Export recommendations UK

Ardenne & Gaume Campingvakanties

 Final version

24/06/2010

Hogeschool Utrecht

Kristel Ehmer

1523392

Stage 2

MCIL-VSTAGE2-06

**Preface**

This thesis has been written as the final and compulsory part of my study International Business and Languages. With the task of writing a country portfolio plan for the British market, I transformed into a real consultant for the last five months. In order to gain insight into the British market, a ‘greenfield’ for Ardenne & Gaume, a broad analysis has been made. I hope this thesis provides the information needed for Ardenne & Gaume to make the right decision on whether to enter this country and even more important on how to enter this market (B-to-B and B-to-C).

This analysis has been written with the help of Ardenne & Gaume internship coach: Jeroen Henneke and Parc la Clusure: Jan Jehee and Lidie van der Sijs in particular. I sincerely want to thank them for the time and effort they put into our meetings (both personal contact and contact by e-mail). I also want to thank them for providing me with useful information so I could start and finish this assignment properly.

Then I want to thank the persons which I interviewed. Especially Jacqueline Haers, who gave me real insiders information, which helped me a lot in creating the right strategy.

Last, but *definitely* not least, my thank goes out to Hylda Kuiper, my internship coach from the University of Applied Sciences Utrecht. Without her help and guidance, the quality of this thesis would not be what it is now. The time she spent on giving me profound feedback, really meant a lot to me.

I really enjoyed passing through every step of the process of writing a country portfolio analysis. It became clear to me that a structured process is a key factor in order to successfully enter a new market.

For now, I wish you delight and insight when reading this thesis.

Kristel Ehmer

**Table of Contents**

[**Recommendations** 4](#_Toc233003633)

[**Introduction** 5](#_Toc233003634)

[**Executive Summary** 6](#_Toc233003635)

**Recommendations**

After a thorough analysis of the UK market, I can confidently conclude that entering the English market is a realistic possibility for Ardenne & Gaume at this point in time. In other words, a GO advice is given.

I advise Ardenne & Gaume to start making an entrance on the English market at the end of 2010/ beginning of 2011 with taking the first steps to get the process going and in making the first adaptations. The basis is the information provision. Later on, Ardenne & Gaume will be able to expand its activities into the UK in making contact with the potential partners/ travel agents.

The research has shown that the best way of achieving success in the United Kingdom is by following these steps:

* 2010: Firstly, adjust the English parts of the website in order to make it more suitable for the English market, just as adjusting the information brochures of Ardenne & Gaume itself and each connected camping. Suggestions can be found in the marketing communications plan of the enclosure; If attainable, the 2011 edition of the A&G brochure should be in English;
* Translate the PR information in English;
* (Optional) Set the buying of the domain name www.ardenne-gaume.com into motion in order to appeal more to the English market;
* 2010: Select a suitable tour operator and make a start with the approach, since this will take a lot of time (a list of potential candidates and their contact details can be found in enclosure 4.4.1);
* The agreement/ partnership with the travel agent should include what commission percentage (10 – 20%), allotment flexibility and if a contribution to the brochure must be paid (rather not) in order to target and reach the consumers;
* There is a big market for group travel in the UK; In order to reach the segment of ‘groups’ it is advisable to arrange a group travel part in the brochure of the cooperating tour operator. The ideas for guided travel will visit all of the five camping of Ardenne & Gaume and guided trips will be undertaken in the Belgian Ardennes and Gaume area;
* Make sure that the advertisement(s) in the brochure of the partner tour operator is ready before the publication of the next edition of the following year; If attainable 2011 edition;
* At the end of year 1, evaluate your results, in order to decide whether to continue on the English market. Also take into consideration which steps need improvement to be more successful in the future.
* Option: Attract another tour operator to cooperate with;
* 2011: Improve both the search engine optimization and search engine advertising by engaging the company *‘traffic4u’* or an internship student with an education for web design / improvement;
* 2011: Improve the social media part of the website to take part in this trend. Again an intern (educated for web design) can be hired to set up and upkeep the social platforms.

I hope these steps are a guideline for Ardenne & Gaume on how to enter the English market. Further elaboration on these steps can be found in the report and enclosures.

**Introduction**

A very broad analysis has been made in order to give a useful and implementable piece of advice on a possible entry of the British market for Ardenne & Gaume Campingvakanties.

*Problem definition*

At the moment, most of the turnover is generated from camping guests and tourists from Holland and

Belgium. The vision and target for the upcoming years is to attract visitors from other countries within the EU, thus in order to succeed, it is necessary to investigate new markets.

Because of the objective to grow, different countries within the EU have been investigated, prior to choosing one. After the outcome of the analysis and consultation, the UK has been chosen to be the country that has been worked out in this Thesis.

A potential growth market seems to be the United Kingdom, since camping is very popular amongst some of the English. Since A&G is not sure how to enter this market whilst attracting both consumers (B-to-C) as organizations (B-to-B) to cooperate with, an extensive analysis of this market is needed.

This thesis has been compiled in order to gain insight into the British market and to provide an implementable advice Ardenne & Gaume needs. This format can also be used for other potential markets in the future.

In order to address the problem properly, a research question has been formulated:

* How can Ardenne & Gaume realize growth on the British market in a structural manner?

To successfully address the research question, six sub questions have been formulated:

* What is the current situation of the British market and how big is the potential market for A&G on this?
* What is/are the target group(s) of Ardenne & Gaume and what are the qualities?
* How should A&G organize its marketing communications in order to reach the target market?
* How can internet be used to reach the British market?
* Which organizations are interesting to cooperate with for A&G and how can they be approached (potential partners)?
* What growth scenarios are possible for Ardenne & Gaume Campingvakanties?

These questions have all been addressed and answered in this thesis, as well as partially in the executive summary.

*Research methods*

This thesis has been written with the means of both field and desk research. Literature, magazines, internet data and books are used while analyzing the market.

Qualitative information has been gathered by interviewing three key persons who have been working in the touristic area of the UK and by interviewing 4 guests who spend their holiday at Parc la Clusure (internship location of the student).

Besides that, various marketing theories and models have been used in order to further analyze and evaluate the possibilities.

**Executive summary**

 **Internal analysis**

Ardenne & Gaume is a relatively small company that exploits camping holidays in the area of the Belgian Ardennes and Gaume. The group consists of five campings where a form of franchising is handled. A&G has little to no experience with the English market and have had solely experience with direct and indirect (tour operators) export on the Dutch market. Ardenne & Gaume’s target groups consist of groups, adults with young and older children, young and older couples that enjoy camping and caravanning. The financial structure is strong, since each of the five campings makes their own profit, but invests a part of their marketing budget, of which Ardenne & Gaume can exist and do marketing activities.

**Country analysis**

The analysis and the use of the filter model have shown that Denmark and the UK have the most potential. After consultation the decision has been made to continue with the United Kingdom in doing research and writing a country portfolio strategy in the form of export recommendations for this market.

**DEPEST**

The DEPEST analysis has shown that the UK as a whole has suffered under the economic crisis, which is a force to be reckoned with. The country is now slowly coming out of it, since the Pound is regaining its position compared with the Euro. The British consumers are cutting back on their spending, and regarding to holidays, they are looking for less expensive ways, which makes camping and caravanning more popular. Furthermore, the United Kingdom is safe and secure regarding to politics and has high social standards and prosperity.

*Market size*

The total market size of the UK consists of 61.11 million people of which the total amount of euro’s per capita is € 22433.54 and this is above the average, compared to other European countries. Within the UK, the largest amount of people lives in the constituent country of England of which the capital city London has the most number of inhabitants.

*Market potential*

In 2008 the number of people that visited campsites was 4.4 million. There are two large clubs for campers and caravanners within the UK; The Camping and Caravanning Club (CCC) and the Caravan Club (CC). Respectively they have over 460,000 and 375,000 fixed members and in addition, more than a million people (no members) make use of their service. These are all potential visitors of a camping of Ardenne & Gaume. The number of holiday companies and site operators is large in the UK and thus the competition is large. Besides these companies, there is also the industry associations that have a big share in this market.

*Market development*

The credit crunch has caused the English citizens to cut in their spending. Especially the caravanning market has been seeing a positive development out of this, since this is a cheaper way of spending a holiday and more people are choosing for this type of vacation.

***“****Before the credit crunch, camping and caravanning tourism was in a state of decline, mainly because there were other affordable forms of tourism that were perceived as a higher status holiday. Now, two factors appear to have turned the sector around. First, the recession came into play, meaning that holidaymakers could not so readily afford other types of holiday; and second, the evolution of camping and caravanning into a much different product has led to it becoming more visible, meaning that the sector has begun to look as attractive as other competing types of tourism”*

These developments are very favorable for Ardenne & Gaume and it can be concluded that there is a large potential market for them.

**Porter’s five forces**

The analysis shows that the English market is a very interesting but tough market for Ardenne & Gaume to make an entrance on. They have a strong position looking at the bargaining power of suppliers and buyers. There is a small threat because of the high number of competitors (both campings and countries). Still, the strong label and beautiful environment where the campings are located makes it possible to compete against these competitors. The high bargaining power of buyers needs to be considered as well.

**Buyer Analysis**

The market in the UK can be divided into various segments, where the most relevant of these have come forward. The segments with the most potential turned out to be families with(out) children (both young and older children), couples and large groups. There is not one particular segment that stands out, so all segments are relevant for Ardenne & Gaume in which attracting groups can be most efficient.

Looking at the benefits sought, the English buyer wants to have a relaxing holiday and this can be fulfilled by having a qualified campsite with large pitches, clean facilities and the environment they choose. It has to be different than their day-to-day life and the scenery does matter.

**Market research**

Marketing problem

At the moment, most of the turnover is generated from camping guests and tourists from Holland and thus, most of the marketing communications are aimed at this country. Ardenne & Gaume camping holidays wants to expand their market and has set a new vision and target for the upcoming years; to attract visitors from other countries within Europe. The analyses that have already been done, showed that UK is an attractive market with a big amount of people spending their holiday with camping and caravanning. The central marketing problem that arises is the following:

• How can Ardenne & Gaume realize growth on the British market in a structural manner?

In order to make the right marketing decisions, market research is needed.

Market research objectives

The objective of the market research that will be done is to gather new information that is not present, or to confirm the information that has been found earlier through desk research.

The market research objectives are the following:

• Insight/understanding in how English people think, feel and act with regard to camping and what process takes place from the beginning (finding/booking holiday) until the end (evaluation afterwards);

• Insight/understanding in how a partnership is created;

• Gain enough information to develop a strong and implementable marketing communications strategy for the English market.

Market research problem

In the previous steps of the market research process came forward that insight and understanding of the market is needed, because Ardenne & Gaume wants to know if England is attractive enough to invest in. Therefore it is important to gather enough information to solve the marketing problem.

The market research problem is:

• Ardenne & Gaume needs to gather information about the attitude (communication, visits, use, needs, wants, expenditures of the English people)

Research questions

In this step of the market research process, one needs to determine what information is needed and what research questions need to be formulated in order to answer the research problem.

• What is the current situation of the British market and how big is the potential market for A&G on this?

• What is/are the target group(s) of Ardenne & Gaume and what are the qualities?

• How should A&G organize its marketing communications in order to reach the target market?

• What role does internet play and how can internet be used to reach the British market?

• Which organizations are interesting to cooperate with for A&G and how can they be approached (potential partners)?

• What growth scenarios are possible for Ardenne & Gaume?

The research questions mentioned above will be used in a survey.

Determination of possible sources

These market research steps are formulated to do qualitative research, because desk research has already been done. In-depth interviews will be held to gather the information needed.

Market research plan

The qualitative interviews will be held by interviewing both experts and ‘normal’ English citizens who have spend their holiday at one of the campings connected to the Ardenne & Gaume group. The experts have been selected carefully in order to gain the best possible information.

**To be interviewed**

|  |  |
| --- | --- |
| What:  | The Camping and Caravanning Club (CCC) |
| Who:  | Andy Dowdall, marketing manager |
| Where:  | United Kingdom |
| How:  | Via e-mail andy.dowdall@defriendlyclub.co.uk and telephone 0044 2476475122 |
| Why:  | Have over 460,000 members looking for new places to spend their holidays |
| Website: | [www.campingandcaravanningclub.co.uk](http://www.campingandcaravanningclub.co.uk) |

|  |  |
| --- | --- |
| What:  | Alan Rogers |
| Who:  | Catherine Morley, Travel Service Sales Manager |
| Where:  | United Kingdom |
| How:  | Via e-mail Catherine@alanrogers.com or telephone 0044 1580214027 |
| Why:  | Alan Rogers always has been the market leader on the camping marketThey are operating in the Netherlands and in the United Kingdom |
| Website: | www.alanrogers.com |

|  |  |
| --- | --- |
| What: | Duinrell, attraction park, Netherlands |
| Who: | Jaqueline Haers, marketing manager |
| How: | Oral, 4th of May |
| Why: | Have partnership with/advertise at the Camping and Caravanning Club, The Caravan Club, Eurocamp Independent and Keycamp in the UK |
| Website: | [www.duinrell.nl](http://www.duinrell.nl) |

|  |  |
| --- | --- |
| What: | 4 guests |
| Who: | Living in UK |
| How: | By interviewing them personally when they are staying at the camping |
| Why: | Have spend their holiday at Parc la Clusure (camping of Ardenne & Gaume) |

The conclusion of the very interesting interview with Jacqueline Haers can be found on page 32 of the enclosures.

For English consumers, the benefit sought is relaxation in a nice environment, different than their day-to-day life. The way relaxation can be achieved is via the facilities they find important. Clean and new sanitary is seen as very important, just as large pitches. Within the nearby environment, towns and villages must be present to view and to enjoy the culture of the country. The economic situation is less bad than is used to be but it is still there. The interviewed persons also see the trend of camping and caravanning becoming more popular, because it is a cheaper way of spending a holiday.

Further results of the interviews and especially the gained knowledge have been processed into the:

**\***Segmentation part of the buyer analysis **🡪** Criteria what English people find important: wants/ needs;

**\***DESTEP **🡪** The English market (economic/ credit crunch and developments):

**\***Entry strategy **🡪** How can the English market + tour operators be approached:

**\***Marketing communications plan **🡪** The actual implementation to carry out the gained knowledge.

Respectively these are chapter 2.4, chapter 2.2, chapter 3.4 and chapter 5 of the enclosures.

**Competitor Analysis**

Many competitors have been found in the area of the Ardennes and Gaume (Belgium) and in Luxemburg. However, only a few of these are positioning themselves in the same segment as Ardenne & Gaume and have the same star ranking. Also the analysis showed that most of the competitors are specializing themselves by the environment they are in (river/forest), the range of facilities and use of social media. Ardenne & Gaume really puts the focus on the qualifications and prices they have won. Another unique selling point is that they are connected to camping cheque. They have marked out the entire Belgian Ardennes & Gaume area which makes English visitors that are looking for place to stay, always come to one of their campings.

**SWOT Analysis**

The SWOT analysis shows the following:

* Relatively large potential market combined with the strong financial position and large marketing budget is the key to success in the UK;
* Even though there is a relatively small knowledge base of the UK market within the company, the growing demand for ‘cheaper’ and camping/caravanning holidays should counter this weakness as Ardenne & Gaume offers this.
* The use of a quality mark and form of franchising, provides a strong base for Ardenne & Gaume whilst entering a new market if the current campings stay connected.
* The fact that Ardenne & Gaume has a small knowledge base of the English market, needs to be watched out for when entering this market.

**Growth Strategy**

Ardenne & Gaume is currently pursuing a market development strategy and this is also more suitable at this stage. For more information please see enclosure 4.3.

**Entry Strategy**

After a thorough analysis the best entry strategy for Ardenne & Gaume has turned out to be indirect via the use of a tour operator as travel agent. This mainly because of the restraint risk and the availability of tour operators that are specialized in camping and caravanning. Besides that the costs for promotional activities decrease since a tour operator will want to ‘sell’ the campings of A&G if they get a percentage of the commission in return.

**Objectives**

The objectives mentioned below are derived from the company objective Ardenne & Gaume set for the coming years. The marketing communication objectives are derived from the general marketing objective; the establishment of A&G on the English market. The communication objectives are more specific based on communication towards the target groups that have to be reached.

Company objective

* To grow by attracting more visitors from other countries starting from 2010;

Marketing objective

* Establishment of Ardenne & Gaume on the English market in the years 2010/2011.

Marketing communication objectives

* To attract at least one tour operator to cooperate with at the end of 2010, beginning 2011;
* To have at least 200 new English people spending their holiday at one of the five campings of Ardenne & Gaume in 2011, of which 40% stays for more than one night.

Communication objectives

* To establish and increase brand awareness amongst consumers (and tour operators) from 2010;
* To establish and increase brand knowledge amongst consumers (and tour operators) from 2010;
* To establish and increase a positive attitude towards Ardenne & Gaume amongst retailers (and tour operators) in 2010/2011.

**Proposition**

To define the proposition, one has to determine the added value of Ardenne & Gaume for English people as well as for tour operators, in comparison with other campings in Belgium and of course other countries.

*Proposition for B-to-B market: A qualitative strong mark, connected to European recognized four star campings in the geographically attractive area of the Belgian Ardennes and Gaume area, that offers good commission deals and bargaining opportunities.*

*Proposition for B-to-C market: The Belgian Ardennes and Gaume area are a place most rewarding visiting; Besides that Ardenne & Gaume guarantees a good service, clean and extensive facilities and large pitches on each of the five campings to make the stay of your holiday as nice, relaxing and comfortable as possible.*

**Marketing Communication Strategy**

Positioning

Ardenne & Gaume needs to choose a dual positioning that can be strengthened by a pay-off where the focus lies on the product benefits and the value for the tour operator and consumer (benefit sought):

Pay-off will be: “Let the beauty of the Belgian Ardennes relax/capture your mind”

This pay-off has been made after examining the results of the interviews what English people find most important during their holiday, (relaxation, different environment than their own). One of the words ‘relax’ or ‘capture’ can be chosen, since they both fit in the sentence.

**Marketing communications instruments and media**

Internet

Life today is impossible without the use of internet or the computer, since it is a heavily used communications device. Before approaching the market, the information provision in English needs to be in order.

*Website*

The website of a company is like a digital business card. Ardenne & Gaume’s website is only partially translated in English. Advisably is that it will be fully translated and that de domain [www.ardenne-gaume.com](http://www.ardenne-gaume.com) will be purchased to make it more accessible towards the English people. The same goes for the five campings connected to Ardenne & Gaume. The most important thing is that they can be viewed in English.

*Search engine optimization*

At the moment the website of Ardenne & Gaume is not that visible as it should be. In other words it should be optimized technically and textually to make it more popular for search engines as Google and its visitors.

The advised company to work with is *‘traffic4u’*, since they have a good qualification, book good results and have worked before with companies in the touristic area.

*Use of social media*

A company like Ardenne & Gaume has to keep up with the trends and competition. The use of social media can increase sales and brand awareness amongst the (potential) buyers. For more information and ideas of how to use the social media, please see page 41 of the enclosures.

The translation of the website, seo and use of social media can also be done with the help of an intern who is specialized in this area; This will decrease the costs and the results will still be visible.

Advertising

After having examined the outcomes of the interviews and the desk research, it can be concluded that Ardenne & Gaume has a lot of advertising options for promoting its campsites. However, before the actual advertising can take place, partners need to be attracted, since it will be cheaper or even for free of charge if they cooperate together. Please note: this has to be dealt with during contractual meetings.

*Brochures*

It is recommended to use advertising as a communication instrument to broaden consumer awareness of the English people. In order to reach the buyer and target group it is best to advertise in the magazines of the two most influential and popular clubs regarding to camping and caravanning: ‘*Summer camping*’ magazine of The Camping and Caravanning Club and ‘*Continental Caravanning*’ of The Caravan Club. There are hardly any competitors out of Belgium advertising and there is a great opportunity to offer group travel amongst the five campings of Ardenne & Gaume. For more information and ideas about this subject please see page 42 and 43.

*Search engine advertising*

Just as search engine optimization (seo), Ardenne & Gaume also needs to invest in search engine advertising (sea) since these two means are closely connected and dependent on each other. Also for this matter the professional company *‘traffic4u’* is recommended.

Public Relations

Besides advertising in magazines, it is also important that tour operators and the English public get to know Ardenne & Gaume. Public Relations are already an important factor in the Dutch market to increase sales, so it is important to try to achieve the same in the UK. Besides the magazines of the Tour operators, they have a monthly news letter and there exist independent magazines (for example Motorhome magazine (MHM)). If one of those want to publish something about the Belgian Ardennes or new players on the market, it is nice if Dutch PR information about the history of Ardenne & Gaume is available in English.

Promotion

English citizens who are interested in booking a holiday at one of the campings of Ardenne & Gaume need to be able to request some information. Ardenne & Gaume itself has a beautiful brochure with information about the Belgian Ardennes, background information about each camping (including tariffs) and tips for nearby attractions. Before making an entrance on the English market, this brochure needs to have an English version as well.

The same goes for information brochures and group information of the individual campings connected to Ardenne & Gaume. In order to be successful on the UK market, this information provision needs to be in English. The graduation student has already translated the brochure and groups information of Parc la Clusure during her internship, so this process has already started.

**Creative Execution**

The AA often has special offers for Hotels or Bed and Breakfasts in the Belgian Ardennes. As an example there has been made a format of an advertisement, a camping of Ardenne & Gaume can publish on the website of the AA. Please see chapter 5.5 of the enclosures.