



Small and Medium Enterprise Development
for Sustainable Employment Program



German Technical Cooperation

Small and Medium Enterprise Development for Sustainable Employment Program (SMEDSEP)

Establishment of a Tourism Marketing Agency in Negros
Occidental

Mission Report (February 4-13, 2006)

March 2006

Table of Contents

	Page
1. Framework and conduct of mission	3
2. Work carried out during mission	3
3. Assessment of NITIs current situation and perspectives	4
4. GTZ/SMEDSEP support role	6
Annexes	
Annex 1 - Terms of Reference	8
Annex 2 - Activity Plan	10
Annex 3 - Marketing Plan	12

1. Framework and conduct of mission

SMEDSEP has been instrumental in the establishment of Negros Island Tourism Incorporated in 2005. NITI was effectively and juridically created in fall 2006 and since then be receiving assistance from the SMEDSEP Programme. After that, NITI started its operations in Bacolod by setting up an office and by recruiting a marketing consultant. As NITI has been created as a tourism marketing agency, it is crucial that the organisation starts its marketing and promotion activities as soon as possible. The consulting mission aims therefore in supporting NITI in the first steps of its marketing operations. The objective of the Mission is to assist Negros Island Tourism in the

“Preparation of a Marketing Plan to promote Negros Occidental as a tourism destination to both local and abroad”.

2. Work carried out during mission

The key task of the mission was to prepare a marketing plan for NITI covering the period 2006-2007. For this purpose, several meetings with NITI Board members and the Marketing Consultant took place in Bacolod. The current and prospective operational and financial capacity of the organisation was assessed in order to adequately draft a marketing plan which can realistically be implemented over the next two years.

Furthermore, a workshop on tourism in the Visayas organized by the Department of Tourism in Iloilo was attended with a delegation from Negros Occidental. In Manila, the Secretary of the Department of Tourism was met and the development in the Negros tourism sector presented to him.

During the mission, a tourism trade fair took place in Manila and could be visited with the objective to gain first hand knowledge of practical promotion in the Philippine context.

During and after the field mission, the Marketing Plan 2006 – 2007 (ANNEX 3) has been drafted and submitted to SMEDSEP and NITI for comments.

3. Assessment of NITIs current situation and perspectives

NITI was publicly launched in the beginning of March 2006 at the Governors Office in Bacolod. This launch constitutes the official departure of the organisation into its professional activities. The public support from the Governor, some local Governments and many commercial establishments demonstrate the need for this organisation, but also underline the high expectations which the tourism sector has been expressing towards NITI.

Although NITI has already made a significant progress towards a professional marketing organisation by setting up an office and by contracting a marketing consultant, the next months should see a further intensifying in its operations.

So far, NITI has produced

- A membership flyer
- Some posters
- A film on “Adventure Negros”
- A promotional flyer on “Adventure Negros”
- A stand concept for the Cebu Tourism Trade Fair
- A CD with membership information and NITI presentation

In order to strengthen the institutional basis, NITI needs in a next step to

- Push a membership drive (board members/trustees undertake active member acquisition)
- Network with political and economic organisations/institutions in Negros Occidental

- Network with the Department of Tourism in Manila and the regional office in Iloilo
- Demonstrate its competence through professional marketing activities
- Materialize synergies with the Provincial Tourism Office
- Extend the composition of the Board (Governments, PAL; if supported by Board)
- Increase its public appearance in media

In order to strengthen its financial basis, NITI needs in a next step to

- receive outstanding membership fees from its members
- apply for Regional DOT funds
- seek sponsors for specific marketing actions based on the Marketing Plan
- apply for funds from the Provincial Government, the City of Bacolod, local Governments

In order to strengthen its operational basis, NITI needs to

- increase its technical and management capacity through recruiting a second officer
- kick off some of the recommended marketing activities for 2006 (in particular branding and corporate identity)
- start as soon as possible with the website construction
- deploy a detailed time frame for the Marketing Plan

4. GTZ/SMEDSEP support role

SMEDSEP has been providing assistance to NITI on a ongoing basis and particularly taken a mentoring position. This approach should be continued taking into account the varying absorption capacity of the organisation. As NITI transites a period of low liquidity due to slowly arriving membership contributions and other funding, it is important to enable NITI carrying out the first wave of promotion activities. An assessment of needs for office equipment should be made by NITI and discussed with GTZ/SMEDSEP.



ANNEXES

Annex 1 Terms of Reference

Annex 2 Activity Plan

Annex 3 Marketing Plan

ANNEX 1

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Terms of Reference

Short term mission to the Small and Medium Enterprise Development for Sustainable Employment Program (SMEDSEP) on the development of Marketing Plan of Negros Island Tourism, Inc. (NITI), a Tourism Marketing Agency in Negros Occidental

Time: Feb 1 to 10, 2006

Table of Contents

1. Background/Rationale
2. Objectives of the Mission
3. Scope of Work
4. Expected Output
5. Team Composition
6. Budget

1. Background/Rationale

The SMEDSEP Program is an integrated approach for the development of the private sector in the Philippines with a regional focus on the Visayas. Its over-all objective is: “State-run and private institutions create general business conditions in the Philippines, particularly in the Visayas, to harness entrepreneurial potential and encourage competition”. The Program comprises of four (4) components, namely:

- 1.) SME Policy/Enabling Environment for SMEs,
- 2.) Business Development Services (BDS) for SMEs,
- 3.) Access to Financial Services for SMEs,
- 4.) Demand-driven training programs for the workforce.

Components 2 & 4 is using the Subsector Business Service (SBS) approach to enterprise development for the priority provinces of Cebu and Negros Occidental. In Negros Occidental, the Tourism subsector was selected as the priority sector . A Tourism Subsector Analysis was prepared in order to gain greater understanding of the sector. Different fields of change and improvement were proposed. One of the proposals is the creation of a Tourism Marketing Agency which is now registered with the Securities & Exchange Commission under the name Negros Island Tourism, Inc. (NITI). As a marketing agency, NITI is tasked to promote Negros Occidental as a tourism destination.

ANNEX 1

2. Objectives of the Mission

The objective of the Mission is to assist the Negros Island Tourism, Inc. (NITI), a Tourism Marketing Agency in Negros Occidental to:

- Prepare a Marketing Plan to promote Negros Occidental as a tourism destination to both local and abroad.

3. Scope of Work

The Consultant shall study all the required documents of the project particularly the Negros Tourism Subsector Analysis and other available tourism data and information of Negros Occidental. He shall meet with the Board of Directors/Management of Negros Island Tourism, Inc. in order to get inputs in the development of a Marketing Plan.

4. Expected Output

Two weeks after completion of the mission to the Philippines, a draft report will be sent to the Senior Adviser BDS. The draft report shall be comprise of

- Marketing Plan of NITI

One week after receiving the comments, the final version of the report will be submitted.

5. Team Composition

Team shall be composed of:

One (1) International Tourism Expert with specific knowledge on tourism marketing
Rita Pilarca, Adviser, Business Development Services, SMEDSEP



6. Budget

International expert days required: tentatively 10 days.

Cebu City, 23rd day of December 2005

Markus Ehmann
Senior Adviser BDS
SMEDSEP

ANNEX 3

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DETAILED ACTIVITY PLAN of Gottfried Hilz-Ward

Nature of Assignment		Short term mission of Gottfried Hilz-Ward to the Small and Medium Enterprise Development for Sustainable Employment Programme (SMEDSEP) on Tourism Marketing Plan Development for Negros Island Tourism, Inc (NITI) in Negros Occidental		
Time Frame		February 4 to 13, 2006		
Objective		<p>The objective of the Mission is to assist Negros Island Tourism, Inc. (NITI), a Tourism Marketing Agency in Negros Occidental to:</p> <ul style="list-style-type: none"> - Prepare a Marketing Plan to promote Negros Occidental as a tourism destination to both local and abroad. 		
Date 2005	Time	Activities	Location	Remarks
Feb 5(Sun)		Arrival and check in at the hotel	Manila	
	5:00 PM	Briefing on the Mission	Manila	
Feb 6(Mon)	7:30 AM	Depart for Bacolod	Manila	
	10:00 AM	9:00 AM flight Arrival in Bacolod and check in at Bacolod Convention Plaza	Bacolod	
	12:00 AM	Briefing with Ruth Cruz & Alan Gensoli on the Mission	Bacolod	
Feb 7(Tues)	9:00 AM	Meeting/ Discussion with Ruth & Alan to draft Marketing Plan (Programs, Activities, Budget)	Bacolod	
	3:00 PM	Write up/Documentation		

ANNEX 3

Feb 8(Wed)	9:00 AM	Validation of the draft Marketing Plan with the NITI Board	Bacolod	
	3:00 PM	Working Meeting with SMEDSEP	Bacolod	
Feb 9(Thurs)	7:00 AM	Travel to Iloilo	Iloilo	
		Attend Tourism Summit in Iloilo and present Draft Marketing Plan	Iloilo	
		Coordination Meeting with DTI Director Abad	Iloilo	
	5:00 PM	Back to Bacolod		
Feb 10(Fri)	9:00 AM	Meeting with potential NITI Sponsors	Bacolod	
Feb 11(Sat)	9:00 AM	Meeting with NITI Sponsors	Bacolod	
	1:00 PM	Wrap Up Meeting with NITI		
	5:55 PM	Depart for Manila	Manila	
Feb 12(Sun)	10:00 AM	Visit Travel Tour Expo with NITI	Manila	
	2:00 PM	Write up/Documentation	Manila	
	5:00 PM	Debriefing/Review	Manila	
Feb 13(Mon)	8:30 AM	Debriefing with Program Manager	Manila	
	14:00 PM	Meeting with DOT Secretary		
Feb 14(Tues)		Depart for Palawan		

Marketing Plan 2006 –2007

Negros Island Tourism Inc.
Draft Proposal

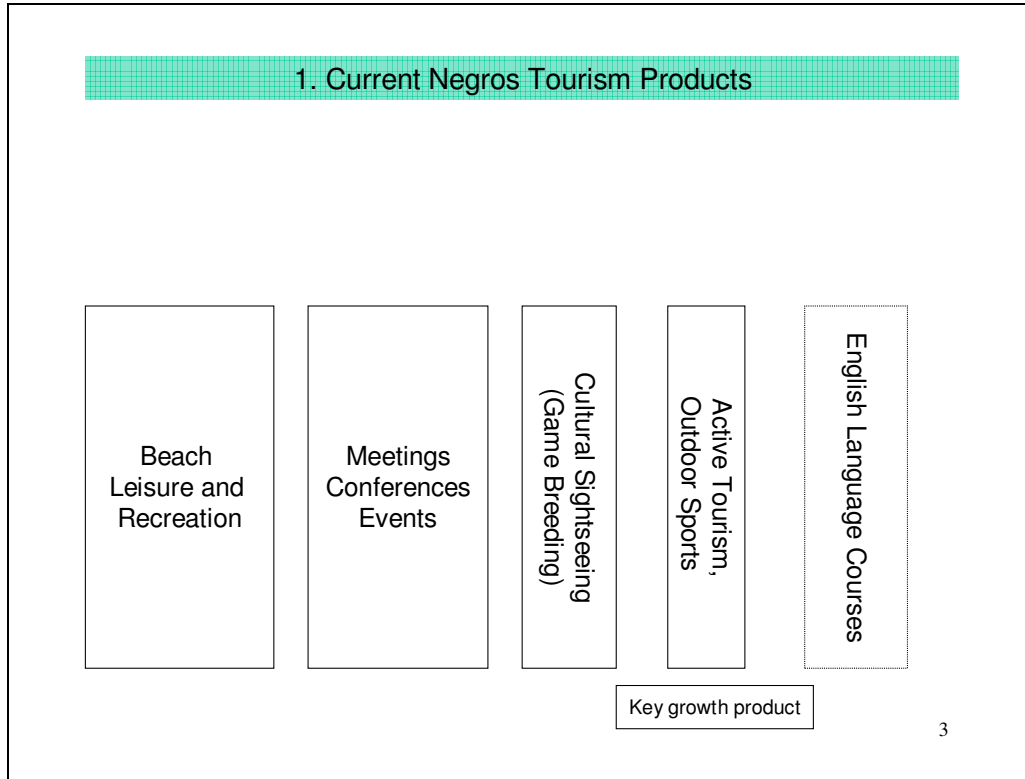
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Outline of Marketing Plan

1. Current Negros Tourism Products
2. Product Details
3. Improving the Product
4. Priorities for Marketing
5. Target Markets and Market Segments
6. Adventure Negros – Brand Strategy
7. **Destination Marketing Basic Promotion Material (Must Have) I**
8. **Marketing Actions**

2

ANNEX 3



2. Product Details

Beach Leisure	MICE	Active Tourism	Cultural Sightseeing	Language
<ul style="list-style-type: none"> • 65 beach and inland resorts • Excellent beaches and coves in Sipalay, Sagay, Escalante, San Carlos, etc • Leisure and water related activities for all target groups • Dive clubs 	<ul style="list-style-type: none"> • Bacolod hotel and conference facilities • Casino Filipino • Golf courses • Attractive side arrangements • Mambucal resort/ wellness 	<ul style="list-style-type: none"> • Diversity of landscapes and environments • Kanlaon National Park • Network of hiking trails in NP and beyond • Bicycle trails to/from Bacolod • Clubs to support products (guides) • Excellent diving grounds • Several dive clubs • 3 quality golf courses • Resorts for active tourism along beaches and in mountain areas 	<ul style="list-style-type: none"> • Variety of historic and other cultural sites • Old Silay heritage sites • Suger plantations and sugar mills • Steam railways • Bacolod City • Mascar Festival 	<ul style="list-style-type: none"> ▪ Language schools in Bacolod ▪ University courses ▪ Sufficient private accommodation

3. Improving the Product

Beach Leisure	MICE	Active Tourism	Cultural Sightseeing	Language
<ul style="list-style-type: none"> ▪Upgrading of resorts ▪Quality improvement programme (quality workshop) ▪Introduction of a quality label (Negros hospitality) 	<ul style="list-style-type: none"> ▪Focus on small and mid-size meetings and conferences 	<ul style="list-style-type: none"> ▪Mapping and preparation of hiking and biking trails ▪Signage of trails (sponsorship) ▪Increase trail system. Diversification (inter-island trails) ▪Organisation of guides, training and language training ▪Packaging and organisation of tours ▪Improvement of security in diving (decompression) ▪Definition of seasons for active products 	<ul style="list-style-type: none"> ▪Expand on-site experience ▪Analysis of cock fighting/ game breeding product 	<ul style="list-style-type: none"> ▪Product study ▪Analysis of product with schools and professional operators

5

4. Priorities for marketing

	State of product	Product type	Action
Product...	Is ready to sell	Beach holidays Meetings, conferences Scuba Diving Sightseeing tours Language class	Immediate marketing and promotion
	Needs organising	Golf packages Jet ski	Arrangements with golf clubs and tour operators Install focus groups
	Needs packaging	Mountain biking Road biking Hiking	Install focus groups Involve tour operators

6

5. Target Markets and Market Segments

Beach Leisure	MICE	Active	Cultural Sightseeing	Language
<ul style="list-style-type: none"> ▪Domestic: Families, couples, groups from Bacolod, Iloilo, Dumaguete ▪Domestic: Weekend package tourists from Manila and Cebu 	<ul style="list-style-type: none"> ▪Domestic: <ul style="list-style-type: none"> ▪Corporations from Negros, Cebu and Iloilo ▪Corporations with countrywide operations ▪Non-Governmental organisations ▪Public organisations from Negros ▪Governmental organisations ▪Scientific institutes ▪National associations (national meetings) 	<ul style="list-style-type: none"> ▪Domestic: <ul style="list-style-type: none"> ▪Amateur biking/ hiking groups ▪Expatriates ▪European biking enthusiasts ▪Trekking groups ▪Corporate groups, also incentive ▪students ▪Golfers (Phil., Japan, Korea) ▪International: divers (Europe, Taiwan, Korea) 	<ul style="list-style-type: none"> ▪Domestic: <ul style="list-style-type: none"> ▪expatriates ▪Students ▪Youth exchange ▪MICE programme from Cebu ▪International: <ul style="list-style-type: none"> ▪Groups and FITs (Europe), discovery tours 	<ul style="list-style-type: none"> ▪International: <ul style="list-style-type: none"> ▪Students learning English (Korea, Taiwan, Thailand, China)

6. Adventure Negros – Brand Strategy

NITI has chosen „Adventure Negros“ as the umbrella brand for promoting the destination. This brand signifies a change of direction to brands previously used for marketing. ‘Adventure’ products such as trekking, mountain biking, diving and others are only partially operational yet. It should be avoided therefore to position Negros as a pure adventure destination at this point. Leisure, sightseeing and MICE remain still strong products and need to be covered by the umbrella brand as well. It is recommended to create several sub-brands underneath ‘Adventure Negros’ where each product can develop its profile. Adventure Negros could therefore become a promotional slogan.

A principle objective is to focus destination promotion on a clear set of commercial and available products. The brand can use emotional images but needs to be in line with the product message.

ANNEX 3

7. Destination Marketing Basic Promotion Material (Must Have) I

Purpose: Material for hand-out, Tourist Information Office, Trade fairs, Promotion Events, Media information, Target group campaigns

1. General image brochure	Features images of destination, creates desire and shows travel opportunities; it is recommended to present themes (instead of regions) i.e. beach and coast, underwater, mountains and nature, Bacolod, people and culture. Includes map. Excludes information that needs frequent updating. Format A4 or slightly smaller, landscape or portrait. 12 pages. Highest quality possible .
2. Practical information kit/brochure	Delivers all essential information for planning a trip to Negros: Travel modes and times, local transport, accommodation incl. Tel., email, website, main visitor sites and opening hours, different types of restaurants, key tourism information offices. Additionally proposes selected itineraries, also for active tourism with contacts, etc. Includes map (more detailed than above). Frequently used format: A5 flyer or other compatible to image brochure
3. Meeting and event planning kit 3.1. Meeting/event promotion brochure 3.2. Practical meeting planner 3.3 Folder to hold brochures/flyers (also to hold additional flyers from individual hotels)	3.1 Features Negros as a top place for meetings and conferences. Creates interest and desire. Outlines the advantages/qualities of Negros. Accommodation, Culinary features, post conference programmes Relates to Adventure Negros. Addresses HR managers and Board members. Format A4, 8 pages. 3.2 Listing of venues with relevant details, appropriate catering establishments, excursion, sports, cultural events, transport, other suppliers, tour agencies, tourism offices.

9

Preparation of Promotional Material Corporate Identity

Ensuring that all promotional materials belong to the same family and express best the destination brand: Adventure Negros

- Collect comparable material from several different destinations and identify concept and styles of Corporate Identity
- Define own concept and prepare brief for designer specifying key elements of Corporate Identity such as logos, slogans, preferred colours and layout, format, etc. but allowing artist creativity
- Present and discuss analysis and brief in Board Meeting
- Request CI sketch proposals from 2-3 graphic designers at fixed price. Proposals shall include formats, layouts, letter fonts, coloring, papers, etc. for all basic print materials
- Present and discuss proposals in Board or General Membership Meeting and choose preferred proposal
- Contract designer for final design and tender print work

10

ANNEX 3

Destination Marketing Basic Promotion Material (Must Have) II

Negros Adventure Website/Portal - Actions	
Reserve www. Adventurenegros.com Web Address	
Design this first website as little complex as possible, without reservation functions, internal web, or sophisticated links	
Three main content categories: ▪Regions (I.e.Bacolod, Northern Coast, Southern Negros, Mountains) ▪Main products ▪Information (transport, accommodation, food, information, culture, etc) + NITI contact and information on NITI	
Website is crucial and urgent	

11

Destination Marketing Basic Promotion Material -Production

- Basic promotional material is outsourced to graphic designers and printing houses. NITIs role is to draft specifications, to supervise and monitor work
- NITI Board to discuss maquettes and draft design in view of optimising publication
- Promotional material shall be produced in an order of priority

12

ANNEX 3

Destination Marketing Basic Promotional Publications – cost estimate

Type	Amount-cost per item (estimated)	Total cost
1.General image brochure(for consumer)	P 100 x 10.000	P 1.000.000
2.1Practical information folder (for consumer)	P 50 x 10.000	P 500.000
2.2 Tour Operator Manual documentation (in holding folder), similar to 2.1	P 100 x 250	P 25.000
3.1 Meeting/event promo brochure (for corporate/association clients)	P 70 x 3.000	P 210.000
3.2.Meeting planner (for Human Resource managers)	P 20 x 3.000	P 60.000
3.3. Holding folder	P 100 x 3.000	P 300.000
Corporate Identity Design	P 3 x 25.000	P 75.000
Website design and initial operation		P 500.000

13

Destination Marketing Other Promotion Material (Should Have)

Theme promotional brochures	
Golf vacation	Should be produced only if several packages can be offered. Needs a tour operator for packaging and ground handling. Brochure could be co-financed. High quality publication.
Hiking and trekking guide (theme flyer)	Conditional to availability of guides and trail network
Negros by bicycle	Bicycle route map and planner Bicycle trail description (individual sheets per trail)
A divers paradise (theme flyer) Audio-visual documentation/promo on diving and dive sites	
Adventure Negros Resorts	Promoting beach and inland resorts, featuring the various fun and sport activities. Creating interest and desire. Structured in North, Central and South Region.

14

ANNEX 3

8. Marketing Actions - General

Action	Comments
Database of tour operators (from Philippines, Asian and European target markets) which are active in Negros products	
Conduct of market research, surveys on active tourism market segments	Aim is to obtain more detailed knowledge on specific target groups and how to reach them. Surveys could be done by tourism students as their degree works or other university research work. NITI itself should not carry out such surveys.
Build-up of a photo library of Negros and tourism-related images	Aim is to have a growing collection of photo images available for use in promo publications, PR articles, website, etc. Collect/copy available digital photos (high resolution only) and photo negatives from NITI partners Options: organize amateur photo competition or hire professional photographers
Study tour to international tourism trade fair in SE Asia with suppliers	Comparison of products, analysis of competitors, quality assessment, networking with tour operators
Media fam trip for Philippine journalists and tv	
Travel package promotion on website and in cooperation with sponsors (airline, shipping company, casino, etc)	In cooperation with tour operators

15

Marketing Actions - Leisure

Action	Comments
Organisation of a meeting with resorts on a sales campaign	Sensibilisation of resort owners for professional marketing
Sales training course for resort owners/managers	Trainer: experienced hotel/resort sales manager and/or tour operator 4Q 2006
Product presentation in Negros for Philippine inbound operators	
Benchmark Study comparing Negros Occ. resorts with Bohol and Negros Oriental	
Public Relation Campaign in Activity magazines (Philippines, USA, Europe, Southeast Asia)	Prepare standard PR articles, make available high quality photo material

16

ANNEX 3

Marketing Actions – Meetings and Events

Action	Comment
Set-up of a database of a) MICE infrastructure, services, suppliers in Bacolod and Negros b) Associations and corporations (potential clients) in the Philippines	a) - b) Information provided by hotels and business directories
Preparation MICE promo brochure and meeting planner	Attention to high quality
Organisation of either fam trip or product presentation to Manila and Cebu Professional Congress Organisers	One day event in Bacolod with presentations and visits to meeting facilities and hotels (in collaboration with Casino and airline)
Mailing promo brochure and meeting planner to multipliers: ministries, Governmental and NGO, embassies, chambers of commerce	
Mailing promo brochure and meeting planner to selected associations and Human Resource managers	

17

Marketing Actions – Active Tourism

Action	Comment
Press releases to biking magazines and advertisements for biking packages	Attractive and feasible products must be available. Be done with inbound tour operator.
Fam trips for active tourism TOs from Europe and US	In cooperation with major inbound operator in Manila
Participation in Dive Expo 2007 in Bangkok	
Networking with golf clubs and associations in target markets	

18

ANNEX 3

Marketing Actions – Other

Action	Comment
Market study on English language classes and courses in Taiwan, China, Thailand, Japan	Desk survey, contacting universities and language schools Cooperation with Bacolod training institutes
Preparation of information/promotion folder for language studies	Cooperation with Bacolod training institutes
Advertisement and board notices in language schools and universities in target markets	

19

Proposed Marketing Action Programme 2006

Main Actions	Cost estimate in P
Design and opening of destination website	500.000
Corporate Identity and Corporate Design	75.000
Production of general image brochure	1.000.000
Tour-operator and MICE database	
Photo library	20.000
Sales training for resort managers	
Resort product presentation	

20

ANNEX 3

Proposed Marketing Action Programme 2007

Main Actions	Cost estimate in P
Production practical information kit	500.000
Meeting and event theme brochure and planning kit	270.000
Tour Operator Manual and Holding Folder	25.000
Product presentation in Negros for Philippine inbound operators	
MICE mailing campaign, multiplier lobbying	
Consumer tourism fair Manila or special interest trade fair	
Media fam trip for Philippine press	
Launching of travel packages and promotion on website and with sponsors	

21