumer has seized control. Audiences have shattered into fragments and slices. Product differences can last only for minutes and the new ecosystem is made up of millions and billions of unstructured one-to-one and peer-to-peer conversations. Classical marketing instructed us to look at product features, find a single consumer benefit, and promote this over and over again to our target audience. Nowadays, in a world where most product advantages last less than six months, this strategy is losing relevance. Even a six-month, product-based advantage is a huge luxury and an advantage may last a few weeks. That is why modern marketers stop thinking just about the product and start thinking about the experience, which is unavoidable in tourism (shift from “product” to “experience”).

The proper analysis of this “customer journey” helps to discover the end-to-end customer experience, and to focus marketing efforts. New communication tools also contribute to the strategic marketing of tourism business since the information gathered is used as a vital source for innovation and development of tourism products. On the one hand, they ensure a fundamental means for the products/services’ tangibility, offering consumers the opportunity to share their evaluation and opinion about the product with each other in an independent way. On the other hand, they provide an information channel to the company to improve and customize its service based on the consumer himself – a process of co-creation [Kotler et al. 2010]. G. Nuno [2013] states that, based in this co-creation ideal tourism companies, transform their online communication platforms into real “virtual

meeting points” that achieve a high level of credibility and unique image due to the level of use, relationship and interaction with the consumer.

The next shift takes the marketing paradigm from “promotion” to “emotion”. Facing a society that is increasingly sensitive to environmental issues and clients who are more emotional and concerned about values and global and personal well-being, the purpose of these companies is not only to occupy such a place in the mind of the consumer but also to establish an emotional and permanent relationship with him/her, thus sharing common ideals which are determining factors at the moment of purchasing a service, i.e., in the context of the business relationship [Nuno 2013]. The affective dimension of social well-being goes beyond environmental issues. The development of social responsibility programs tends to become a common practice among tourism companies. These values tend to become the values of these brands, creating a new emotional bond between the consumer and the company. The relationship between both is now founded on a new emotional primacy in contrast to the traditional promotion approach.

A shift from “placement” to “engagement” reflects the awareness of customers’ marketing potential and belief that the effectiveness of earned media is much better than that of paid media. Alongside this spiritual and emotional bondage, brands also ground their commercial strategy in an active and close relationship with the consumer. The use and development of technological platforms B2C (Business-to-Consumer) and C2C (Consumer-to-Consumer) has been a commitment of tourism companies to attain this goal, changing the traditional paradigm of tourism distribution [Kotler 2010; Nuno 2013]. Virtual travel communities and other social media are more and more often included in marketing strategies [McCarthy *et al.* 2010]. It helps to base the relationship between consumers and companies on a many-to-many principle (since communication may occur in various senses: consumer-company, company-consumer, and consumer-consumer). The traditional form of “word of mouth” has been reinvented and becomes even more powerful in a form of e-WOM, using so-called viral effects [Sparks, Browning 2011]. The need for “communitization”, according to P. Kotler *et al.* [2010], can be used by travel companies and tourism destinations. They can help consumers connect to one another in communities and move the distribution process into a more complex stage of engagement where there is a relationship and active participation of the consumer beyond the mere commercial transaction.

At the least, the shift from “price” to “exclusivity” reflects the sensitivity to contemporary trends and situation when “value” is more than money. Participating in tourism has been always the source of some exclusiveness. A trend towards experience has developed that feeling of uniqueness and contrast to mass tourism. It can be even stronger when a tourism customer has the ability to create his/her tourism experience according to his/her needs. This approach is consistent with modern revenue and yield management techniques, which focus rather on the management of demand than

supply, in contrast to the management tools used previously. G. Nuno [2013, p. 22] states that “until now, the management of the tourism business was conditioned by the premise that supply was a perishable good, a fact that reached its height with the over use of the *last minute sales*”. The author claims that this management philosophy turned out to be inadequate because “it entailed a set of limitations to the process and financial performance of tourism businesses, namely in the loss of benefits and inadequate *cash flow*, which were insufficient to the business financial needs.”

The new philosophy allows a dynamic product/service relationship determined by tourism demand and stimulates early booking philosophy, enabling and improving the anticipation process [Abrate *et al.* 2012]. Moreover, the new 4E’s paradigm may protect tourism companies and destination from merely competing for price, which becomes extremely risky not only for the business entities but also for the industry as a whole, given the potential price wars and succeeding dumping [Nuno 2013].

Conclusions and Guidelines for Future Research

The aim of this paper has been to demonstrate the range of topics generated by the Experts’ Group discussion held during the 1st Tourism Forum of Carpathian Countries in Rzeszow (May 2014). Participants were interested in a range of factors that will broadly impact the destiny of the tourism industry. The current strategic options of tourism companies generally reflect the circumstances of a context that is increasingly global, interdependent, uncertain, technological, and focused on sustainability issues.

Tourism faces a scenario of change conditioned especially by the increase of demand, new values, and premises (sustainability and social responsibility, leisure value), maintaining results of the global economic slowdown that are clearly visible within the needs and lifestyles of Generation Y. The Future Wheel mind-mapping technique enabled to identify plenty of trends and issues that shape the contemporary tourism market and influence marketing tools and techniques. However, like in any other future exploration methods, the results of the abovementioned analysis should be discussed further, as the change in the marketing management paradigm is just one of numerous possible repercussions occurring in the field of tourism industry strategies.

First, a more thorough approach to demand is needed, namely on the consumer behavior level. Second, the diversity of challenges introduced by the new (mobile) media emergence and continuous development, also needs special attention due to multivariate changes it may produce both on the demand and supply side of tourism market (new potential markets, new consumer behavior, enhanced power of consumers, new product concepts and new forms of marketing and management tools). Third, the nature of

changes described in the paper are not completed processes: due to its heterogeneity, the tourism and travel industry faces a set of interdependent circumstances that need to be monitored and analyzed as transformation vectors (using different case studies and future scenarios).

Last but not least, the Experts did not discuss the policy problems of tourism development (the final P in the STEEP analysis), as they found the social, technological, and environmental problems more important from the marketing point of view. However, the position seems quite unconvincing as all the trends discussed above derive from the political environment.

So far, the Experts agreed that the impact on the travel and tourism industry resulting from the global economic slowdown, new social and consumer trends, and emergence of Generation Y with its unique needs, requirements and lifestyles, has led to a shift from the traditional (classical) marketing paradigm of the 4P's to the new 4C's or even 4E's models. As it is a structural dimension, consecutive exploration should be held to deepen the issue, to look for operational directions and to indicate the concrete actions to be taken by tourism businesses and destinations.

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NOWE PARADYGMATY MARKETINGU JAKO ODPOWIEDŹ NA WIODĄCE TRENDY KONSUMENCKIE ORAZ ICH WPŁYW NA BRANŻĘ TURYSTYCZNĄ

Abstrakt

Cel. Artykuł poświęcono identyfikacji wiodących trendów konsumenckich i ich znaczeniu dla kształtujących się nowych paradygmatów zarządzania marketingiem.

Metoda. Zastosowano kombinację 3 metod (mindmapping, analizę STEEP oraz dyskusja panelowa), przeprowadzonych w trakcie warsztatów eksperckich z uczestnictwem praktyków rynku turystycznego, ekspertów naukowych i specjalistów z branży nowych mediów. Za pomocą procesów intuicyjno-logicznych zidentyfikowano trendy kształtujące współczesny rynek turystyczny.

Wyniki. Artykuł zawiera identyfikację i charakterystykę nowych, globalnych trendów konsumenckich oraz ich wpływ na rynek turystyczny. W wyniku dyskusji sformułowano dwa paradygmaty funkcjonujące obecnie w obszarze marketingu.

Ograniczenia badań i wnioski. Wyniki analizy powinny podlegać dalszej dyskusji, ze względu na fakt, że zmieniający się paradygmat marketing jest zaledwie jednym z wielu następstw zmieniających się współcześnie trendów rynkowych i konsumenckich. Zróżnicowanie wyzwań będących następstwem zmian trendów i pojawienia się nowych technologii wymaga szczególnej uwagi, ze względu na różnorodność zmian wywoływanych po stronie podaży i popytu turystycznego. Branża turystyczna ulega nieustannym przemianom, wymagającym monitorowania i okresowych analiz.

Implikacje praktyczne. Artykuł stanowi istotną wartość z punktu widzenia badaczy rynku turystycznego i praktyków tym bardziej, że grupa panelistów biorących udział w warsztatach eksperckich objęła przedstawicieli pięciu wiodących organizacji turystycznych, praktyków branży nowych technologii, pracowników naukowych i przedstawicieli biznesu turystycznego.

Oryginalność. Artykuł wnosi nowe spostrzeżenia do dorobku badań naukowych dotyczących rynku turystycznego, ważnych z perspektywy planowania rozwoju tej branży na poziomie krajowym i regionalnym oraz prowadzenia działalności gospodarczej na rynku turystycznym. Wyniki przeprowadzonych dyskusji i badań literaturowych pomagają zidentyfikować i ocenić znaczenie omawianych zmian oraz ich wpływ na przyszły kształt rynku turystycznego. Dodatkową wartością pracy jest jej znaczenie dla międzynarodowych grup ekspertów zajmujących się przyszłymi trendami rynkowymi.

Rodzaj pracy. Praca badawcza.

Słowa kluczowe: trendy konsumenckie, zarządzanie turystyką, paradygmat marketingu, marketing ponowoczesny.